

Minutes

Audit Risk and Improvement Committee

Friday 21 August 2020
Meeting commenced at 10.04am
Via videoconference

ITEM 1. Welcome, Acknowledgment of Country and Apologies - 10.04am

Present:

Members: Linda MacRae (Independent external member and Chairperson), Cr. Paul Miegel (Councillor Representative), Peter McLean (Independent external committee member).

Attendee (non-voting): Adrian Butler (General Manager), Jo Shannon (Head of Internal Audit and Director Corporate and Community Services).

Invited Participants: Brad Bohun (External Finance Auditor - Crowe), Heidi Neumeister (Governance Officer), Shane Norman, (Finance Manager), Fiona Goodman, (Risk Management Coordinator).

Apologies: Susan Appleyard (Director Development and Environmental Services), Steve Carmichael (Director Engineering Services), Sean Pye, (External Auditor - Crowe).

Items are listed in order as discussed.

1.1 Disclosures of Interest

RESOLUTION:

1. THAT the Committee note that there were no conflicts of interest to declare.

NOTED

1.2 Endorse Minutes of previous meeting

RESOLUTION:

1. THAT the Minutes of the Audit Risk and Improvement Committee meeting held on 29 May 2020 be received and noted as a true and correct copy

CARRIED

1.3 Audit Risk and Improvement Committee Meeting actions report

Due to COVID-19 and staff resources, and in consultation with the Chair, this item was rescheduled for the December 2020 Meeting. WHS issues are addressed at Item 6.5.

RESOLUTION:

1. THAT the Committee note the deferment of the ARIC Meeting Actions Report to the December 2020 meeting.
2. THAT the Committee note that the updated WHS report is presented as Item 6.5 in this Agenda

CARRIED

ITEM 2. ANNUAL FINANCIAL STATEMENTS - 10.06am

2.2 Update on the preparation of 2019/2020 EOFY Statements

The Finance Manager provided the Committee with an update on the status of the preparation of the 2019/2020 Financial Statements. He advised that the Financial Statements were in progress for completion in accordance with the agreed work plan.

RESOLUTION:

1. THAT the Committee note the status of the preparation of the 2019/20 Financial Statements.

NOTED

10.10 am Brad Bohun joined the meeting.

2.1 External Audit – interim management letter

Brad Bohun, Senior Partner - Audit & Assurance with Crowe Albury, (Council's NSW Audit Office Contractor) provided an overview and responded to questions from the Committee in relation to their findings from the interim audit visit in June 2020 and the final interim management letter that has been provided. He indicated that although the circumstances and 'challenging' operational environment in place since February 2020 (as a result of COVID 19) that Council had achieved a reasonable 'report card' with improvements being undertaken on an ongoing basis.

RESOLUTION:

1. THAT the Committee note the report from the Auditor and the progress achieved, in what has been a challenging working environment for all parties involved in the ongoing process of the external audit.

NOTED

ITEM 3. FINANCIAL MANAGEMENT - 10.32am

3.1 Quarterly Budget Review Statement – March 2020

A Quarterly Budget Review Statement for the period ending 31 March 2020 was considered by the Council at its Meeting on 29 June 2020. This report is also provided to the Audit Committee for information and noting.

RESOLUTION:

1. THAT the Committee note Quarterly Budget Review Statement for the March 2020 quarter.
2. THAT an update on the Waste Management and Landfill accounting be provided at the December 2020 meeting.

10.35 am Adrian Butler left the meeting.

10.37 am Adrian Butler returned to the meeting.

NOTED

3.2 Financial Performance Report

The Committee considered the monthly Financial Performance Report for June 2020 as presented to Council at its meeting on 30 July 2020.

RESOLUTION:

1. THAT the Committee note the Financial Performance Report at 30 June 2020.

NOTED

3.3 Asset Management / Long Term Financial Plan

The Finance Manager and Director Corporate and Community Services provided an update of the ongoing developments in relation to Council's Asset Management Plan and adoption of the Long Term Financial Plan in 30 July 2020. The Committee noted Council's acceptance of all recommendations and the value of the plan in providing Council with a very detailed "roadmap" for achieving the Council's long term financial goals.

RESOLUTION:

1. THAT the Committee note the adoption of the Council's Long Term Financial Plan and the work conducted to support the ongoing development of the Asset Management Plan.
2. THAT staff involved in the preparation of these documents be congratulated on this work which is significant in terms of assisting Council in its long term financial sustainability goals.

NOTED

11.07am Brad Bohun left the meeting.

11.08am Shane Norman left the meeting.

Confidential Reports (Risk Management Coordinator) - 11.09am

11.09am Peter McLean left the meeting.

11.11am Peter McLean returned to the meeting.

6.2 a) Council's Risk Framework inclusive of Strategic and Operational Risks

The Risk Management Coordinator provided an update of the progress carried out on Council's risk framework and the next stage of the project which is to engage Statecover to deliver information sessions on the key documents developed.

It was also noted that the Council had received recognition from Mutual for the work carried out in this area which resulted in Council being nominated for award. The work was acknowledged by the Director Corporate and Community Services as well as the Audit Committee.

RESOLUTION:

1. THAT the Committee note the extensive amount of work carried out in relation to this project and the status of Council's risk framework.

NOTED

6.3 Update on Business Continuity Planning

The Risk Management Coordinator provided a breakdown of developments in relation the Business Continuity Program and the separate components. It was noted that recommendations from the scenario testing will be evaluated and where necessary incorporated into the plan that has formally been adopted by Council. The Committee noted the value of the work carried out in enabling the organisation to respond to Covid-19.

RESOLUTION:

1. THAT the Committee note the work carried out on Council's Business Continuity Planning.
2. THAT a high level report be provided to the Committee at its next Meeting regarding the outcomes of the BCP testing.

NOTED

6.2 b) Council's Incident reports.

The Risk Management Coordinator provided an overview of the findings as outlined in the report. Peter noted the benefits for the organisation in terms of long term tracking and allocation of resources and training.

RESOLUTION:

1. THAT the Committee note the incident reports; and
2. THAT an update be provided at the December 2020 meeting.

NOTED

6.5 Half yearly statistical reports on WH&S matters

The Committee reviewed the half yearly statistical reports on WH&S matters and the status of recommended actions. The Chair requested that an additional column indicating the risk rating be included in the next report to be presented at the December 2020 meeting.

RESOLUTION:

1. THAT the Committee note the status of Council's WH&S matters and actions report.
2. THAT an update be provided to the Committee at the December 2020 meeting with the inclusion of a risk rating column.

11.46am Fiona Goodman left the meeting.

11.50am Fiona Goodman returned to the meeting.

ITEM 5. Internal Audit

5.1 Internal Audit progress report

The provision of this report has been deferred to the December 2020 meeting. The Committee noted that high priority outstanding items from the last meeting relating to WHS have been included at item 6.5 (see above).

RESOLUTION:

1. THAT the Committee review the WHS outstanding actions report at Item 6.5.

NOTED

5.2 Update on improvement project

The Director Corporate and Community Services provided an update on the two audit 'Improvement Projects' as previously agreed to be delivered:

- a. Fraud and corruption training
- b. Review of the landfill rehabilitation reserve provision

.

RESOLUTION:

1. THAT the Committee note the status of the audit 'improvement projects'.

NOTED

ITEM 4. General reports

4.1 Review of Committee Terms of Reference and Workplan

The Committee reviewed the proposed changes to the Terms of Reference and 'Schedule of Responsibilities', noting that the Strategic Internal Audit Plan and the Annual Internal Audit Work Program will be undertaken following the appointment of the new Internal Auditor.

RESOLUTION:

1. THAT the Committee accept the amendments to the Terms of Reference and Schedule of Responsibilities and recommend that these be presented to Council.
2. THAT the Strategic Internal Audit Plan and the Annual Internal Audit Work Program be completed following the commencement of the new Internal Auditor.

NOTED

ITEM 6. Confidential Reports

6.1 Update on Legal matters

The General Manager advised that there were no new legal matters to report.

RESOLUTION:

1. THAT the Committee noted there were no new legal matters identified.

NOTED

6.6 Update in ICT systems and any related risks

The Committee acknowledged the status of the ICT report and the proactive approach to addressing any related risks. These comments were also endorsed by Cr Miegel.

RESOLUTION:

1. THAT the Committee note the status of Council's ICT incidents and associated risks; and
2. THAT the team responsible be commended on their approach to this critical matter.

NOTED

6.7 Update on compliance / non compliance

The General Manager provided updates on the main issues impacting on compliance, including the Corowa Landfill, Saleyards and Howlong Sewage Treatment Plant.

RESOLUTION:

1. THAT the Committee note the General Manager's verbal report on the Corowa Landfill, Saleyards and Howlong Sewage Treatment Plant.

NOTED

6.8 Update on any incidents related to fraud

Summary

The General Manager reported that there were no incidents related to fraud.

RESOLUTION:

1. THAT the Committee note that no issues were identified.

NOTED

6.9 Update on service reviews

An update on the service reviews was provided by the General Manager.

RESOLUTION:

1. THAT the Committee note the status of Council's service reviews.

NOTED

6.10 Update on Internal Audit contract renewal

The Director Corporate and Community Services provided an update on the status of the new Internal Audit Contract and clarified the value of the contract being \$20,000 each year for 3 years (not for the total three year period).

RESOLUTION:

1. THAT the Committee note the status of Council's Internal Audit contract renewal with a view to having this finalised by December 2020, if possible.

NOTED

6.11 Review of policies and procedures.

The Committee were provided with an update on the status of Councils Public Interest Disclosures (PID) policy noting that this is scheduled for review in December 2020.

RESOLUTION:

1. THAT the Committee note the status of Council's Public Interest Disclosures Policy.

NOTED

6.4 Status of the EPA asbestos issue

The Committee discussed the existing EPA asbestos issue and in the absence of the Director Engineering Services and the Director of Development and Environmental Services, requested a report to be provided to the Committee at the December 2020 meeting.

RESOLUTION:

1. THAT the Committee defer the report on an update of EPA asbestos matter to the December 2020 meeting.

NOTED

ITEM 7. General Business

7.1 COVID -19 update

A verbal summary of current and ongoing impacts of COVID-19 was discussed. The Committee noted the constantly changing environment in relation to Covid-19 impacting on staff with regards to education, border closures, acceptable precautions, restrictions etc.

RESOLUTION:

1. THAT the Committee note the Covid-19 impacts on the organisation and the amount of work being undertaken to effectively manage the rapidly changing operational environment with regards to key areas and the impact that these changes are having on staff and business continuity and the general Community.

NOTED

ITEM 8. Next Meeting

Future meeting dates were agreed for the following dates:

Friday 16 October 2020 10.00am confirmed – (Financial Statements)
Friday 11 December 2020

The meeting closed at 12.29pm