



Central Coast Council

Audit, Risk and Improvement Committee

Meeting

Held Remotely - Online

7 December 2021

MINUTES

Present

Carl Millington (Chairperson)
Arthur Butler
John Gordon
Rik Hart

Independent member
Independent member
Independent member
Administrator

In Attendance

David Farmer
Natalia Cowley
David Milliken
Jade Maskiewicz
Jamie Beal
Edward Hock
Stephen Bignill
Sharon McLaren
Rachel Callachor
Kelly Drover
David Daniels
Cassie Malone
Penelope Corkill

Chief Executive Officer
Director Corporate Affairs and Chief Financial Officer
Acting Director Environment and Planning
Assistant Internal Ombudsman
Unit Manager Information and Technology
Unit Manager Governance and Legal Counsel
Enterprise Risk Manager
Section Manager Corporate Planning and Reporting
Meeting Support Officer
Meeting Support Officer
Audit Office of NSW
Audit Office of NSW
Account Manager, Centium, IA Co-Sourced Partner

1 INTRODUCTION

Welcome, Acknowledgement of Country and Apologies

The Chairperson, Carl Millington, opened the meeting at 2.07pm, welcomed attendees and completed an Acknowledgement of Country.

It was noted that the meeting was being recorded for minute taking purposes. By attending the meeting, speakers consented to an audio record of the meeting. Recording of the proceedings of this Committee meeting are not permitted without prior approval of the Council. The meeting recording will be deleted once the meeting minutes are finalised.

Apologies received:

Brian Bell, Acting Director Community and Recreation Services

Boris Bolgoff, Director Infrastructure Services

Lilly Mojsin, Senior Internal Ombudsman

1.2 Disclosures of Interest

Resolution

137/2021(ARIC) The Committee noted the standing declarations of current Committee members outlined in the report.

138/2021(ARIC) The Committee recommended that this report be made publicly available as the nature or content of the report do not fall within any listed exceptions pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.

1.3 Confirmation of Minutes of Previous Meeting

Resolution

139/2021(ARIC) The Committee confirmed the minutes of the previous meeting held on 14 September 2021.

140/2021(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available as the nature or content of the report do not fall within any listed exceptions, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.

1.4 Outstanding Action Items

The Committee noted it is a positive to see action items being completed off the action list.

Item 8.4 to be closed and reconsidered at the March 2022 meeting.

In regard to Item 178/2020 Natalia Cowley provided a verbal update on the contingency

workforce engagement. People and Culture will be providing a report to the March 2022 meeting.

96/2021 – Action to be completed

115/2021 – Action to be completed

Resolution

141/2021(ARIC) *The Committee noted the report on Outstanding Action Items.*

142/2021(ARIC) *A tour of Council's Water and Sewer Assets for the independent committee members to be considered at the March 2022 ARIC meeting.*

143/2021(ARIC) *Action Item 101/2021 on Council's insurance arrangements to be reported to the March 2022 ARIC meeting.*

144/2021(ARIC) *The Committee recommended that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of this report do not fall within any listed exceptions.*

1.5 Council's current status

David Farmer, Chief Executive Officer provided the Committee with an update on Council's current status including the following key items:

- Recovery program including securing asset sales and most recently the State Government announcement regarding the purchase of the Gosford Administration building for a new TAFE campus
- Water and Sewer determination currently before IPART
- Special Rate Variation application
- Community Survey and Staff Survey
- ELT structure changes

The Committee noted that the risk of fraud and corruption is of concern and it might be worth taking another look at risk and triaging the big ticket items that could affect Council reputation-wise including Work, Health and Safety, major fraud and major IT breaches. To be explored further with the Committee in 2022.

Resolution

145/2021(ARIC) *The Committee noted the verbal update on Council's current status provided by the Chief Executive Officer.*

2 FINANCE

2.1 General Finance Update

In regard to the financial statements, Natalia Cowley advised that the external audit was still in progress and the Auditors have requested a lodgement extension till 28 February 2022.

The Committee suggested a collaborative approach with Council and the NSW Audit Office on effectiveness and improving the process next year. It was noted that Council's IPART submission is required to be reported to the 8 February 2022 Ordinary Council Meeting and it would be helpful to have the audit completed by this date.

The Audit Office noted that if they received the outstanding items by the end of the week, they will be in a better position to complete the audit within Council's expectations.

The Committee considered the circumstances provided in the report on the sale of the CCGT property (3 Bounty Close, Tuggerah) and were satisfied with the verbal update provided at the meeting.

Resolution

146/2021(ARIC) The Committee noted the report on General Finance Update.

147/2021(ARIC) Council to provide advice to the ARIC Committee on review of the financial statements.

148/2021(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.

3 RISK MANAGEMENT

Stephen Bignill joined the meeting for items 3.1 and 3.2 and left at the conclusion of these items.

3.1 Enterprise Risk Management Report - November 2021

The Committee noted it would be beneficial to see how Council's top operational risks are being managed in future reports and are happy to work offline with Stephen to provide examples of reports that may be of use to Council.

Resolution

149/2021(ARIC) The Committee noted the Enterprise Risk Management Report - November 2021.

150/2021(ARIC) Work, Health and Safety report to be provided to the March 2022 ARIC meeting.

151/2021(ARIC) *The Committee recommended that this report is not made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters affecting the security of Council, Council Officials and Council property.*

3.2 Minutes of the Risk Management Committee Meeting 9 November 2021

Resolution

152/2021(ARIC) *The Committee noted the Minutes of the Risk Management Committee Meeting 9 November 21.*

153/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as they contain matters affecting the security of Council, Councillors, Council staff or Council property.*

Jamie Beal joined the meeting for item 3.3 and left at the conclusion of this item.

3.3 IT Update December 2021

Jamie Beal, Unit Manager Information and Technology provided the Committee with a presentation including the following key items:

- Essential 8 review
- IT Project Governance
- Crown Jewels review
- ITGC update
- Technology Risks

The Committee suggested it would be beneficial to have the opportunity to read the minutes of the IT Steering Committee.

Resolution

154/2021(ARIC) *The Committee noted the presentation and report on IT Update December 2021.*

155/2021(ARIC) *IT update report and presentation to be circulated to the Committee.*

156/2021(ARIC) *The Committee request an IT update to be provided at the March 2022 meeting including any examples of significant cyber issues/events and a copy of the phishing attack reviews. This update should also include the Business Continuity Plan and IT Disaster Recovery Plan and details of the last time there was a test of the plans.*

157/2021(ARIC) *The Committee recommended that this report and the supporting papers to*

this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters that may affect the security of Council, Council Officials and Council property.

4 INTERNAL AUDIT

4.1 Internal Audit Update

Penelope Corkill, Account Manager, Centium, provided the Committee with an update on Internal Audit including the following:

- There are three audits currently in various stages of completion
 - Asset Management audit with a workshop being held later this week
 - Validation of Operational Plan
 - Mandatory audit of Councils claims management

Resolution

158/2021(ARIC) The Committee noted the verbal update provided by Centium on Internal Audit.

159/2021(ARIC) Draft Internal Audit plan to be provided at the March 2022 ARIC meeting including an update on the outstanding recommendations and a plan to address them.

5 EXTERNAL AUDIT

5.1 Audit Office of NSW Annual Work Program 2021-2024

Resolution

160/2021(ARIC) The Committee noted the report on Audit Office of NSW Annual Work Program 2021-2024.

161/2021(ARIC) The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.

6 GOVERNANCE

6.1 Update on Public Inquiry

Edward Hock, Unit Manager Governance and Legal Counsel provided the Committee with an update on the Public Inquiry. Hearings are finalised and opportunity for submission in reply based on oral evidence was opened to those participants and Council does not expect to have an update from the Minister before the end of 2021.

Resolution

162/2021(ARIC) *The Committee noted the verbal update provided on the Public Inquiry.*

6.2 Governance Lighthouse report as at 30 September 2021

Resolution

163/2021(ARIC) *The Committee noted the Governance Lighthouse report as at 30 September 2021.*

164/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

6.3 ARIC Annual Work Plan

Resolution

165/2021(ARIC) *The Committee noted the report on ARIC Annual Work Plan.*

166/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

6.4 Update on Legal Matters

Resolution

167/2021(ARIC) *The Committee noted the report on Update on Legal Matters.*

168/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter.*

- a they may contain confidential advice or confidential communications concerning litigation or legal matters that may otherwise be privileged from production on the grounds of legal professional privilege.*
- b further, on balance, it would not be in the public interest to make this information available as it may compromise Council's ability to ensure the optimum outcome for the community*

7 PERFORMANCE

7.1 Complaints and Compliments Q1 2021-22

Resolution

169/2021(ARIC) *The Committee noted the report on Complaints and Compliments Q1 2021-22.*

170/2021(ARIC) *The Committee recommended that this report and the supporting papers to this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

Sharon McLaren joined the meeting for item 7.2 and left at the conclusion of this item.

7.2 Update on the Integrated Planning and Reporting Activities for 2021-22

Sharon McLaren, Section Manager Corporate Planning and Reporting provided the Committee with an update on the Integrated Planning and Reporting (IP&R) activities for 2021/22. This update differed to the one provided to the Committee in September due to Council's application for a Special Rate Variation (SRV). As Council is considering an SRV submission, it is required by IPART to exhibit all IP&R documents before Council submits an SRV application. This includes revisions to the Community Strategic Plan, Delivery Program for 2022/23 – 2024/25 FY, and the 3 elements of the Resourcing Strategy (Long Term Financial Plan, Workforce Management Strategy, and Asset Management Strategy).

This will be reported to an Extraordinary Council meeting in December for adoption to publicly exhibit with a further meeting early February 2022 to determine whether Council will apply for the SRV.

A community reference group will also be established early 2022.

Resolution

171/2021(ARIC) *The Committee noted the report on the Update on the Integrated Planning and Reporting Activities for 2021-22.*

172/2021(ARIC) *The Committee recommended that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

8 FRAUD CONTROL

8.1 Report from the Office of the Internal Ombudsman

Resolution

173/2021(ARIC) *The Committee noted the report on Report from the Office of the Internal Ombudsman.*

174/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78(a) of the Audit, Risk and Improvement Committee Charter, as it contains personnel matters concerning particular individuals.*

8.2 Fraud and Corruption Control Framework

Resolution

175/2021(ARIC) *The Committee noted the report on Fraud and Corruption Control Framework.*

176/2021(ARIC) *The Committee recommended that this report not be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as it contains matters affecting the security of Council, Councillors, Council staff or Council property.*

9 GENERAL BUSINESS

9.1 Meeting Dates for 2022

Resolution

177/2021(ARIC) *The Committee confirmed the meeting dates for 2022 as set out in the report.*

178/2021(ARIC) *The Committee recommended that this report be made publicly available, pursuant to Clause 78 of the Audit, Risk and Improvement Committee Charter as the nature or content of the report do not fall within any listed exceptions.*

9.2 Statewide Insurance Group

John Gordon recently attended a presentation by Statewide Insurance Group. Statewide has a deal where clients can request a briefing on environmental risks which includes a complete schedule of all environmental risks including Council's response to them. This may prove beneficial when Council is updating the risk register.

The Meeting closed at 5.26pm.

Next Meeting Wednesday 9 March 2022
 Wyong Committee Room
 Risk Briefing 1pm – 2pm
 Ordinary Meeting 2pm – 5pm