

## SUMMARY MINUTES OF LACHLAN SHIRE COUNCIL AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC) MEETING

held in the committee room

on Wednesday, 23 November 2022 at 9am



### PRESENT

VIA ZOOM: Mr Graeme Fleming (PSM), Leanne Smith (Intentus), and Veronika Bonora (Governance and Risk Officer)

IN ATTENDANCE: Mayor John Medcalf (OAM), Cr Peter Harris, Greg Tory (General Manager), Karen Pegler (Director - Corporate and Community Services)

### 1 APOLOGIES:

Karen Taylor (Audit Office of NSW)

Apology noted and accepted

### 2 DECLARATIONS OF INTEREST

Declarations advised.

No objections were raised.

### 3 CONFIRMATION OF MINUTES

#### COMMITTEE RESOLUTION

That the minutes from the ARIC meeting 8 June 2022 be noted and accepted.

**Carried**

### 4 REPORTS

#### 4.9 INTERIM MANAGEMENT LETTER 2022; ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### RECOMMENDATION

That:

1. The Director Corporate and Community Services Report No. R22/384 be received and noted.
2. The Interim Management Letter 2022 be noted.
3. The audited Annual Financial Statements and Annual Report be noted.

Leanne Smith (LS) from Intentus Council's external Auditors spoke to the Interim Letter and audited Financials. The ARIC noted, questioned and discussed the report and Leanne's comments.

#### **4.1 APPOINTMENT OF AUDIT, RISK & IMPROVEMENT COMMITTEE INDEPENDENT MEMBER**

##### **RECOMMENDATION**

That

1. The Director Corporate & Community Services Report R22/289 be received and noted.
2. The attached Independent Member EOI applications be reviewed by the ARIC.
3. The ARIC to provide a recommendation and any comments which will be provided to Council for consideration when Council makes the appointment/s.

Discussion about applicants.

##### **COMMITTEE RESOLUTIONS**

That

1. Robert Hunt be recommended to be appointed for a 4-year term subject to satisfactory 2 year performance review and legislative changes, and
2. Sean Row be considered by Council as a 2nd independent member to be appointed to June 2024 subject to satisfactory reference checks, satisfactory 2-year performance review and legislative changes.

**Carried**

#### **4.2 STATEMENT OF BUSINESS ETHICS POLICY REVIEW**

##### **RECOMMENDATION**

That

1. The Director Corporate & Community Services Report R22/292 be received and noted.
2. The Statement of Business Ethics Policy be referred to Council for adoption.

Karen Pegler (KP) outlined the Statement of Business Ethics Policy for the ARIC

##### **COMMITTEE RESOLUTIONS**

That

1. The Director Corporate & Community Services Report R22/292 be received and noted.
2. The Statement of Business Ethics Policy be referred to Council for adoption.

**Carried**

### 4.3 ARIC ACTION LIST AS AT NOVEMBER 2022

#### RECOMMENDATION

That

1. The Director Corporate & Community Services Report R22/293 be received and noted.
2. The attached ARIC Action List from August 2019 onwards, updated as at November 2022, be reviewed by the ARIC

The ARIC discussed the Action List in detail

#### COMMITTEE RESOLUTION

That the Chair and the GM consider suitable wording for consideration of the ARIC at their next meeting in order to highlight ARIC comments on important issues to Council.

**Carried**

#### COMMITTEE RESOLUTION

That time be allocated next meeting to review the Action List at the next meeting after appointment of independent member/s.

**Carried**

### 4.4 AUDIT, RISK AND IMPROVEMENT COMMITTEE TRAINING - UPDATE

#### RECOMMENDATION

That

1. The Director Corporate & Community Services Report R22/299 be received and noted.

#### COMMITTEE RESOLUTION

That Veronika attend training, recommend with a report and provide options including in-house training

**Carried**

### 4.5 GENERAL MANAGER UPDATE

#### RECOMMENDATION

That the General Managers Report no. R22/302 be received and noted.

**COMMITTEE RESOLUTION**

That the General Manager's report no. R22/302 be received and noted. Add that the ARIC acknowledges the reputational and financial risk of the Depot Works dispute, and that this be noted for Council's attention.

**Carried**

**4.6 COMPLIANCE CALENDAR****RECOMMENDATION**

That the Director Corporate & Community Services Report R22/298 be received and noted.

**COMMITTEE RESOLUTION**

The Director Corporate & Community Services Report R22/298 be received and noted. An update be made to the next ARIC on compliance calendar progress. GM to note verbally to Council today the due date for the Local Approvals Policy will not be met.

**Carried**

**4.7 SUBMISSION TO IPART ON REVIEW OF THE RATE PEG METHODOLOGY****RECOMMENDATION**

That the Director Corporate and Community Services Report R22/382 be received and noted.

**COMMITTEE RESOLUTION**

The Director Corporate and Community Services Report R22/382 be received and noted

**Carried**

**4.8 UPDATE ON AUDIT, RISK & IMPROVEMENT COMMITTEE GUIDELINES****RECOMMENDATION**

That the Director Corporate & Community Services report R22/383 be received and noted.

**COMMITTEE RESOLUTION**

The Director Corporate and Community Services Report R22/382 be received and noted.

**Carried**

**5 GENERAL BUSINESS**

Nil

**6 DATE NEXT MEETING**

22 February 2023

**7 CONFIDENTIAL SECTION**

**RECOMMENDATION**

That ARIC moves into informal Confidential Section

**Noted and carried**

**7.1 CYBER SECURITY ACTION PLAN UPDATE TO ARIC**

**RECOMMENDATION**

That the Director Corporate and Community Services Report R22/357 be received and noted.

The Director Corporate and Community Services provided an update on the cyber security audit.

**COMMITTEE RESOLUTION**

The Director Corporate and Community Services Report R22/357 be received and noted including note delays due to staffing vacancies.

**Carried**

**7.2 PROPOSAL - ENTERPRISE RISK REGISTER DEVELOPMENT**

**RECOMMENDATION**

That

1. The Director of Corporate and Community Services Report No. R22/376 be received and noted.
2. The ARIC review and, provide a recommendation along with comments to Council, for consideration, with regards to Marsh's proposal to workshop and prepare an Enterprise Risk Register.

The Director Corporate and Community Services recommended using contractor to workshop and develop Strategic Risk Register.

#### **COMMITTEE RESOLUTION**

The Director Corporate and Community Services Report R22/357 be received and noted including comments from ARIC of need to be relevant and practical

**Carried**

### **7.3 DIRECTOR REPORT - NOVEMBER 2022**

#### **RECOMMENDATION**

That the ARIC receive and note the Director Corporate & Community Services report no R22/387.

The Director Corporate and Community Services spoke to her report.

#### **COMMITTEE RESOLUTION**

The Director Corporate and Community Services Report R22/387 be received and noted including comments from ARIC needs to be relevant and practical

**Carried**

The Meeting closed at 11.56am.

The long-form minutes of this meeting were confirmed at the Audit, Risk and Improvement Committee Meeting held on 22 February 2023.