



**CUMBERLAND
CITY COUNCIL**

Council Meeting
ADDITIONAL ATTACHMENTS

21 AUGUST 2024

ADDITIONAL ATTACHMENTS

Item	Name	Page No.
<u>Reports to Council</u>		
C08/24-579	Draft Annual Financial Statements 2023/24	
Attachment 2	Draft ARIC Meeting Minutes - 19 August 2024 (late – published 19 August 2024)	7

**DOCUMENTS
ASSOCIATED WITH
REPORT C08/24-579**

Attachment 2

**Draft ARIC Meeting Minutes - 19
August 2024**

Minutes of the Audit, Risk and Improvement Committee (ARIC) meeting held at Merrylands Administration Building, 16 Memorial Avenue, Merrylands on Monday 19 August 2024.

PRESENT

Mr. Mark Sercombe (Chairperson), Ms. Rhonda Wheatley (RW) and Dr. Jason Young (JY).

ADVISORY MEMBERS IN ATTENDANCE

Peter Fitzgerald – General Manager, Charlie Ayoub – Director Governance & Risk, Belinda Doig – Manager Audit, Safety & Risk, Christian Nehme - Internal Audit Officer, Tony Chahine – Chief Financial Officer, Samuel Bowyer – Coordinator Finance, Nicky Rajani – Audit Office of NSW and Dane Parsons – External Auditor (arrived at 1:44pm).

INVITEES IN ATTENDANCE

Mayor, Clr. Lisa Lake, Melissa Attia – Director Corporate Performance/Deputy General Manager, Elizabeth Renneberg – Internal Ombudsman, and Lyndall Thompson – Senior Governance and Civic Events Officer (Minute Taker).

IN CAMERA ITEMS

The Independent External Committee Members and the General Manager met in-camera prior to the commencement of the meeting.

The formal ARIC meeting opened at 1:32pm.

ACKNOWLEDGEMENT OF COUNTRY

The Chairperson opened the meeting with an Acknowledgement of Country.

SAFETY BRIEFING

The Director Governance and Risk outlined to those present in the room, the site's emergency evacuation arrangements.

APOLOGIES

Clr Michael Zaiter was noted as an apology for the meeting. The Mayor attended the meeting as Council's non voting member as a result.

DECLARATIONS OF INTEREST

Nil.

The Mayor tabled a letter that she had sent to the Minister for Local Government regarding the removal of Councillors as voting members of Audit, Risk and Improvement Committees, resulting from the recently effective changes to the *Local Government (General) Regulation 2021*. She also tabled the response received from the Minister.

The Committee members suggested that Management consider extending an invitation to the NSW Auditor General to attend a future ARIC meeting.

Min. 351 ITEM ARIC027/24 - CONFIRMATION OF AUDIT, RISK AND IMPROVEMENT COMMITTEE - MINUTES OF MEETING HELD ON 20 MAY 2024

RESOLVED (JY/RW)

That the Minutes of the Audit, Risk and Improvement Committee meeting held on 20 May 2024 be confirmed.

Min. 352 ITEM ARIC028/24 - GENERAL MANAGER'S UPDATE

RESOLVED (JY/RW)

That the Audit, Risk and Improvement Committee receive the General Manager's update.

Discussion: The General Manager provided the following highlights:

- Council has posted a strong end of year result with a sustainable financial position.
- A confidential update on legal matter pertaining to 13 John Street, Lidcombe.
- At the recent Property Committee and last Council meeting, it was resolved to contract the management of Seniors Units to an external specialist provider.
- Council is now in the Regulated Election Period, with the Caretaker Period commencing from last Friday.

Min. 353 ITEM ARIC029/24 - AUDIT OFFICE 2023/2024 INTERIM MANAGEMENT LETTER

RESOLVED (JY/RW)

That the Audit, Risk and Improvement Committee note the Audit Office of NSW Management letter on the Interim Phase of the 2023/24 Audit and the actions assigned, which are to be added to the External Audit Register.

Discussion:

JY commented on Issue 6: Management reports. The Audit Office noted that although the relevant regulations don't require balance sheets, a quarterly balance sheet is recommended as best practice. Management advised it is confident that what is currently reported adequately communicates Council's financial position to the public.

RW commented that the use of balance sheets may be helpful.

MS noted that a matter in last year's management letter relating to the Council's land register was still listed as an outstanding matter.

**Min. 354 ITEM ARIC030/24 - REPORT ON FINALISED INTERNAL AUDITS
AND UPDATE ON INTERNAL AUDIT PROGRAM****RESOLVED (RW/JY)**

That the Audit, Risk and Improvement Committee:

1. Receive the finalised Internal Audit Report, including the risk levels identified;
2. Note that adequate responses by management have been provided; and
3. Provide any further feedback as appropriate.

Discussion:

MS commended the Council officers regarding their efforts with internal audit and bringing the plan up to date. It was noted that several audit reports were earmarked for the November 2024 meeting.

**Min. 355 ITEM ARIC031/24 - PRESENTATION TO ARIC - DRAFT 2023/2024
ANNUAL FINANCIAL STATEMENTS****RESOLVED (RW/JY)**

That the Audit, Risk and Improvement Committee:

1. Note and receive the draft general financial statements and special purpose financial statements; and
2. Refer the draft financial statements to Council for external audit.

Discussion:

RW queried whether the bank reconciliation balanced and whether the general ledger reconciliations had been prepared. Management provided assurance of both matters.

The CFO advised of a reclassification around investment properties.

RW queried the review of the work in progress account. The CFO advised this is reviewed annually.

MS outlined the obligations of the ARIC under the OLG Guidelines which is to review and advise on the accuracy of Council's annual financial statements prior to external audit, including:

- a. Management compliance/representations;
- b. Significant accounting and reporting issues;
- c. The methods used by Council to account for significant or unusual transactions and areas of significant estimates or judgements; and
- d. Appropriate management of signoff on the statements.

The Committee and Management discussed these areas.

Action:

Management to review references to the notes, particularly with reference to C1-11.

RW requested that page 80, under the Seniors and Disability heading the text be updated to reflect: 'people living with disability'.

Min. 356 ITEM ARIC032/24 - INTERNAL OMBUDSMAN SHARED SERVICE REPORT FOR CUMBERLAND CITY COUNCIL

RESOLVED (JY/RW)

That the Audit, Risk and Improvement Committee note the report.

Min. 357 ITEM ARIC033/24 - ARIC RESPONSIBILITY PLAN TRACKING

RESOLVED (RW/JY)

That the Audit, Risk and Improvement Committee:

1. Receive this report;
2. Note that the planned responsibility areas have been addressed in this Committee meeting as required by the ARIC Responsibility Plan; and
3. Provide any further feedback as appropriate on the Draft ARIC responsibility plan as attached.

Discussion:

MS noted that the draft plan provided for feedback is based on the recently adopted ARIC Charter which is now in effect.

Action:

MS requested that the Responsibility Plan be amended to reflect the requirements of the ARIC under Section 428A(2) and (3) of the *Local Government Act 1993* as well as the recent changes under the *Local Government (General) Regulation 2021*. It was requested that this be provided to the next meeting.

GENERAL BUSINESS

The following general business was raised:

MS requested that management and the Committee members reflect on how the ARIC can best meet the requirements of Section 428A(3) of the *Local Government Act 1993* into the future.

NEXT MEETING

Next Meeting 5 November 2024 at 1:30pm.

MEETING CLOSE

The meeting terminated at 3:54pm.

Signed:

Mr. Mark Sercombe
Chairperson