



REPORT AUDIT, RISK AND IMPROVEMENT COMMITTEE 12 DECEMBER 2023

PRESENT: Councillor R Ivey, Mr T Breen (Independent Member), Mr G Matthews (Independent Member), Mr J Walkom (Independent Member and Committee Chair), Ms M Lee (Audit Office), Ms C Wu (Audit Office), Ms M Bartley (Audit Office) and Mr S Thomson (Centium).

ALSO IN ATTENDANCE:

The Chief Executive Officer (N Comber), the Chief Information Officer, the Chief Financial Officer, the Manager Corporate Governance and the Governance Officer.

Mr J Walkom assumed the Chair of the meeting.

The proceedings of the meeting commenced at 11.04 am.

ARIC23/21 ACKNOWLEDGEMENT OF COUNTRY (ID23/2890)

Mr J Walkom delivered an Acknowledgement of Country.

ARIC23/22 LEAVE OF ABSENCE (ID23/2889)

Requests for leave of absence were received from Councillors M Dickerson, S Chowdhury, the Chief Executive Officer and the Director Organisational Performance who were absent from the meeting due to personal reasons.

Councillor R Ivey, the Chief Executive Officer (N Comber), Ms M Lee (Audit Office), Ms C Wu (Audit Office), Ms M Bartley (Audit Office) and Mr S Thomson (Centium) attended via Audio-Visual link.

ARIC23/23 CONFLICTS OF INTEREST (ID23/2892)

There were no Conflicts of Interest declared.

**ARIC23/24 REPORT OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE - MEETING 24
OCTOBER 2023 (ID23/2891)**

The Committee had before it the report of the Audit, Risk and Improvement Committee meeting held 24 October 2023.

Moved by Mr T Breen (Independent Member) and seconded by Mr G Matthews (Independent Member)

RECOMMENDATION

The Committee recommends:

- 1. That the report of the Audit, Risk and Improvement Committee meeting held on 24 October 2023, be accepted.**
- 2. That the following comments from the ARIC in relation to ARIC23/20 be noted:**
 - The ARIC completely agrees with the Auditor General’s recommendation.**
 - If Council continues to operate without reviewing the transactions of privileged users, then it is leaving itself open to fraud.**
 - The degree of independence in the review is a secondary consideration to the absence of a review. Any review is considered preferable to no review at all. The prospect of having to collude with someone to commit a fraud, mitigates the risk.**

CARRIED

**ARIC23/25 AUDIT OFFICE OF NSW - FINAL MANAGEMENT LETTER - YEAR ENDED 30 JUNE
2023 - UPDATE ON IDENTIFIED ISSUES (ID23/2773)**

The Committee had before it the report dated 1 December 2023 from the Manager Corporate Governance regarding Audit Office of NSW - Final Management Letter - Year Ended 30 June 2023 - Update on Identified Issues.

Moved by Mr J Walkom (Independent Member and Committee Chair) and seconded by Mr T Breen (Independent Member)

RECOMMENDATION

The Committee recommends:

- 1. That the information contained within the report of the Manager Corporate Governance, dated 1 December 2023, be noted.**
- 2. That the issues identified in the Audit Office letter be included in the outstanding Action Items report to the following ARIC meeting with completion dates.**

CARRIED

ARIC23/26 PRESENTATION OF 2023 FINAL MANAGEMENT LETTER AND INTRODUCTION TO NEW AUDIT NSW COMMITTEE MEMBERS (ID23/2847)

The Committee was presented the 2023 Final Management Letter and recommendations by Ms M Lee (Audit Office).

The Committee noted that Ms M Bartley and Ms C Wu will be the Audit Office NSW Committee members for 2024.

ARIC23/27 SERVICE REVIEW PROGRAM - UPDATE (ID23/2766)

The Committee had before it the report dated 22 November 2023 from the Chief Executive Officer (N Comber) regarding Service Review Program - Update.

Moved by Mr T Breen (Independent Member) and seconded by Mr J Walkom (Independent Member and Committee Chair)

RECOMMENDATION

The Committee recommends:

- 1. That the report of the Chief Executive Officer, dated 22 November 2023, be noted.**
- 2. That the information regarding the organisation's service plan be advised to ARIC via periodic update.**

CARRIED

ARIC23/28 ARIC ACTION ITEMS - NOVEMBER 2023 (ID23/2777)

The Committee had before it the report dated 27 November 2023 from the Manager Corporate Governance regarding ARIC Action Items - November 2023.

Moved by Mr J Walkom (Independent Member and Committee Chair) and seconded by Mr T Breen (Independent Member)

RECOMMENDATION

The Committee recommends:

- 1. That the Action Items report from the Manager Corporate Governance be accepted.**
- 2. That future reports include revised completion dates, with markups to ensure the original date is still visible for transparency.**
- 3. That the Governance Summary be moved to the front of the report.**

CARRIED

ARIC23/29 CENTIUM AUDIT - IT GOVERNANCE (ID23/2774)

The Committee had before it the report dated 27 November 2023 from the Manager Corporate Governance regarding Centium Audit - IT Governance.

The Committee received a presentation of the report by Mr S Thomson (Centium).

Moved by Mr J Walkom (Independent Member and Committee Chair) and seconded by Mr G Matthews (Independent Member)

RECOMMENDATION

The Committee recommends:

- 1. That the draft IT Governance audit be noted.**
- 2. That it be noted that branches using operating environments outside the corporate system present increased risk to Council.**

CARRIED

ARIC23/30 CYBER SECURITY FRAMEWORK (ID23/2875)

The Committee had before it the report dated 5 December 2023 from the Chief Information Officer regarding Cyber Security Framework.

Moved by Mr G Matthews (Independent Member) and seconded by Mr T Breen (Independent Member)

RECOMMENDATION

The Committee recommends:

That the report of the Chief Information Officer dated 5 December 2023 be noted.

CARRIED

ARIC23/31 TENDERING FOR INSURANCE PROVIDER (ID23/2771)

The Committee had before it the report dated 27 November 2023 from the Emergency and Risk Team Leader regarding Tendering for Insurance Provider.

Moved by Mr G Matthews (Independent Member) and seconded by Mr T Breen (Independent Member)

RECOMMENDATION

The Committee recommends:

That Council remain with CivicRisk Mutual.

CARRIED

ARIC23/32 BUSINESS CONTINUITY PLAN (ID23/2772)

The Committee had before it the report dated 27 November 2023 from the Emergency and Risk Team Leader regarding Business Continuity Plan.

Moved by Mr G Matthews (Independent Member) and seconded by Mr T Breen (Independent Member)

RECOMMENDATION

The Committee recommends:

That ARIC note the BCP has been endorsed by ELT following its annual review.

CARRIED

ARIC23/33 THREE YEAR AUDIT PROGRAM (ID23/2899)

The Committee was addressed by the Manager Corporate Governance regarding this matter.

The Committee noted that a report will be prepared for the next ARIC meeting regarding the three year audit program including a one year priority program.

ARIC23/34 SET MEETING DATES FOR 2024 (ID23/2776)

The Committee set the following meeting dates for 2024:

- Monday, 4 March 2024 at 4.00 pm.
- Monday, 6 May 2024 at 4.00 pm.
- Monday, 5 August 2024 at 4.00 pm.
- Monday, 4 November 2024 at 4.00 pm

The meeting closed at 12.43 pm.

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CHAIRPERSON