

## Minutes

### Audit Risk and Improvement Committee

14 October 2022 at 10.00am

Via Videoconference and Murray Room Corowa Civic Centre

#### Welcome, Acknowledgment of Country and Apologies - 10.00am.

**Present:**

**Members:** Linda MacRae (Independent external member and Chairperson) via online, Cr. Rowena Black (Councillor Representative), Peter McLean (Independent external Committee member) via online.

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

**Invited Participants:** Jason Gilbert (External Auditor – Crowe) via online, Carolyn Rosetta-Wash (Internal Auditor – Adams Kenneally White) via online, Heidi Neumeister (Governance Officer), Shane Norman (Manager Finance).

**Apologies:** Susan Appleyard (Director Development and Environmental Services), Steve Carmichael, Director Engineering Services.

**Purpose:** As per Committee Terms of Reference 17/13884

Note: The order of items are recorded in the order in which they were presented at the meeting.

#### ITEM 1. Governance - 10.00am

##### 1.1 Apologies – 10.00am

To receive any apologies for the meeting.

**RESOLUTION:**

1. THAT any apologies be noted.

**CARRIED**

##### 1.2 Disclosures of conflicts of Interest – 10.03am

To receive disclosures of any conflicts of interest with items on the agenda from attendees.

**RESOLUTION:**

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

**CARRIED**

### **1.3 Endorse Minutes of previous meeting - 10.03am**

The Minutes of the meeting held on 12 August 2022 were submitted for the Committee to endorse as being a true and correct copy. Draft minutes of the meeting will be noted at the Ordinary meeting of Council in November 2022.

**Carolyn Rosetta Walsh and Cr. Rowena Black joined the meeting.**

#### **RESOLUTION:**

1. THAT the Minutes of the Audit Risk and Improvement Committee meeting held on 12 August 2022 be received as read and noted as a true and correct copy.
2. THAT the Minutes of the Audit Risk and Improvement Committee meeting held on 12 August 2022 be submitted to Council for noting and publishing on Council's website.

**CARRIED**

## **ITEM 2. ANNUAL FINANCIAL STATEMENTS – 10.10am**

### **2.1 Annual Financial Statements for the year ending 30 June 2022**

Council is required to prepare financial statements each financial year. Council officers are currently working with Council's external auditors Crowe to finalise the preparation of financial statements for the year ended 30 June 2022 to enable Council to authorise the financial statements at its meeting to be held on 17 October 2022.

The draft financial statements for the year ended 30 June 2022 were presented to Council's Audit Committee for review, with a view to seeking a recommendation for Council adoption of the financial statements.

Council's external auditor attended the meeting and provided their findings to the Audit Committee.

#### **RESOLUTION:**

1. THAT the report on progress of completion of the Annual Financial Statements for Federation Council as at 30 June 2022 be noted; and
2. THAT the Audit Committee consider the Annual Financial Statements and recommend them to Council for adoption at its meeting on 17 October 2022.
3. THAT the Committee note that a 'Qualified Audit Opinion' would probably be issued by the NSW Auditor General regarding the non recognition of Rural Fire Fighting Equipment Assets.
4. THAT the Committee express its appreciation and thanks to the External Auditor and to all Finance Team staff involved in the preparation of the Annual Financial Statements, within the time period specified.

**CARRIED**

### **2.2 Status of External Audit recommendations – 10.57am**

Council is required to regularly monitor the implementation of any recommendations made by the External Auditor.

*The External Auditors (Crowe) advised that discussions at the external audit close-out meeting with Crowe Staff and Management indicated that pleasing progress has been made on implementing recommended improvements, with implementation of some of the recommendation now recognised as complete.*

**RESOLUTION:**

1. THAT the Committee note the External Audit Actions progress report.

**CARRIED**

**ITEM 3. FINANCIAL MANAGEMENT – 10.58am**

**3.1 Monthly Financial Performance**

A Monthly Financial Performance Report for 31 August 2022 was considered by the Council at its meeting on 19 September 2022. This report was provided to the Audit Committee for information and noting.

**RESOLUTION:**

1. THAT the Committee note the Financial Performance Report at 31 August 2022.

**CARRIED**

**Jason Gilbert (Crowe) left the meeting at 11.02am.**

**General reports**

**ITEM 4. REPORTING - INTERNAL AUDIT – 11.03am**

**4.1 Internal Audit Dashboard Report and Publications of Interest**

The Internal Audit actions report provides a summary of improvements recommended from internal audits and progress on implementing the recommendations.

*The Committee noted the following:*

- *There have been no new internal audits undertaken since the last report.*
- *The updated report was provided to the Committee for review and comment.*
- *That the 'Gap Analysis Project' report should be available for the next meeting in December.*
- *That Management had agreed to the scope for the 'Project Management' Internal Audit Review and that when the time frame had been determined the scope document would be forwarded to Committee Members.*

**RESOLUTION:**

1. THAT the committee noted the Internal Audit Project Dashboard and Publications of Interest.

**CARRIED**

**Deferred from ITEM 1. Governance - 10.00am**

## 1.4 Audit Risk and Improvement Committee Meeting actions report – 11.13am

The Audit Risk and Improvement Committee meetings actions report identifies actions arising from ARIC meetings and progress made on completing the actions. The updated report was provided to the Committee for review. The Chair noted that some of the actions are likely to be further advanced than as stated in the report which was last updated in August, in line with our 6-month reporting. The Chair requested that these reports be tidied up before the December meeting.

### RESOLUTION:

1. THAT the Audit Committee Meeting Actions report be noted.

### CARRIED

## ITEM 5. GENERAL BUSINESS – 11.14am

There were no further items of business to report.

## ITEM 6. NEXT MEETING – 11.16am

The next meeting is scheduled to be held on Friday 9 December 2022 at 10.00am.

*The Committee requested that the status of the 2022/23 revaluations to be provided to March 2023 meeting.*

**Meeting closed at 11.17am**