



SNOWY MONARO
REGIONAL COUNCIL

Minutes

Audit Risk And Improvement Committee Meeting

11 March 2024

**AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING
HELD IN COMMITTEE ROOM, 81 COMMISSIONER STREET, COOMA**

ON MONDAY 11 MARCH 2024

MINUTES

Notes:

1.	OPENING OF THE MEETING	2
2.	APOLOGIES	2
3.	DECLARATIONS OF PECUNIARY INTERESTS/CONFLICT OF INTEREST	2
4.	ADOPTION OF MINUTES OF PREVIOUS MEETING	3
4.1	Audit Risk And Improvement Committee Meeting 5 February 2024	3
4.1	AUDIT REPORTS.....	3
8.1.1	Internal Auditor Update	3
5.	BUSINESS ARISING.....	4
5.1	Audit Recommendations Update.....	4
5.2	ARIC Resolution Updates	5
6.	PRESENTATIONS	5
7.	STANDARD AGENDA ITEMS.....	6
7.1	STANDARD REPORTS.....	6
7.1.1	Corporate Projects Update	6
7.1.2	Corporate Risk Management Update	7
7.1.3	Chief Executive Officer Report.....	7
7.2	FINANCE REPORTS.....	8
7.2.1	Finance Update	8
8.	SPECIAL AGENDA ITEMS	8
9.	GENERAL BUSINESS	8
9.1	ARIC Strategic and Annual Planning Process	8
10.	NEXT MEETING	9

**MINUTES OF THE AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING
HELD IN COMMITTEE ROOM, 81 COMMISSIONER STREET, COOMA**

**ON MONDAY, 11 MARCH 2024
COMMENCING AT 10:00 AM**

PRESENT:

Voting Attendees:

Michael Quirk, Independent Member (Chair) – *In Person*
Kylie McRae, Independent Member – *Via Audio-Visual*
Shannon Buckley, Independent Member – *Via Audio-Visual*
Andrew Cox, Independent Member – *In Person*
Councillor Lynda Summers, Council Member – *Via Audio-Visual*

Non-Voting Attendees:

David Hogan, Chief Executive Officer – *In Person*

Guests:

Paul Fitzsimmons, Internal Audit Officer – *In Person*
David Rawlings, Chief Strategy Officer – *In Person*
Simon Rennie, Acting Chief Financial Officer
Luke O’Sullivan, Coordinator of Governance – *In Person*
Sandy Robinson, Organisational Risk Management Officer – *In Person*
Grace Mackay, Secretary Council and Committees, (Secretariat)

1. OPENING OF THE MEETING

The Chair opened the meeting at 10:09 AM

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 5 FEBRUARY 2024

COMMITTEE RECOMMENDATION	ARIC19/24
THAT the minutes of the Audit Risk And Improvement Committee Meeting held on 05 February 2024 are confirmed as a true and accurate record of proceedings.	
Moved Mr Quirk	Seconded Mr Cox
CARRIED	

It was requested that more comprehensive minutes be taken moving forward.

It is to be noted that during the last ARIC meeting (Monday 5 February 2024), there was an in camera session with Sue Prichard, the external auditor, and with Paul Fitzsimmons, the Internal Auditor.

4.1 AUDIT REPORTS

8.1.1 INTERNAL AUDITOR UPDATE

Record No: I24/150

OFFICER’S RECOMMENDATION
That Audit, Risk and Improvement note the Internal Auditor Update

This is an information only report.

COMMITTEE RECOMMENDATION	ARIC20/24
That Audit, Risk and Improvement note the Internal Auditor Update	
Moved Mr Quirk	Seconded Mr Buckley
CARRIED	

Note: This item was moved earlier to allow CEO of CRJO Sharon Houlihan to present to ARIC.

The end of field work for procurement was mentioned therefore, there was no joint report. No major issues were noticed.

The revised internal audit plan was discussed. Draft report is scheduled to be issued in one to two weeks.

A comprehensive report for the service level agreement will be distributed prior to the next ARIC meeting.

A question was asked if the AP audit budget timeframe was known. The timeframe is unknown.

There was a discussion whether the joint audit report inhibits the full story of the audit and who the executive sponsor should be whether it should be individualised to each Council not the CRJO.

A question was asked regarding resourcing for a Cyber Audit. It was noted that CRJO and individual Council’s do not have funding.

CEO Sharon Houlihan joined the meeting at 10:30 am. Sharon gave a brief description of what she has done over the past 8 weeks being new to the role.

The Service Agreement was discussed in further detail. The agreement is still in DRAFT stage but will be sent to the ARIC before approval. It will involve 2 audits per year. If a larger or highly specialised audit is required, it can be added to the individual Council agreement.

A question was asked regarding what types of audits are included in the 2 audits. It was mentioned that each Council can decide on what audit suits their organisation better however, Council’s tend to select the same audit types.

Another question was asked regarding the financial amount that different Council’s contribute. Sharon stated that each Council pays a fixed fee but additional fees are added dependent on population size of that Council.

Another question was asked regarding compliance with new legislation of the internal audit function and how long it will take to become compliant. Sharon stated that 3 processes were needed to be compliant;

1. Internal Audit Coordinator appointed
2. Conducting of audits both internal and external
3. Review and assessment of compliance, risk and improvement functions

A concern was raised about only having 2 audits per year and what assurance there was for ARIC that all risks were covered. Over a 4 year period, 8 audits can be performed but additional audits can be included if required.

A question was asked regarding the audit into Accounts Payable and whether the audit was on hold. It was stated that the audit was not on hold and progressing.

Sharon Houlihan left the meeting at 11:00 AM.

5. BUSINESS ARISING

5.1 AUDIT RECOMMENDATIONS UPDATE

Record No: I24/155

COMMITTEE RECOMMENDATION	ARIC21/24
That the Audit, Risk and Improvement Committee:	
A. Receive the Audit Recommendations Audit Report	
B. Approve the internal Audit Signoff for Recommendations completed to 1 March 2024	
Moved Mr Quirk	Seconded Mr Cox
CARRIED	

A thank you was given by the Chair to staff regarding this report.

It was noted that there were duplicates particularly in the financial sections and that a clean-up was required. CFO Simon Rennie was aware of this and will endeavour to amend the duplicates.

A question was asked regarding the Online Contract Register and where it was located. It was stated that Council’s website has this list.

It was noticed that there was no update on Work Health Safety actions. It was stated that Palladin works are underway but due to staff shortages the Work Force Management have been stretched thin and some processes have been put on hold.

Timelines for capitalisation of IPPE, managers are aware and improving.

The SAP project – an announcement is due to be released on Friday 22 March in Jindabyne with MP's.

Assurance Map will be included in the BCP and Enterprise Risk Management work. It has been flagged with Palladin for review.

5.2 ARIC RESOLUTION UPDATES

Record No: I24/170

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee note the information in the ARIC resolution updates report.

This is an information only report.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee note the information in the ARIC resolution updates report.

Note: This item was missed.

6. PRESENTATIONS

Nil.

7. STANDARD AGENDA ITEMS

7.1 STANDARD REPORTS

7.1.1 CORPORATE PROJECTS UPDATE

Record No: I24/136

OFFICER’S RECOMMENDATION

That Council note Corporate Projects Update.

This is an information only report.

COMMITTEE RECOMMENDATION

ARIC22/24

That the committee note Corporate Projects Update that was provided to Council. That the June 2024 ARIC meeting be provided with a major projects update including project description, risks and performance including delivery and budget.

Moved Mr Quirk

Seconded Mr Cox

CARRIED

CSO David Rawlings gave an update on the new Manager of Projects. It was mentioned that she has a broad skillset and her skills in change management will be utilised. This manager has reviewed various systems and processes and found ways to streamline mapping to improve use of systems. The Manager is finalising grants and working with the Office of Local Government on outstanding projects in order to close them off.

Large Projects currently underway include; Shared Trail in Jindabyne which is currently on hold until resources for maintaining the trail are identified. Swimming pool upgrades are being reviewed and is currently considered high risk due to unforeseen processes. Spending of Disaster Recovery Grants is underway and it is noted that this has been a distraction for the organisation. The Towards Excellence Project is well under way. An investigation has been carried out to identify ways in which Council can improve performance however, more resources are required.

A question was asked if a list of current projects could be provided to ARIC with estimated completion dates.

7.1.2 CORPORATE RISK MANAGEMENT UPDATE

Record No: I24/151

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee note the Corporate Risk Management Update.

This is an information only report.

COMMITTEE RECOMMENDATION

ARIC23/24

That the Audit, Risk and Improvement Committee note the Corporate Risk Management Update.

Moved Mr Quirk

Seconded Mr Buckley

CARRIED

An update was provided by Councils Organisational Risk Management Officer. It was noted that Palladin had presented to the Executive Leadership team on policies for Work Health and Safety. These policies will be sent to staff for review with intention on finalising at the end of June/early July.

Civic Risk are scheduled to deliver an update to staff on liability strategies.

Palladin will be rolling out training to staff and Councillors on the new Risk Framework.

A question was asked about the timeframe for training to Councillors. It was noted that Councillors will need approximately one hour of training. It was suggested that this training occur both before and after Local Government elections in September.

It was asked that regular updates regarding the above could be kept on the agenda moving forward.

7.1.3 CHIEF EXECUTIVE OFFICER REPORT

Record No: I24/169

OFFICER'S RECOMMENDATION

That the Audit Risk and Improvement Committee receive and note the information in the CEO's report.

COMMITTEE RECOMMENDATION

ARIC24/24

That the Audit Risk and Improvement Committee receive and note the information in the CEO's report.

Moved Mr Quirk

CARRIED

The CEO had three major updates for ARIC;

1. Budget Review – the Senior Management Team recently presented to the Executive their budgets for 2024/2025 financial year. It was noted that the organisation has over committed to projects and are struggling to complete them. Steps are being taken to amend this.
2. Recruitment for Executives – it was noted that at present, the majority of Executives are acting. A report will be addressed at the March 2024 Council meeting for approval to advertise recruitment of the Chief Workforce and Chief Financial Officer roles. The CFO role will be

reclassified as a senior executive. The advertisement will be open for six to eight weeks from the end of March/early April.

3. Aged Care Divestment – final meeting with Respect regarding the Transfer Deed and transfer date was expecting to be held on 12 March. Transfer date was determined as the 15 April 2024. Unions have been engaged to meet with staff and residents. The Expression of Interest for the Snowy River Hostel has been extended and a report will return to Council in May.

A brief update was provided on organisational safety.

7.2 FINANCE REPORTS

7.2.1 FINANCE UPDATE

Record No: I24/172

COMMITTEE RECOMMENDATION	ARIC25/24
That the information be noted.	
Moved Mr Quirk	Seconded Mr Cox
	CARRIED

A BRIEF UPDATE WAS PROVIDED BY CHIEF FINANCIAL OFFICER SIMON RENNIE.

- AUDIT PLANNING MEETING IS CURRENTLY WORKING TOWARDS COMPLETING FINANCIAL STATEMENTS BY NOVEMBER 2024.
- A MOTION REGARDING THE FINANCE WORKING GROUP WAS TAKEN TO COUNCIL'S 15 FEBRUARY 2024 COUNCIL MEETING. THE MOTION WAS PASSED UNANIMOUSLY WITH THE WORKING GROUP TO MEET QUARTERLY MOVING FORWARD. THE CHAIR WILL BE EITHER THE CEO OR CFO.

8. SPECIAL AGENDA ITEMS

Nil

9. GENERAL BUSINESS

9.1 ARIC STRATEGIC AND ANNUAL PLANNING PROCESS

Record No: I24/171

COMMITTEE RECOMMENDATION	ARIC26/24
That the ARIC members undertake online workshop with relevant Council officers with the aim of determining final position on the implementation on guidelines.	
Moved Mr Quirk	CARRIED

Chief Strategy Officer David Rawlings provided details on this item and the below comments were noted;

- The terms of reference is missing a schedule and definition of roles of the ARIC.
- The guidelines will need to be presented back to Council to align with ARIC expectations.
- The online workshop was agreed to be a good idea. It will allow members to discuss details with relevant Council officers, rewording the document and remove inconsistencies.
- It was discussed that Council is currently mostly compliant with the guidelines.
- It was suggested that the business paper for ARIC should be confidential however, the ARIC take responsibility on the level of information provided to Council
- The committee was concerned about safety due to the risk being considered as high.


9.2 The Chair noted that the ARIC had held in “in-camera” meeting with the CFO Simon Rennie prior to the meeting commencement.

10. NEXT MEETING

Monday, 17 June 2024.

There being no further business the Chair declared the meeting closed at 12:28 PM.

CHAIRPERSON



The above minutes of the Audit Risk And Improvement Committee Meeting of Snowy Monaro Regional Council held on 11 March 2024 were confirmed by Committee at a duly convened meeting on 17 June 2024 at which meeting the signature hereon was subscribed.