



MINUTES OF THE ORDINARY MEETING OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE held at the QCCP Bungendore Room, 257 Crawford Street, Queanbeyan on Monday, 17 June 2024 commencing at 9:30 AM.

## ATTENDANCE

### Members Present:

Rhonda Wheatley (External Chairperson)  
Carolyn Rosetta-Walsh (External Deputy Chairperson) – via zoom  
Diana Hamono (External member)

### Also Present:

Rebecca Ryan (General Manager)  
Hashim Ali (Audit Office of NSW) – via zoom  
Judy Malpas (O'Connor Marsden and Associates - OCM)  
Yas Wickramasekera (O'Connor Marsden and Associates - OCM)  
Anita Cakalic (ARIC Secretary/Risk and Internal Audit Coordinator)  
Lesley Smith (Audit and Risk Administrative Officer – Minutes)  
Peter John (Manager, Digital (Item 6.4))  
Phil Hansen (Director, Infrastructure (Item 7))

## 1. APOLOGIES

That apologies for non-attendance be received and that leave of absence be granted.

- Cr Michele Biscotti (Councillor – Non-voting member);
- Cr Bryce Wilson (Councillor – Alternate non-voting member);
- Kate Monaghan, (Director – Corporate Services);
- Tracey Sligar Chief Financial Officer

## 2. DECLARATIONS OF INTEREST

No disclosures were made by Committee members of any interest in the matters under consideration at this meeting.

The ARIC noted that the Chair was reappointed as a member of North Sydney Council (NSC) ARIC.

## 3. CONFIRMATION OF MINUTES

### 3.1 Minutes of the Ordinary Meeting of the QPRC ARIC held on 18 March 2024

#### Resolution

That the Minutes of the Ordinary Meeting of the QPRC ARIC held in the Queanbeyan Council Chambers on Monday 18 March 2024

were confirmed.

**Moved:** Diana Hamono

**Seconded:** Carolyn Rosetta-Walsh

#### **4. ARIC - ACTIONS ARISING FROM PREVIOUS MINUTES**

##### **4.1 Actions Arising Report June 2024**

The ARIC noted that:

- it was good to see the progress made on completing actions arising from former meetings.
- financial delegations for the finance system configuration has been provided to the NSW Audit Office, however, clarification on the wording in this item is required;
- The performance of the ARIC will be a self-assessment based on a questionnaire (refer to the Office of Local Government Guidelines page 38).

There was some discussion on RFS assets and the completeness of the asset listing as provided by the RFS Controller. A question of the possibility of using a percentage for materiality of the assets was taken on notice by the Audit Office of NSW as a resolution to this matter.

##### **Resolution**

1. That the Audit, Risk and Improvement Committee confirmed the status of action items.
2. ARIC self-assessment questionnaire to be circulated to voting members out-of-session.
3. Follow-up with regard to a materiality percentage taken on notice by the Audit Office.

#### **5. AUDIT REPORTS**

##### **5.1 Audit Office of NSW Update June 2024**

The ARIC noted that the final stage of the independent asset revaluation is currently in progress, there having been an unforeseen delay on behalf of the contractor. Four categories of major assets are being assessed.

##### **Resolution**

1. That the verbal update provided by the Audit Office of NSW was received for information.
2. An out-of-session update to be provided to the ARIC on the progress of asset revaluations.

##### **5.2 OCM Internal Audit Update for June 2024**

The ARIC noted:

- The status of Audits against the 2023-2024 approved annual internal plan.
- Progress on the IT Disaster Recovery and S355 Committees are well underway with the later due for completion in July 2024.
- That the incorrect report submitted by OCM had been attached to the ARIC papers. The paper attached omitted the status update on progress of the s355 Committees audit which is in progress and due to be completed at the end of July 2024.

### **Resolution**

That the update provided by OCM on the progress of internal audits for 2023-2024 was received for information.

### **5.3 Final Internal Audit Report - Data Governance**

The ARIC noted the highlights in the Data Governance Audit around:

- Increased business intelligence re data governance by owners,
- Improvement of data breach procedures
- Reduction in paper based data and therefore improved management of data
- Improved records management processes.

The ARIC discussed and noted:

- The importance of protecting data and the risk exposure of Council if particular classes of data is not protected, particularly in relation to the privacy legislation.
- Issues in relation to data sharing and data sets;
- The importance of engaging with data owners and data governance. Obtaining buy in and, together with sound leadership, ensuring training at all levels within the organisation supports the principles.
- Concerns regarding personal data and exposure under the Privacy Act – in particular through finance and payroll systems for example.
- The amount of manual data keying
- Council's attitude to promoting its business rule about not collecting data that is not needed – in systems or through manual means.

### **Resolution**

That the final internal audit report on data governance was received for information, noting:

1. The two moderate findings around:
  - Data information/strategy
  - Data Governance Framework; and

2. The two low findings around:
  - Data sharingData awareness and culture.

#### **5.4 Annual Internal Audit Plan 24-25**

The ARIC noted that six audits have been given priority within the draft annual audit plan 2024-2025, and confirmed that the internal audit of swimming pool compliance relates to private pools not council owned pools.

##### **Resolution**

That the Audit, Risk and Improvement Committee endorsed the draft QPRC annual internal audit plan 2024-2025.

#### **5.5 Status of Agreed Audit Actions - June 2024**

The ARIC noted the improvement being made to address outstanding audit actions. A question on notice was taken in relation to the reporting column on revised dates.

##### **Resolution**

1. That the report providing an update on the status of agreed audit actions (overdue and completed items) was received for information.
2. Question on notice taken in relation to revised dates.
3. An update to be provided to the September ARIC meeting regarding Budget Management outstanding actions from the CFO and Director, Corporate Services.
4. That the ARIC requested Directors and Managers ensure information provided in the agreed actions status report is up-to-date with further details regarding progress on outstanding items.

## **6. REPORTS TO ARIC - ITEMS FOR INFORMATION**

### **6.1 CFO Status Report - June 2024**

The ARIC noted:

- An improvement for the 24/25 budget from a deficit to a surplus,
- The commencement of a process for the sale of land for unpaid rates.

##### **Resolution**

That the report was received for information.

### **6.2 Bungendore Sports Hub Update**

##### **Resolution**

That the capital project status report for the Bungendore Sports Hub was received for information.

### **6.3 HSEQ Audit outcome**

The ARIC noted that the Executive has allocated responsibility for the HSEQ Audit outcomes to the Coordinator WH&S and Wellbeing.

#### **Resolution**

That the report was received for information.

### **6.4 ICT Report to ARIC June 2024**

The ARIC noted the report presented:

- Progress with Digital policies and plans.
- Consideration of emerging issues related to AI.

#### **Resolution**

That the report was received for information.

### **6.5 Annual Governance Report**

The ARIC noted the report presented and that the one PID reported to ICAC was not investigated.

#### **Resolution**

1. That the report was received for information.
2. That information regarding privacy breaches reported and notified to the Privacy Commissioner be included in future reports.

### **6.6 Business Continuity Scenario Test**

The ARIC noted the report provided and the successful completion of a business continuity scenario test. ARIC also noted the recommendations for improvement provided and that plans had been subsequently revised and updated.

#### **Resolution**

That the business continuity scenario post exercise report was received and noted.

### **6.7 Cyber Security in Local Government**

The ARIC noted that this was a performance report completed by the Audit Office of NSW (which did not involve QPRC) but that could be used to assess performance against the key points for assurance purposes.

#### **Resolution**

1. That the report was received for information.
2. Requested that a report on how Council addresses the key points in this report to be provided to the next ARIC meeting.

#### **6.8 ICAC Operation Hector - Inner West Council and TfNSW**

The ARIC noted the positive response from QPRC in relation to controls already implemented or proposed in relation to the outcomes of the ICAC Operation Hector.

##### **Resolution**

1. That the report was received for information.
2. That an internal independent check by Governance and Legal be conducted to cross-reference suppliers named in the report to Council records.

#### **7. SENIOR MANAGEMENT PRESENTATIONS**

**Phil Hansen** – Director Infrastructure – Major Project/s update

The ARIC thanked the Director for his presentation.

#### **8. GENERAL BUSINESS**

Staff access to internal audit reports was discussed as general business arising.

##### **Resolution**

That the access to internal audit reports is determined by the General Manager.

There being no further business the meeting was declared closed at 12.30.