



MINUTES OF THE ORDINARY MEETING OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE held at the Nellie Hamilton Centre, 257 Crawford Street, Queanbeyan on Monday, 9 December 2024 commencing at 9.30 AM.

ATTENDANCE

Members Present:

Rhonda Wheatley	External Chairperson
Carolyn Rosetta-Walsh	External Deputy Chairperson
Diana Hamono	External member
Cr Morgan Broadbent	Councillor – non-voting member

Also Present:

Rebecca Ryan	General Manager
Kate Monaghan	Director – Corporate Services
Furqan Yousuf	Audit Office of NSW – (via teams)
Yas Wickramasekera	O'Connor Marsden and Associates - (OCM)
Caitlin Flint	Manager Governance, Legal and Risk
Matthew Dale	Acting CIO (for items 4.4, 4.5, 6.1)
Tracy Sligar	Chief Financial Officer (for items 4.2, 4.3)
Martin Townsend	Executive Manager, JLT Public Sector NSW
Steve Eckart	Divisional Manager – Risk, Statewide Mutual – (via teams)
Anita Cakalic	ARIC Secretary/Risk and Internal Audit Coordinator
Lesley Smith	Audit and Risk Administrative Officer (Minutes)

Meeting opened 9.30am

1. APOLOGIES

No apologies received.

2. CONFIRMATION OF MINUTES

3.1 Minutes of the Special Meeting of the QPRC ARIC held on 5 September 2024

Resolution

That the Minutes of the Special Meeting of the QPRC ARIC held via teams on Thursday, 5 September 2024 were confirmed.

Moved: Carolyn Rosetta- Walsh

Seconded: Diana Hamono

3.1 Minutes of the Ordinary Meeting of the QPRC ARIC held on 9 September 2024

2. CONFIRMATION OF MINUTES

It was noted that the Chair did include the table of Internal Audits conducted in her annual report presented to Council – minutes to be amended.

Resolution

That the Minutes of the Ordinary Meeting of the QPRC ARIC held in the Nellie Hamilton Building on Monday 9 September 2022, as amended, were confirmed.

Moved: Carolyn Rosetta- Walsh

Seconded: Diana Hamono

3. DECLARATIONS OF INTEREST

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

4. ARIC - ACTIONS ARISING FROM PREVIOUS MINUTES

4.1 Actions Arising Report - November 2024

The Committee noted the progress made to date on actions arising from former meetings and discussed and noted:

- **5.8 – Delegation Training** – is conducted as part of a suite of financial and budget management training programs for all new starters on commencement and every two years after commencement in further detail.
- **6.8 – ICAC Operation Hector** – it was noted that the use of one of the Downer subsidiary companies had a notable increase of value of contracts over the past three years. It was recommended that the 2023/24 contract be reviewed for any anomalies.

Resolution

1. That the Audit, Risk and Improvement Committee confirmed the status of action items
2. Review the contract, contract value, and expenditure associated with the 2023/24 expenditure related to Downer subsidiary.

4.2 Financial Statements Sub-Committee

The Committee outlined a meeting held on 12 November 2024 where the history for the Financial Statements Subcommittee was discussed and evaluated for value add for managing risk within QPRC.

It was agreed that the Financial Statements Subcommittee will be dissolved and, to better enable ARIC to meet its statutory obligations, the Committee will be provided with Council's quarterly budget review documents with a summary of any major movement between quarters and progress against the financial statement preparation project plan.

Resolution

1. Confirm that the Financial Statements Subcommittee has been dissolved as per the meeting held on 12 November 2024.
2. Note the reports to be provided by the CFO for future ARIC meetings.

Moved: Carolyn Rosetta- Walsh

Seconded: Diana Hamono

4.3 Abbeyfield funding

The committee received a verbal report from the CFO and discussed and noted:

- The Abbeyfield project is to provide senior's housing for the community in Bungendore.
- The current status of the project.
- Funding for this project was originally provided as part of a larger NSW Stronger Communities Grant. The Stronger Communities Grant funds were expended, however the Abbeyfield project was not completed.
- The grant of \$500,000 was to assist with the Council DA process (e.g. required studies).
- The creation of an internal reserve to ensure funding agreement obligations are met.

Resolution

1. That the verbal update provided by the CFO was received for information.
2. A copy of the Council report on the Abbeyfield project be forwarded to ARIC members out-of-session.

4.4 Essential Eight - Local Government Self-Assessment QPRC Nov 2024

The Committee discussed and noted:

- The Cybersecurity NSW self-assessment report on Essential Eight.
- That the criteria for self-assessment is different to other assessments generally used.
- The Digital team are in the process of implementing solutions to mitigate the risk identified through this self-assessment .

Resolution

That the report was received for information.

4.5 2024 JLT Cyber Risk Report

The Committee discussed and noted:

- That JLT has mapped the Essential Eight to Twelve Key Controls which have been recommended for Council to implement to mitigate risks within Council's IT systems and networks.
- This self-assessment has shown improvements over the past three years in six key controls, with opportunities identified in four others. Two key controls remained consistent over the three year self-assessment period.
- Compared with other Councils in NSW, QPRC was above the benchmark in six key control areas.

Resolution

1. That the report was received for information.

4.5 2024 JLT Cyber Risk Report

2. Request a presentation from JLT on the Cyber Risk Report at the next ARIC meeting.

5. AUDIT REPORTS**5.1 Audit Office of NSW - November 2024****Resolution**

That the verbal update provided by the Audit Office of NSW was received for information.

5.2 Status of Agreed Audit Actions - as at 28 November 2024

- The Committee commented on how well Council is progressing in achieving Audit outcomes, however there are data gaps that need addressing in the report provided to them.
- All requests for extending due dates for completion of actions are to be approved by the ARIC.
- Any outstanding actions will be closely monitored by the Committee.
- In particular, ARIC has requested that:
 - All duplicated Audit actions continue to be consolidated and updated within the system.
 - Any changes to agreed due dates are to be included in the 'Revised Due Date' column of the report.
 - All completed dates are to be recorded in the 'Completed Date' column.
 - All outstanding actions are to have comments attributed to the items outstanding and to include details of progress to achieving the action.
 - The relevant Director/Manager to present to the ARIC to discuss overdue actions and progress being made.
 - If an agreed action item is 'chunked' down with a number of due dates, then the end date for completion should be the date that completes all the actions.

Resolution

1. That the report providing an update on the status of agreed audit actions (overdue and completed items) was received.
2. That Directors review their outstanding actions and completion dates.
3. That Directors/Managers are requested to present to the ARIC at its next meeting on any overdue items.

5.3 OCM Internal Audit Update - November 2024

The Committee discussed and noted;

- Progress with the 2024/25 Audit Plan with:
 - Q1 Audits – Fuel Card and Swimming Pool Audits completed and reported.
 - Q2 Audits - Waste Management and Records Management Audits completed. Final reports are with QPRC Management for comment.

5.3 OCM Internal Audit Update - November 2024

- The Waste Management Audit revealed several opportunities for improvement. These will be incorporated into Council's Waste Management Strategy which is currently under review in consultation with the community
- Q3 – Scoping meetings have been held and are ready to commence early in 2025.

The 2024/25 Audit Plan is on track for finalisation by June 2025.

Resolution

That the update provided by OCM on the progress of internal audits for 2024-2025 was received for information.

Moved: Carolyn Rosetta- Walsh

Seconded: Diana Hamono

6. REPORTS TO ARIC - ITEMS FOR INFORMATION

6.1 ICT Report to ARIC November 2024

The Committee noted:

- The good result of the recent Disaster Recovery exercise undertaken with stakeholders on 26 November 2024.
- Deployment to Windows 11 is progressing with few issues at this stage.
- That Council's Digital team is working closely with TechOne to ensure full utilisation of the system for Council.

Resolution

1. That the report was received for information.
2. That the report to the next ARIC meeting to include disaster recovery testing results for critical business areas.

6.2 Insurance - Presentation

The Committee noted the presentation as provided by QPRC's JLT Account Manager and the changes within the insurance sector that may impact Council's insurance for 2025/26.

Notably, emerging broad trends and factors include:

- Increasing frequency and severity of natural hazards
- Rising reinsurance costs
- Increasing inflation pressures and broader global economy
- Supply chain issues and labour shortages
- PFAS
- Electric vehicles and charging platforms.

Trends and factors impacting Local Government include:

- Liability losses and exposure due to Certifications and Compliance
- Waste facilities

6.2 Insurance - Presentation

- Airports
- Cyber
- ICAC and Code of Conduct matters
- Undervaluing and non-declaring of assets.

Resolution

That the report was received for information.

6.3 Statewide Mutual - CIP Program - November 2024

The Committee noted:

- That a Continuous Improvement Program (CIP) has been developed by Statewide Mutual to assist Councils in NSW to self-assess and benchmark achievements in improvements across the sector.
- The aim of the self-assessment is not to achieve 100% compliance, but to understand where improvements can be made and where appropriate prioritisation and allocation of resources can be applied. The CIP is about practical application of policy and processes within organisations and comparing that with statewide claims profile.
- The self-assessment conducted in November 2024 focussed on footpaths, Council owned swimming pools and Enterprise Risk Management.
- The self-assessment demonstrated that Council has identified a number of actions that need to be allocated and tracked.

Resolution

That the report was received for information.

6.4 Asset Insurance Schedule - review

The Committee noted and discussed:

- The Asset (insurance) Schedule submitted to the insurer each year, is currently being reviewed to ensure that Council doesn't over or under insure or not declare building assets for that schedule.
- A plan has been established to ensure all insurance categories are reviewed over a 5 year period.
- The team are examining ways that TechOne can assist with capturing insurance data for Assets.

Resolution

That the report was received for information.

6.5 ARIC Charter Annual Review 2024

The Committee noted and discussed the draft ARIC Charter 2024 and the work that had been done to review the Charter against the Office of Local Government Model.

Resolution

The ARIC endorsed the Charter for Council adoption.

Moved: Diana Hamono

Seconded: Carolyn Rosetta- Walsh

6.6 External Report of Interest

The ARIC noted the Audit Office of NSW report on Road Asset Management in Local Government.

Resolution

That the report was received for information.

6.7 Proposed meeting dates for 2025

The Committee discussed how the quarterly budget reviews could be submitted to ARIC before the Council meeting in which they will be presented.

Options of holding additional meetings to 'ordinary meetings' were explored, however, this posed some difficulties for the Finance team and the ARIC in terms of timing of submissions.

It was agreed to adopt the proposed dates for 2025 as presented - with the quarterly budget reviews being presented to the next ARIC meeting with any comments provided to Council through the ARIC minutes.

Resolution

That the report was received for information and ARIC members agreed on the dates for ARIC meetings to be held in 2025.

Moved: Carolyn Rosetta- Walsh

Seconded: Diana Hamono

7. REPORTS FOR CLOSED SESSION**7.1 Land Sales and Acquisition Register Update****Resolution**

That the report was received for information.

8. GENERAL BUSINESS

The Committee noted that:

- Council has accepted the ARIC Chair report as provided to Council in October 2024,
- It was the ARIC Charter that was deferred pending further clarification from the ARIC.

The meeting concluded at 12.30 pm.