



**SNOWY MONARO**  
REGIONAL COUNCIL

# **Minutes**

**Audit Risk And Improvement Committee Meeting**

**12 December 2022**



**AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING  
HELD IN COOMA HEAD OFFICE, 81 COMMISSIONER STREET, COOMA NSW 2630**

**ON MONDAY 12 DECEMBER 2022**

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**MINUTES OF THE AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING  
HELD IN COOMA HEAD OFFICE, 81 COMMISSIONER STREET, COOMA NSW 2630 AND  
VIA MICROSOFT TEAMS**

**ON MONDAY, 12 DECEMBER 2022  
COMMENCING AT 10.00AM**

**PRESENT:**

**Voting Attendees:**

Michael Quirk, Independent Member (*Chair*)  
John Barbeler, Independent Member  
Andrew Cox, Independent Member – *via audio-visual link*  
Councillor Lynda Summers, Council Member

**Non-Voting Attendees:**

Peter Bascomb, Chief Executive Officer

**Guests:**

Paul Fitzsimons, Internal Audit Manager - CRJO  
David Rawlings, Chief Strategy Officer – *via audio-visual link*  
Tracy Sligar, Chief Financial Officer  
Scott Goudie, Coordinator ICT  
Liana Biki, Secretary Council and Committees (*Secretariat*)

**1. OPENING OF THE MEETING**

The Chair opened the meeting at 10.37AM

**2. APOLOGIES**

Nil.

**3. DECLARATIONS OF PECUNIARY INTERESTS/CONFLICT OF INTEREST**

Nil.

**4. ADOPTION OF MINUTES OF PREVIOUS MEETING**

**4.1 AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING 19 OCTOBER 2022**

**COMMITTEE RECOMMENDATION**

**ARIC43/22**

THAT the minutes of the Audit Risk And Improvement Committee Meeting held on 19 October 2022 are confirmed as a true and accurate record of proceedings.

**Moved Mr Barbeler**

**Seconded Mr Cox**

**CARRIED**

## 5. BUSINESS ARISING

### 5.1 ARIC RESOLUTION UPDATES

Comments from Committee Members:

- Note – a lot of resolutions have been completed.

#### COMMITTEE RECOMMENDATION

ARIC44/22

That the Audit, Risk and Improvement Committee receive and note the information in the ARIC Resolution Updates report.

Moved Mr Quirk

Seconded Councillor Summers

CARRIED

### 5.2 AUDIT RECOMMENDATION UPDATES

Comments from Committee Members:

- Request that feedback for risks be brought to the next ARIC meeting.
- Request for extension of building and security dates to be reviewed in 2023.

#### COMMITTEE RECOMMENDATION

ARIC45/22

That the Audit, Risk and Improvement Committee receive and note the information in the ARIC Audit Recommendation Updates report pending feedback on high and extreme recommendations.

Moved Mr Quirk

Seconded Mr Barbeler

CARRIED

*Item 8.1 was moved to this section of the meeting.*

*Tracy Sligar joined the meeting.*

### 8.1 ADOPTION OF THE 2021/22 FINANCIAL STATEMENTS

Tracy Sligar:

- The financial statements table included in the Council Meeting found extra funding which impacts the receivables. A \$2.8mill/income revenue for RMCC was accrued due to missed claims. Under accrual rates \$4.5mill (estimate) income for 2021/22.

Comments from Committee Members:

- Noted provision for landfill as well as other one off adjustments resulting in the underlying deficit.
- Auditors signed off, the quality of the financial statements has improved – congratulations Tracy.
- Next year a solid plan to ARIC meeting in early 2023.
- What is the plan of attack regarding RFS assets?
  - Tracy Sligar – Land and Building revaluation is on target for completion in March 2023.
- Audit Office is to send out the management letter by end of December 2022.

<b>COMMITTEE RECOMMENDATION</b>	<b>ARIC46/22</b>
That the Audit, Risk and Improvement Committee note the outcomes of the financial statements audit including the auditors qualifications in the RFS assets.	
<b>Moved Mr Quirk</b>	<b>Seconded Mr Barbeler</b>
	<b>CARRIED</b>

*Scott Goudie joined the meeting.*

### 5.3 GENERAL IT RISK ASSESSMENT

Scott Goudie:
<ul style="list-style-type: none"><li>• ICT Controls Risk Assessment - List of current statuses with recommendations for medium and high risks noted. Provides specific details around identified controls in various ICT control categories.</li><li>• Will provide update on ICT cyber security risks from security penetration tests and ICT control risk mitigations as identified in the supplied assessment in early 2023.</li></ul>

<b>COMMITTEE RECOMMENDATION</b>	<b>ARIC47/22</b>
That the Audit, Risk and Improvement Committee note the briefing provided by the Coordinator ICT.	
<b>Moved Mr Quirk</b>	<b>Seconded Mr Barbeler</b>
	<b>CARRIED</b>

*Scott Goudie left the meeting.*

*Mayor Narelle Davis joined the meeting via audio-visual link.*

## 6. PRESENTATIONS

Nil.

## 7. SPECIAL AGENDA ITEMS

Nil.

## 8. REPORTS

### 8.2 MONTHLY FUNDS MANAGEMENT REPORT - OCTOBER 2022

<b>COMMITTEE RECOMMENDATION</b>	<b>ARIC48/22</b>
That the Audit, Risk and Improvement Committee receive and note the information in the Monthly Funds Management Report – October 2022.	
<b>Moved Mr Quirk</b>	<b>Seconded Mr Cox</b>
	<b>CARRIED</b>

### 8.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 31 OCTOBER 2022

Tracy Sligar:

- Reports are not appropriately designed for this purpose. Ongoing improvements to the reports are being undertaken.
- Benefits – Council sees a report every month so more requirements shown for quarterly legislated reports.

#### COMMITTEE RECOMMENDATION

ARIC49/22

That the Audit, Risk and Improvement Committee receive and note the information in the Monthly Budget Review Statement (MBRS) to 31 October 2022 and look forward to continued improvements in quarterly and monthly reports in 2023.

Moved Mr Quirk

Seconded Mr Barbeler

CARRIED

### 8.4 UPDATE ON FINANCIAL SUSTAINABILITY REVIEW

David Rawlings:

- FieldForce4 picked up a lot of work to be done.
- Touches on aspects of all operations, how business is done. Large change involved in the various reports. Still need more work, need to look at end outcome.
- Similar to the actions in the operations plan, the recommendations from the financial sustainability review (FSR) will be included in CAMMS, Council's performance monitoring system. This means that progress on the FSR recommendations will be reported to Council and the community in the same manner as progress on operational plan matters.
- AEC will also be working on the special rate variation application.
  - Tracy Sligar – Budget approach for 2023/24 plan is underway, managers are now closely watching their budgets and educating staff at the manager level is a priority.

#### COMMITTEE RECOMMENDATION

ARIC50/22

That the Audit, Risk and Improvement Committee receive and note the information in the Update on Financial Sustainability Review.

Moved Mr Quirk

Seconded Mr Barbeler

CARRIED

### 8.5 ENTERPRISE RISK MANAGEMENT FRAMEWORK - CURRENT STATUS

#### COMMITTEE RECOMMENDATION

ARIC51/22

That the Audit, Risk and Improvement Committee receive and note the information in the Enterprise Risk Management Framework – Current Status and any feedback on the documents be provided.

Moved Mr Barbeler

Seconded Mr Cox

CARRIED



### 8.6 INTERNAL AUDIT PROGRAM - PROGRESS REPORT

David Rawlings:

- Everything is proceeding as good as they could be with the delays being planned changes to suit when resources available.
- Value in reviewing processes in what is being done.
  - Paul Fitzsimons – happy to incorporate, the plan covers all Councils. CRJO program will apply equally to Councils but will include specific risks for different areas.

#### COMMITTEE RECOMMENDATION

ARIC52/22

That the Audit, Risk and Improvement Committee receive and note the information from Council's internal audit program and CRJO's internal audit function.

Moved Mr Quirk

Seconded Councillor Summers

CARRIED

### 8.7 ARIC INDEPENDENT MEMBERSHIP UPDATE

Comments from Committee Members:

- We had ten applicants for the vacant ARIC independent membership positions. Four applicants were interviewed and two applicants were recommended to Council.

#### COMMITTEE RECOMMENDATION

ARIC53/22

That a transition program be put into place to assist in the changeover of ARIC membership over the next twelve months.

Moved Mr Quirk

Seconded Mr Barbeler

CARRIED

### 8.8 PROPOSED ARIC MEETING DATES 2023

#### COMMITTEE RECOMMENDATION

ARIC54/22

That the meetings for the ordinary ARIC for 2023 be:

- A. 13 March
- B. 05 June
- C. 11 September
- D. 11 December

Moved Mr Quirk

Seconded Mr Cox

CARRIED

### 8.9 ARIC WORK PLAN

Comments from Committee Members:

- Going into plan with CRJO – matter of expectations.
- Aim to address all legislative responsibilities.
- High risks to be addressed at every meeting as a standard report.
- Climate risks, environment risk (strategic) to be placed in ARIC risk plan.

**COMMITTEE RECOMMENDATION**

**ARIC55/22**

- A. That the attached draft ARIC Work Plan be adopted.
- B. Enhanced to include regular feedback on high risk matters (to be specified by David Rawlings and Michael Quirk).

**Moved Mr Barbeler**

**Seconded Mr Quirk**

**CARRIED**

**8.10 WHS REPORT SEPTEMBER - NOVEMBER 2022**

Richard Doolan:

- A mental health first aid training course is currently being organised to be provided to staff.
- Regarding psych injuries, there has been a couple of isolated incidents. There is no identified trend connected to COVID-19.
- We encourage supervisors to do their required checks each month. The statistics for each team are going to SMT each month. Ensuring supervisors reach their required monthly inspection report numbers is not critical as it does not necessarily reduce risks.
- We are working on improvements, the average claim cost is lowering and starting to look promising.

**COMMITTEE RECOMMENDATION**

**ARIC56/22**

That the Audit, Risk and Improvement Committee receive and note the information in the Work Health & Safety Report September – November 2022.

**Moved Mr Quirk**

**Seconded Mr Barbeler**

**CARRIED**

**8.11 PROVIDING COPY OF HR DATA BEING DISTRIBUTED TO EXECUTIVE AND SENIOR MANAGERS MONTHLY AS REQUESTED AT LAST ARIC**

**COMMITTEE RECOMMENDATION**

**ARIC57/22**

That the Audit, Risk and Improvement Committee receive and note the HR Data report attached.

**Moved Mr Quirk**

**Seconded Mr Barbeler**

**CARRIED**

**8.12 CHIEF EXECUTIVE OFFICER REPORT**

Peter Bascomb:

- In developing the new suite of IP&R documents during April-June 2022 the LTFP included options for an SRV, with the preferred option being increases multiple years compounding to over 100%. Council subsequently commissioned an independent financial sustainability review (FSR) that concluded with 24 recommendations including a 43% SRV. This was subsequently modified to allow for funding for some of the other recommendations and for additional funds for building renewals.
- 53% as one increase or 10.5% slow increase over time which would be perceived as the minimum.

- In order to satisfy IPART to agree to the SRV we need to ensure all of the community is aware of Council’s plans.
- At this point in time we are getting very few people attending consultation sessions and did not have a lot of people fill out the survey.
- If the SRV gets up in January and we go for the 53% increase, we will need to demonstrate the benefits this will bring, improvement in asset management program etc.
- Sir William Hudson Memorial Centre (SWHMC) is in financial crisis. SMRC have no interest to take SWHMC on.

**COMMITTEE RECOMMENDATION**

**ARIC58/22**

That Audit, Risk and Improvement Committee receive and note the information provided by the Chief Executive Officer.

**Moved Mr Quirk**

**Seconded Mr Barbeler**

**CARRIED**

**9. GENERAL BUSINESS**

**9.1 INTERNAL AUDIT CHARTER**

Michael Quirk:

- The Internal Audit Charter has been reviewed by Paul Fitzsimons and it needs to be updated. Discussions to take place with David Rawlings about a timeline.

**10. NEXT MEETING**

Monday, 13 March 2023 commencing at 10.00am in the Committee Room and via Microsoft Teams.

There being no further business the Chair declared the meeting closed at 2:20PM

CHAIRPERSON



The above minutes of the Audit Risk And Improvement Committee Meeting of Snowy Monaro Regional Council held on 12 December 2022 were confirmed by Committee at a duly convened meeting on 13 March 2023 at which meeting the signature hereon was subscribed.