



MINUTES OF THE ORDINARY MEETING OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE held at the Council Chambers, 253 Crawford St, Queanbeyan on Thursday, 16 September 2021 commencing at 9.30 a.m..

ATTENDANCE: All attended via zoom

Present:

Andrew Cox	(External Chairperson)
Carolyn Rosetta-Walsh	(External member)
Max Shanahan	(External member)
Pete Harrison	(Councillor)

Also Present:

Peter Tegart	(CEO) – joined the meeting at approximately 10.30am
Andrew Knight	(Portfolio General Manager Organisation Capability)
Kate Monaghan	(CFO)
Ricky Tozer	(Service Manager Workplace and Governance)
Michael Kharzoo	(Audit Office of NSW)
Andrew Marsden	(O'Connor Marsden and Associates)
Kylie McRae	(O'Connor Marsden and Associates)
Anita Cakalic	(ARIC Secretary/Risk Specialist)

ARIC members held in-camera sessions with Michael Kharzoo from the Audit Office NSW and Andrew Marsden and Kylie McRae from O'Connor Marsden and Associates.

1. APOLOGIES

Resolved

The Committee noted the late attendance apology from Peter Tegart.

2. DECLARATIONS OF INTEREST

Resolved

No disclosures were made by Committee members of any interest in the matters under consideration at this meeting.

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Ordinary Meeting of the QPRC ARIC held on 16 June 2021

Resolved

That the Minutes of the Ordinary Meeting of the QPRC ARIC held in the Queanbeyan Council Chambers on Wednesday 16 June 2021

be confirmed.

Moved: Max Shanahan

Seconded: Pete Harrison

4. ARIC - ACTIONS ARISING FROM PREVIOUS MINUTES

4.1 Actions Arising Report

Resolved

That the Committee:

- a) Noted the report be received for information.
- b) Noted that actions arising 4.1 from 18 March 2021 could be closed when a post-test report is provided to the ARIC.
- c) Agreed that action item 5.3 (b) Final Report on Disaster Recovery (DR) is to remain open until the details of the criteria used for the audit are provided to the ARIC.
- d) Clarified that action item 5.3 (c) Final Report on DRI is for a DR maturity assessment to be prepared.
- e) Agreed that item 6.3 can be marked complete as this item has been included in 2022/23 internal audit plan.
- f) Agreed that item 7.4 on policy harmonisation was not completed and that there would be a further discussion on resolution of this matter between the Portfolio General Manager Organisation Capability, Service Manager Workplace and Governance, Governance Specialist and Councillor Pete Harrison.

4.2 ICAC Operation Dasha - Canterbury Council

Resolved

That the Committee:

- a) Noted the report be received for information.
- b) Recommended that Council implement actions where there are opportunities to improve controls in relation to recommendations 3, 21, 23 of the ICAC Operation Dasha report.

4.3 Internal Audit Protocol

Resolved

That the Committee noted the report be provided.

4.4 Policy Harmonisation Update

Resolved

- a) That the Committee noted the report be received for

- information.
- b) That a report on the Policy Harmonisation project is to be included in the ARIC work plan as a standard report item under Governance, until the completion of the project, at which stage the review of policies are returned to a business as usual activity.
 - c) That the framework for policy review, and assurance of policy compliance, needs to form part of a compliance program. This issue will be discussed further as it is an area of focus for Council.
 - d) That target dates, for policies still to be harmonised, will be included in future reports.

5. AUDIT REPORTS

5.1 Audit Office NSW Update

Resolved

That the Audit, Risk and Improvement Committee noted the verbal update provided by the Audit Office of NSW.

5.2 Interim Audit Management Letter 2021

Resolved

- a) That the Committee noted the Management Letter on the Interim Phase of the Audit for the year ended 30 June 2021 and monitoring of the progress of management actions.
- b) That clarification from the Audit Office NSW would be sought on the application of the 'low' ranking assigned to two of the items listed in the Appendix of the report against the Final Management Letter 2020.

5.3 OCM Internal Audit Report

Resolved

That the Committee:

- a) Noted the report provided by OCM.
- b) Agreed that the Internal Audit of Disaster Recovery Arrangements for Operational Technology would be included as the first audit undertaken in 2022 replacing the audit of IT Governance.
- c) Presentation to be provided at the next ARIC meeting in December by the Service Manager of Utilities on the digital security of operational technology related to sewage management.

5.4 Internal Audit Report - Overtime

Resolved

That the Committee noted the final internal audit report on overtime.

5.5 Internal Audit Report - Project Management

Resolved

- (a) That the Committee noted the final IA report on Project Management within QPRC.
- (b) OCM to provide the ARIC with details of the criteria used for this audit.

Andrew Marsden and Kylie McRae left the meeting at 11.35 am

5.6 Status of Audit Recommendations

Resolved

That the Committee noted the report.

6. REPORTS TO ARIC - ITEMS FOR INFORMATION

6.1 Financial Statements Subcommittee

Resolved

- a) That the report be received for information.
- b) That the Committee noted the commentary on the issue around revaluations, the options discussed and implications for the external audit opinion.

6.2 Report to ARIC on the 20/21 Financial Statements

Resolved

The Committee:

- a) Noted the report provided
- b) Resolved to endorse the signing of the draft financial statements by Council, notwithstanding that the Audit Office have been advised that late adjustments will be made to account for the revaluation of infrastructure and contributed assets.

Moved: Max Shanahan

Seconded: Carolyn Rosetta-Walsh

- c) Agreed, based on the advice of the external auditors, that an extension to the finalisation of the Financial Statements would be sought.

Michael Kharzoo left the meeting at 11.53 am.

6.3 CFO Status Report**Resolved**

That the report be received for information.

6.4 ICT Report Sep 2021**Resolved**

That the report be received for information.

6.5 Torque Software**Resolved**

- a) The Committee noted the presentation provided by Torque Software.
- b) Presentation to be circulated to ARIC members.
- c) That the source of funding to procure Torque Software was provided from the internal audit budget. This had not been discussed with the ARIC which has carriage of the Internal Audit Plan. The Service Manager Workplace and Governance suggested an alternative source of funding may be possible.

6.6 ARIC Charter Annual Review and review of tenure**Resolved**

- a) That the Committee received the report for information.
- b) Tenure of members to be determined.

6.7 ARIC Annual Report 2020-2021**Resolved**

That the report be received for information.

6.8 Draft Guidelines for Risk Management and Internal Audit Framework for Local Councils in NSW**Resolved**

- a) That the report be received for information.
- b) That the Chair will obtain the Institute of Internal Auditors-Australia response to NSW OLG so QPRC can consider whether to prepare its own response.

6.9 External Reports of Interest

Resolved

- a) That the report be received for information.
- b) Items of interest to be extracted from reports and provided to the Chair out-of-session.
- c) Council to review external reports of interest as they arise and provide self-assessment reports on how QPRC rates in relation to relevant recommendations.

7. SENIOR MANAGEMENT PRESENTATIONS

This item was deferred to the December meeting of the ARIC

8. GENERAL BUSINESS

No general business.

The meeting concluded at 12.58 pm.

Next meeting: 9 December 2021 at 9.00 am.