



MINUTES OF THE ORDINARY MEETING OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC) held at the QCCP Bungendore Room, 257 Crawford St, Queanbeyan on Monday, 18 March 2024 commencing at 9:30 AM.

ATTENDANCE

Members Present:

Rhonda Wheatley	External Chairperson
Carolyn Rosetta-Walsh	External Deputy Chairperson – via zoom
Diana Hamono	External member

Also Present:

Rebecca Ryan	General Manager
Kate Monaghan	Director – Corporate Services
Furqan Yousuf	Audit Office of NSW - via zoom
Hashim Ali	Audit Office of NSW – via zoom
Judy Malpas	O’Connor Marsden and Associates – OCM
Yas Wickramasekera	O’Connor Marsden and Associates - OCM
Anita Cakalic	ARIC Secretary/Risk and Internal Audit Coordinator
Lesley Smith	Administrative Officer (Minutes)
Jacquelyn Richards	Director, Community, Arts and Recreation (for Items 4.3 and 8)
Adrian Smith	Purchasing Officer (for items 5.3 and 5.4)
Tracey Sligar	Chief Financial Officer (for Item 6.1, 6.2 and 6.3)
Matt Dale	Acting Manager, Digital (for Items 4.2 and 6.8)
Ricky Tozer	Manager, Workplace and Performance (for Items 6.9 and 6.10)

ARIC voting members held an in-camera session with Judy Malpas (Partner OCM) and Yas Wickramasekera (Principal OCM) at 9.30 am with the main meeting commencing at 10.00am. No minutes are taken for the in-camera session.

1. APOLOGIES

The committee noted apologies from Cr Michele Biscotti (Councillor – Non voting member) and Cr Bryce Wilson (Councillor – Alternate non voting member).

2. DECLARATIONS OF INTEREST

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 4

December 2023**Resolution**

That the Minutes of the Ordinary Meeting of the QPRC ARIC held in the Queanbeyan Council Chambers on Monday 4 December 2023 be confirmed.

Moved: Diana Hamono

Seconded: Carolyn Rosetta-Walsh

4. ARIC - ACTIONS ARISING FROM PREVIOUS MINUTES**4.1 Actions Arising Report March 2024****Resolution**

1. That the Audit, Risk and Improvement Committee review the report and confirm the status of action items.
2. All items marked complete were resolved as being complete.

4.2 ICT Risk Assessment

The ARIC noted that:

- The ICT Risk Assessment was conducted by Excelium to evaluate existing security measures and identify risks that could impact the organisation.
- The report contains a number of recommendations which the Digital Team have begun work on.

Resolution

1. That the committee noted the report and endorsed the actions recommended in the ICT Risk Assessment report.
2. Noted that the assurance map should be updated so that it includes this third-party report.

4.3 Public Events Management and Bungendore Sports Hub - Update on progress

ARIC noted the report and verbal update provided by the Director Community, Arts and Recreation in relation to:

- Progress in addressing the agreed management actions within the Public Events Management and Bungendore Sports Hub internal audit reports.
- The recruitment to fill vacant positions including: A new Manager, Economy, Place and Arts who has significant experience in large events management and a new event management coordinator (to be recruited).
- The scheduled summer events which is one of the busiest periods for the team.
- The review and prioritisation of the agreed management

actions by the Manager, in addition to incorporating additional event management improvements identified.

- The progress of the Bungendore Sports Hub and the sourcing of additional grant funding for phase 2.
- That a report will be provided to Council on the phase 1 project deficit.

Resolution

1. That the report be received for information.
2. An update on the status (including financial status of phase 1) for the Bungendore Sports Hub should be submitted and presented at the next ARIC meeting (June 2024).

5. AUDIT REPORTS

5.1 Audit Office of NSW Update March 2024

Resolution

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

5.2 OCM Internal Audit Update - March 2024

The ARIC noted:

- The status of Audits against the 2023-2024 approved annual internal audit plan.
- That the reports due in Q1 have been finalised as outlined and presented in Agenda items 5.3, 5.4 and 5.5.
- That pending TOR approval, fieldwork for the IT Disaster Recovery and Data Governance will commence in March 2024 with the audit of S.355 Committee Management requested to postponed till Quarter 4.

Resolution

That the update provided by OCM on the progress of internal audits for 2023-2024 be received for information.

5.3 Final Audit Report - Contract Management

The ARIC noted:

- The importance of the findings and the positive manner in which council is addressing the priority of these findings.
- That delegations for awarding contracts was included within the scope of this audit but as it is an exception based report there is no observations included.
- That council should consider who has delegations to approve variations to a contract if the variation is a certain percentage over the initial value.

Resolution

1. That the finalised internal audit report on Contract Management be received for information.
2. The ARIC noted the opportunity for improvement in managing contracts and endorsed the importance of the findings and agreed actions within the report.

5.4 Final Audit Report - Procurement of Materials

The ARIC noted and discussed the following:

- Formal financial delegations and configuration of Technology One, which is aligned to the appropriate operational levels of approval and workflow based on the organisation's structure. Consequently, the chair requested confirmation of system implementation documentation establishing TechOne delegations.
- The procurement of materials through a central store and the requirement for specific internal controls to be in place to prevent fraud, theft and to ensure value for money is obtained.
- The inclusion of a fuel card audit within the next internal audit plan.
- That the next internal audit plan should go to the General Manager and the Executive for prioritisation, prior to being presented and endorsed by the ARIC in the June meeting.

Resolution

1. That the finalised internal audit report on Procurement Materials be received for information.
2. The ARIC noted the opportunity for improvement and endorsed the importance of the findings and agreed actions contained within the report.
3. The ARIC endorsed the inclusion of a fuel card audit within the 2024-2025 annual internal audit plan.
4. That the annual internal audit plan is prioritised by the General Manager and Executive prior to the ARIC June meeting.
5. The ARIC recommended that the review of delegations should be a priority, with the timeframe for completing this action to be brought forward.
6. That assurance is provided to the ARIC that system documentation establishing the delegations within Tech One can be evidenced.

5.5 Final Audit Report - Climate Change Adaptation

The ARIC noted and discussed that:

- Climate change has been a topical subject across different Councils.
- Although some improvements have been identified, QPRC is trending above the average for Councils in this area, particularly in having identified a single point of contact to assist with climate change issues.

Resolution

1. That the finalised internal audit report on Climate Change Adaptation be received for information.
2. The ARIC endorsed the findings and agreed actions contained within the report.

5.6 Status of Audit Actions - as at March 2024

The ARIC noted that:

- A number of outstanding Audit actions from the last reporting period have been completed.
- Several older items were still incomplete, but acknowledged council's work towards reducing these.

The ARIC also recommend that the existing contract management and procurement recommendations currently outstanding could be superseded by the tabled Internal Audits on Contract Management and procurement – this information could be reviewed, brought forward or combined.

Resolution

1. That the report providing an update on the status of agreed audit actions be received for information.
2. That council review any older audit actions with regard to contracts or procurement and consider if these are superseded or can be combined with recent agreed actions with approval from the General Manager or relevant Director.

6. REPORTS TO ARIC - ITEMS FOR INFORMATION**6.1 CFO Status Report - March 2024****6.1 (a) Annual Engagement Plan**

In relation to the Audit Office Annual Engagement Plan, the ARIC noted:

- The timeline for the end of financial year financial audit.
- That the Audit Office is not expecting delays to the audit.
- That the key issues that may impact on the timeliness and quality of the audit, along with risk mitigation strategies, have been identified within the Annual Engagement Plan. It was noted that the internal audit of Data Governance will assist with this.
- That the timetable needs to consider that council elections will take place in September 2024, but this does not preclude the financial statements being presented during the caretaker period (prior to 11 September).

6.1 (b) CFO Report

The ARIC noted the report submitted by the CFO and the verbal update provided.

Resolution

1. That the report be received for information.
2. That the ARIC schedule to meet before 11 September to receive the draft financial statements.
3. The ARIC recommended that a list of RFS Assets can be obtained from the recent collection of data completed by Local Government NSW on red fleets assets.

6.2 Financial Statements Sub-Committee Update**Resolution**

1. That the report be received for information.
2. The ARIC noted the Financial Statements Sub-Committee Agenda for their meeting of 26 February 2024 and the verbal update provided by the Chair of the Committee Carolyn Rosetta-Walsh.

6.3 Quarterly Budget Review Statement for the Quarter Ending 31 December 2023**Resolution**

That the ARIC accepted and noted the Budget Review Statement for the quarter ending 31 December 2023 as presented to Council on 28 February 2024.

6.4 Local Roads and Community Infrastructure Program Phase 4

The ARIC endorsed and adopted the proposed Annual work plan for the committee for 2024 – noting:

- The meeting in September will need to be brought forward due to the financial statements (ref: Actions for item 6.1 (a)), and,
- Major projects report for the June 2024 meeting will include identification of high risk projects.
- That the management of grants is to move to a more centralised process.
- That there can be a gap between managing the grant project and financial management of the grant.
- Consideration of how ARIC has oversight of grants management and the potential to provide updates to ARIC using a graph.

Resolution

That the report be received for information.

6.5 ARIC Meeting Planner - Annual Review 2024

Resolution

That the ARIC agree to adopt the revised annual work plan as presented, with the inclusion of an in-camera session to be held with the external auditors (Audit Office of NSW) at the June meeting.

6.6 Local Government (General) Amendment (ARICs) Regulation

The ARIC noted and accepted the report showing how QPRC is fully compliant with the new *Local government (General) Regulation 2022*, which gives statutory force to key elements of the Office of Local Government's (OLG) Guidelines for Risk Management and Internal Audit for Local Government in NSW. The Amendment Regulation comes into force on 1 July 2024.

Resolution

That the report be received for information.

6.7 Internal Audit Charter - annual review 2024

The ARIC noted that revisions to the Internal Audit Charter (giving consideration to the Model Charter provided in the OLG Guidelines for Risk Management and Internal Audit for Local Government in NSW) had been circulated out-of-session with feedback received as a result. A 'clean' version incorporating this feedback to be circulated out-of-session for endorsement.

Resolution

That the Audit, Risk and Improvement Committee endorse the Internal Audit Charter out-of-session for adoption by Council.

6.8 ICT Report - March 2024

The ARIC noted and accepted the report provided and congratulated the Digital Team for the successful and smooth implementation of technology for the staff move to QCCP.

Resolution

That the report be received for information.

6.9 Service reviews

The ARIC noted:

- That the OLG published new guidelines for Integrated Planning and Reporting in September 2021 which included a new requirement to publish a program of service reviews.
- The previous service reviews conducted.
- That the ARIC should review any relevant outputs as part of the Service Review process.
- That the program of service reviews is being developed.

Resolution

That the report be received for information.

6.10 Complaint management

The ARIC noted the report provided and recommended that the complaint management process should be considered being included in the all staff induction program.

Resolution

That the report be received for information.

6.11 Regulator Activities - External Reports of Interest**Resolution**

That the report be received for information.

6.12 Compliance Reporting**Resolution**

That the report on Compliance and Reporting Activities for the six-month period from 1 July 2023 – 31 December 2023 be noted.

7. REPORTS FOR CLOSED SESSION**7.1 Legal Update: July - December 2023****Resolution**

That the report be received for information.

8. SENIOR MANAGEMENT PRESENTATIONS

Jacqui Richards – Director Community, Arts and Recreation - Update on significant projects and risks – Presented at Item 4.3

9. GENERAL BUSINESS

There being no further business the meeting closed at 1.02pm

Next meetings: Monday 17 June 2024 – 9.30 am

Monday 16 September 2024 – 9.30am New Date TBA

Monday 9 December 2024 – 9.30am