



# **MINUTES**

## **Audit, Risk and Improvement Committee Meeting Monday, 27 May 2024**

**Date: Monday, 27 May 2024**

**Time: 10:00am**

**Location: Council Chambers  
73 Camp Street  
GRENFELL NSW 2810  
via TEAMS**

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**MINUTES OF WEDDIN SHIRE COUNCIL  
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBERS, 73 CAMP STREET, GRENFELL NSW 2810  
ON MONDAY, 27 MAY 2024 AT 10:00AM**

**1 OPENING**

Those in attendance are asked to comply with all relevant WSC codes, policies and procedures at all times.

**2 ACKNOWLEDGEMENT OF COUNTRY**

Weddin Shire Council would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land.

Weddin Shire Council would also like to pay respect to the Elders both past and present of the Wiradjuri Nation and extend that respect to other Aboriginal Australians who are present.

**3 ATTENDANCE**

**PRESENT:**

Chair Ron Gillard, Member Les Hullick, Member John Oldfield (via MS Teams), Member Clr Glenda Howell (non-voting)

**IN ATTENDANCE:**

Noreen Vu (General Manager), John Thompson (Director – Corporate Services), Brad Bohun (Crowe – External Audit Contractor (via MS Teams)), Renae Meldrum (Secretariat)

**APOLOGIES:**

Min Cui (Audit Office of NSW – External Auditor)

**4 DECLARATION OF INTERESTS**

Ron Gillard declared a standing conflict of interest for the reason that he is a member of the Audit Risk & Improvement Committees of Central Tablelands Water. Mr Gillard further stated that it is a pecuniary conflict of interest and that he would leave the meeting and not participate in the debate should a conflict arise.

**5 CONFIRMATION OF MINUTES**

**COMMITTEE RESOLUTION 014/24**

Moved: Member Oldfield

Seconded: Member Hullick

That Minutes of the Audit, Risk and Improvement Committee Meeting held 26 February 2024 be taken as read and CONFIRMED.

**CARRIED**

**6.1 MATTERS ARISING**

The Chair confirmed that the updated Terms of Reference endorsed by the Committee at the last meeting has been subsequently adopted by Council.

The Chair also updated the progress of developing the ARIC Workplan, and that it is anticipated to be presented back to the Committee for endorsement later in the year in order for it to be presented to the newly elected Council.

## 7 GENERAL BUSINESS

### 6.1 EXTERNAL AUDIT | FY24 AUDIT PROGRESS

**File Number:****Author:** Arts and Tourism Officer**Authoriser:** Director Corporate Services**Attachments:** 1. 20240312 - GM Endorsed\_Weddin Shire Council - Annual Engagement Plan 2024 - Final**CSP Objective:** Collaborative wealth building (strong, diverse and resilient local economy)**Precis:** To provide the Audit Risk & Improvement Committee with an update on the progress of the 2024 Financial Year audit.**Budget:**

### RECOMMENDATION

That the Audit, Risk and Improvement Committee

- Note the updates as provided by the Director of Corporate Services.

### COMMITTEE RESOLUTION 015/24

Moved: Member Hullick

Seconded: Member Oldfield

That the Audit, Risk and Improvement Committee

- Note the updates as provided by the Director of Corporate Services and the External Audit Contractor.

### CARRIED

The Committee received an update on progress of the FY24 audit, noting first that the interim audit originally scheduled for 20 May 2024 has been rescheduled to 17 June 2024 given the late start following last year's delays and the appointment of a new audit contractor. Despite this limited delay, all other items are on track with the agreed timetable and there is currently no concern with meeting the filing deadline of 31 October 2024.

Regarding the non-recognition of RFS assets, it was discussed and confirmed that the Council's position, supported by the Committee, has not changed and they will not be recognised in the current years financial statements. This was clarified by the Chair so that no further time is invested on this issue that could potentially cause a delay in meeting the timetable.

Potential issues around revaluations, rehab/remediation provisions, grant income and cashflow management have been or are in the process of being addressed, and the Committee commended staff for their progress and preparations to date.

**6.2 EXTERNAL AUDIT | AUDIT MANAGEMENT LETTER ACTION LIST PROGRESS****File Number:****Author:** Arts and Tourism Officer**Authoriser:** Director Corporate Services**Attachments:** 1. 2023 AUDIT MANAGEMENT RESPONSE REGISTER  
2. WEDDIN SHIRE COUNCIL FINAL MANAGEMENT LETTER 2023**CSP Objective:** Shire assets and services delivered effectively and efficiently**Precis:** To provide the Audit, Risk & Improvement Committee an update on outstanding items on 2023 Audit Management letter**Budget:****RECOMMENDATION**

That the Audit, Risk and Improvement Committee:

1. Note the actions taken on outstanding items on the 2023 Audit Management letter.

**COMMITTEE RESOLUTION 016/24**

Moved: Member Hullick

Seconded: Member Oldfield

That the Audit, Risk and Improvement Committee:

1. Note the actions taken on outstanding items on the 2023 Audit Management letter and commend staff for the progress made to date.

**CARRIED**

- RFS equipment - A qualified audit report is to be expected again per discussion at 6.1. It was also noted that there is proposed legislation before the NSW Government to address this issue for all councils, and also that a submission has been made to parliamentary enquiry.
  - Audit logs of privileged users – privileged users have been identified and are being kept to a minimum.
  - Asset remediation – has already been discussed in item 6.1.
  - Excessive annual leave balances – being reviewed regularly at MANEX every 2 months, letter to be sent to employees with excessive leave balances every 4 months.
- Key risks:
- Operational risks – upskill staff to undertake tasks.
  - Employees with large excessive leave balances – look at paying out staff.
- Restricted cash – being regularly monitored and are reported as part of QBRS. No issues are foreseen for 30 June 2024.
  - Fixed asset register – In train and being tidied up. Looking at simpler asset management module. Fixed asset register is currently on excel and needs to be reviewed.

- Business continuity plan – workshop to be held at next Council meeting.
- Cybersecurity training – All IT controls are in place, most staff have received training.
- Vendor master data – Civica upgrade benefits, plug ins to Planning Portal & State Government grant portal. The development of a procedure is in progress. A request was made by Les Hullick for Cybersecurity incidents & mitigation is being reported on quarterly. Register of cybersecurity incidents is on the Weddin Shire Council website.
- New accounting standards, has been resolved. Luka Group to review again.

**6.3 FINANCIAL PERFORMANCE****File Number:****Author:** Arts and Tourism Officer**Authoriser:** Director Corporate Services**Attachments:** 1. FINAL QBRS Q3 31 MARCH 2024**CSP Objective:** Shire assets and services delivered effectively and efficiently**Precis:** provide the Audit, Risk & Improvement Committee with a high-level summary of financial performance and/or key financial information. Provide copies of the key financial reports presented to Council since the last meeting, along with any respective resolutions by Council.**Budget:** Nil**RECOMMENDATION**

That the Audit, Risk &amp; Improvement Committee

1. Receive and note the Quarterly Budget Review Statement (Quarter 3) adopted by Council on 16 May 2024.
2. Receive and note the financial reports provided by council to the ARIC.

**COMMITTEE RESOLUTION 017/24**

Moved: Member Oldfield

Seconded: Member Hullick

That the Audit, Risk &amp; Improvement Committee

1. Receive and note the Quarterly Budget Review Statement (Quarter 3) adopted by Council on 16 May 2024.
2. Receive and note the financial reports provided by council to the ARIC.

**CARRIED**

Presentation of QBRS for March quarter has improved as more reliable information is accessible.

Numbers for 2024/2025 year need to be reviewed again before going to Public Exhibition.

Town shire works of \$2.4million need to be revisited.

Grant register is in train more accurate data available. Captured all grants & funds received. Cannot foresee any big issues, will continue to fine tune. John Thompson and Da'na Holjund (Management Accountant) to work on this. Staff to still have access to information, but there needs to be a control so there is no contamination of data.

Tip closures – Quandialla & Caragabal. Plan to transfer a further amount of \$100,000 to already available funds.



RMCC commentary – costs have reduced the rate. Are Weddin Shire council able to recoup more costs? Sqm rate is not an issue. Nine companies available to do contract work but would need to take in to account travel and accommodation in to their costings.

Council sewer fund – more detail to be supplied at next meeting.

Weddin Shire Council were asked to expand on issue of undercharged rates, why/how it happened and what has been put in place so that it won't happen again. Previous financial year worksheet/calculations was used. Situation to be remediated.

Roads to recovery not included in budget forecast. Announcement of \$1.2million will likely reduce to \$800,000.

**6.4 STATECOVER 2022/23 WHS ACTION PLAN UPDATE**

**File Number:**

**Author:** Arts and Tourism Officer

**Authoriser:** Director Corporate Services

**Attachments:** 1. WHS ACTION PLAN UPDATE

**CSP Objective:** Democratic and engaged community supported by efficient internal systems

**Precis:** To present to ARIC the new WHS action plan layout and give updates on any actions taken since the last ARIC meeting on the 26 February 2024.

**Budget:**

**RECOMMENDATION**

That the ARIC

1. Note the new WHS action plan layout
2. Receive and note updates on actions taken since the last ARIC meeting on the 26 Feb 2024

**COMMITTEE RESOLUTION 018/24**

Moved: Member Hullick

Seconded: Member Oldfield

That the ARIC

1. Note the new WHS action plan layout
2. Receive and note updates on actions taken since the last ARIC meeting on the 26 Feb 2024

**CARRIED**

Toolbox meeting was held with indoor and outdoor staff re: bullying and harassment.

Resource regulator will develop a management plan and are to come onsite.

**6.5 BUILDING ASSET CONDITION UPDATE**

**File Number:**

**Author:** Arts and Tourism Officer

**Authoriser:** Director Corporate Services

**Attachments:** Nil

**CSP Objective:** Shire assets and services delivered effectively and efficiently

**Precis:** To provide an update to ARIC on the progress of rectification work to building assets that were damaged in the 2023 Christmas Day hailstorm

**Budget:**

**RECOMMENDATION**

That ARIC receive and note the updates on storm damaged building assets.

**COMMITTEE RESOLUTION 019/24**

Moved: Member Hullick

Seconded: Member Oldfield

That ARIC receive and note the updates on storm damaged building assets.

**CARRIED**

Older buildings had existing damage. Currently liaising with insurance company – still expecting a long process. Claims being disputed due to existing damage, standard insurance approach.

Scope of works has been received for some of the property damage and Council will proceed with repair work on those approved by the Insurer to date.

**6.6 REPORT CARD | RISK PROFILE AFFECTING EVENTS****File Number:****Author:** Arts and Tourism Officer**Authoriser:** General Manager**Attachments:** 1. REPORT CARD May 2024**CSP Objective:** Culturally rich, vibrant and inclusive community**Precis:** To provide ARIC key risks issues in a report card format**Budget:****RECOMMENDATION**

That the ARIC Committee:

1. Note the information contained in this report.
2. Note the Report Card: Risk Profile Affecting Events

**COMMITTEE RESOLUTION 020/24**

Moved: Member Oldfield

Seconded: Member Hullick

That the ARIC Committee:

1. Note the information contained in this report.
2. Note the Report Card: Risk Profile Affecting Events

**CARRIED**

Further action highlighted by the General Manager was that 20% milestone payments from TfNSW are to be received before 30 June 2024. Winter can be problematic with sealing roads, and summer is less of a problem. TfNSW has agreed to a 20% upfront milestone payment – this is a hybrid model based on packages claimed through TfNSW. 50% of work to be undertaken in-house.

Contractor will be undertaking sealing work, Weddin Staff to undertake Traffic Control.

Tips – Environmental Protection Agency served Council with a 'draft' prevention notice which does not permit burying materials onsite. Costs to relocate asbestos are quite prohibitive (approximately \$1.7million). Tips are currently fenced off and the ranger inspects the sight often. Utilising Cleanaway skip bins as temporary measure. No timeline of EPA requirements has been specified. Council is waiting for a 'final' Prevention Notice to be issued. Council cannot afford to clean/remove materials, plus transporting contaminated waste from point A to point B is a significant risk.

**6.7 SELF-INITIATED IMPROVEMENT MANAGEMENT PLAN UPDATE**

**File Number:**

**Author:** Arts and Tourism Officer

**Authoriser:** Director Corporate Services

**Attachments:** 1. SELF INITIATED IMPROVEMENT PLAN

**CSP Objective:** Shire assets and services delivered effectively and efficiently

**Precis:** Council is to report to the Audit, Risk and Improvement Committee a summary of actions, due dates and progress from the endorsed Self- Initiated Improvement Plan.

**Budget:** NIL

**RECOMMENDATION**

That the Audit, Risk and Improvement Committee:

1. Note and receive the report including the update of actions.

**COMMITTEE RESOLUTION 021/24**

Moved: Member Oldfield

Seconded: Member Hullick

That the Audit, Risk and Improvement Committee:

1. Note and receive the report including the update of actions. **CARRIED**

New Staff members have joined the team, but do not have significant Local Government experience. There is more support in Corporate Services.

Contract Management & Procurement policy to have page turn with staff.

Council term is ending in September, new plans are a priority to table at Council.

**6.8 UPDATE ON RISK REGISTER****File Number:****Author:** General Manager**Authoriser:** General Manager**Attachments:** Nil**CSP Objective:** Shire assets and services delivered effectively and efficiently**Precis:** To provide an update to the Audit, Risk Improvement Committee on progress of the development of the Risk Register. Standing agenda item**Budget:****RECOMMENDATION****That the Audit Risk and Improvement Committee:**

1. Receive and note this report.
2. Request that future agendas include the Update on Risk Register and Business Continuity Plan.

**COMMITTEE RESOLUTION 022/24****Moved:** Member Hullick**Seconded:** Member Oldfield**That the Audit Risk and Improvement Committee:**

1. Receive and note this report.
2. Request that future agendas include the Update on Risk Register and Business Continuity Plan.

**CARRIED**

It was noted that a lack of a Business Continuity Plan and Risk Register is an issue. Next steps are to finalise the Business Continuity Plan. A workshop has been held, and Risk Assessment software is available from Statecover.

Ron to provide John with contact at another council to speak with of their experience and potential guidance. In due course, Council will need to also consider undertaking annual scenario testing of its Business Continuity Plan.

John to construct a Risk Register as there is no risk register in place. Currently reviewing the Statecover template. 80% of risk identified will be common amongst all Council's with the remaining 20% being unique to Weddin Shire Council.

John to distribute the draft Business Continuity Plan out of session to ARIC members for review and feedback.

**6.9 NEXT MEETING DATES**

**File Number:**

**Author:** General Manager

**Authoriser:** General Manager

**Attachments:** Nil

**CSP Objective:** Shire assets and services delivered effectively and efficiently

**Precis:** To request the ARIC to confirm the next meeting dates for 2024.

**Budget:**

**RECOMMENDATION**

That the Audit Risk and Improvement Committee:

1. Receive and note this report.
2. Endorse the proposed ordinary meeting dates:
  - a. Monday 19 August 2024
  - b. Monday 25 November 2024d
3. Endorse the special meeting dates to consider the draft and final Annual Financial Statements, which can be delivered online:
  - a. Special Meeting #1: Monday 23 September 2024 (Draft)
  - b. Special Meeting #2: TBC October/November (Final)

**COMMITTEE RESOLUTION 023/24**

Moved: Member Oldfield

Seconded: Member Hullick

That the Audit Risk and Improvement Committee:

1. Receive and note this report.
2. Endorse the proposed ordinary meeting dates:
  - a. Monday 26 August 2024 (following an 8:30am site tour of Council's waste management facility)
  - b. Monday 25 November 2024
3. Endorse the special meeting dates to consider the draft and final Annual Financial Statements, which will be delivered online:
  - a. Special Meeting #1: Monday 23 September 2024 (to review draft financial statements pre-referral to audit)
  - b. Special Meeting #2: date TBC late October/early November (to review final/audited financial statements pre-presentation to Council)

**CARRIED**

**8 NEXT MEETING**

26 August 2024

**9 CLOSURE**

**The Meeting closed at 11.38am.**

**The minutes of this meeting were confirmed at the Audit, Risk and Improvement Committee held on 26 August 2024.**

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**CHAIRPERSON**