



# MINUTES

Audit & Risk Improvement Committee (ARIC)

held at

Maldhan Ngurr Ngurra  
Lithgow Transformation Hub  
Zoom Room  
154 Mort Street, Lithgow

on

Wednesday 26 March 2025

at 2:00 PM

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## 1. Acknowledgement of Country

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Lithgow City Council acknowledges Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside. The Council also extends our respects to our neighbouring nations.

## 2. Attendees

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### Members (voting):

Ron Gillard	Independent Member (Chair)
Kylie McRae	Independent Member
Deborah Goodyer	Independent Member

### Members (non-voting):

Cr Steven Ring (Deputy Mayor)	Councillor Member
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### Officers:

Ross Gurney	General Manager
Vanessa Browning	Director Finance & Governance
Jonathon Reid	Finance Manager
Tegan Mackey	Systems Accountant
Raj Singh	Governance & Risk Manager

### Invitees:

Karen Taylor	Audit Office of NSW (external auditor)
Jodie Thomas	Intentus (external audit contractor)
Trinity Newton	Minutes

## 3. Apologies

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There were no declarations of interest made.

## 4. Declaration of Interest

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No Declarations of Interest were made.

## 5. Confirmation of Minutes

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### ACTION / RECOMMENDATION

THAT the Minutes of the Audit Risk and Improvement Committee meeting of 10 December 2024 be taken as read and confirmed.

## 6. Business Arising from Previous Minutes

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The Chair called for any other matters arising from the minutes that were not already covered in the agenda, and nil matters were raised.

### 6.1. Committee Recommendations Tracking

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**ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the update on the Committee's actions from prior meetings; and
2. Request that a report on Compliance Framework be provided to the next meeting.

**6.2. Operation Hector Gap Analysis**

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**ACTION / RECOMMENDATION**

THAT the Committee:

1. Request that the completed gap analysis be reviewed in light of the Committee's comments; and
2. Request that this report review be included as part of a potential workshop with the Independent Members out of session.

**7. Reports**

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**7.1. External Audit**

**7.1.1. Final Management Letter for year ended 30 June 2024**

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**ACTION / RECOMMENDATION**

THAT the Committee note the Final Audit Management Letter and the updated progress on the findings relating to the audit of the 2023/2024 Financial Statements.

**7.1.2. Audit Engagement Plan for year ended 30 June 2025**

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**ACTION / RECOMMENDATION**

THAT the Committee note the Audit Engagement Plan.

**7.1.3. Other AONSW Correspondence - Performance Audit on Road Management**

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**ACTION / RECOMMENDATION**

THAT the Committee note the recommendations arising from the AONSW performance audit on road management in local government, and the progress on Council's gap analysis.

**7.1.4. Audit Readiness Improvement Plan**

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**ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the progress of the Audit Readiness Improvement Plan; and
2. Acknowledge that the template plan will be completed and circulated out of session to ARIC members prior to the end of April 2025.

*3:02pm – Jodie Thomas left the meeting.*

**7.1.5. Internal Control Effectiveness Certification - Management Checklist**

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**ACTION / RECOMMENDATION**

THAT the Committee endorse the attached Internal Controls Effectiveness Checklist.

**7.2. Financial Management**

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**ACTION / RECOMMENDATION**

THAT the Committee note the Financial Management Report.

**7.3. Internal Audit**

**7.3.1. Internal Audit Charter and Internal Audit Manual**

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**ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the report on IA Charter and Manual; and
2. Request that Kylie McRae assist Council with the development of the IA Manual.

**7.3.2. Internal Audit SWP Revision**

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**ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the report on SWP Revision; and
2. Request that the SWP title be amended to “Management Reviews” to reflect the actual work being performed and governed by this document.

**7.3.3. Progress of External Provider EOI**

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**ACTION / RECOMMENDATION**

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THAT the Committee:

1. Note the report on the progress on the engagement of an external provider of internal audit services; and
2. Request Management to provide out of session an update on progress of Centium's deliverables.

#### **7.4. Progress Against IA/Review Recommendations**

##### **7.4.1. Customer Service Review**

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###### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the finalisation of the Customer Service Review actions; and
2. Request Management to advise members of the final actions/outcomes of the Customer Service Review.

##### **7.4.2. Rating Review**

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###### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the update on the Rating Review; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

##### **7.4.3. Information Security Gap Analysis**

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###### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the report on the progress of the Information Security gap analysis recommendations; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

##### **7.4.4. Procurement Audit**

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###### **ACTION / RECOMMENDATION**

THAT the Committee;

1. Note the progress of the Agreed Management Action Plan from the Procurement audit; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

*3:50pm (approx.) – Due to an unforeseen matter, the Committee agreed to suspend the meeting with the balance of the agenda to be addressed via an online meeting at a future date.*

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*It was subsequently agreed to reconvene for the balance of the agenda on 3<sup>rd</sup> April at 8:30am via Teams. The following are the minutes from that meeting.*

*It is also noted that the attendees for the online meeting on the 3<sup>rd</sup> April 2025 were reduced to:*

- *Ron Gillard (Chair)*
- *Kylie McRae*
- *Deborah Goodyer*
- *Cr Steven Ring (Deputy Mayor)*
- *Ross Gurney*
- *Vanessa Browning*

## **7.5. Enterprise Risk Management Framework (ERMF)**

### **7.5.1. ERMF Development - Updated Operational Risk Register**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the update on the Operational Risk Register as part of the ERMF Development; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

### **7.5.2. Progress Against Risk Maturity Review Recommendations**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the update on progress against the Risk Maturity Review; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

### **7.5.3. Business Continuity Plan (BCP) Review**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the update on Business Continuity Plan; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session.

### **7.5.4. Statewide Continual Improvement Plan**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

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1. Note the information provided in the report: and
2. Request the ERM self-assessment submission provided to Statewide be provided to the members out of session.

### **7.5.5. Other ERMF Matters - Cyber Security Self-Assessment Update**

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#### **ACTION / RECOMMENDATION**

THAT the Committee note the engagement of the shared CISO through the CNSWJO and the planned approach to addressing the Cyber Security NSW Guidelines for Local Government.

### **7.6. Asset Management**

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#### **ACTION / RECOMMENDATION**

THAT the Committee note the update on developments/progress in Asset Management.

### **7.7. Service Management Framework**

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#### **ACTION / RECOMMENDATION**

THAT the Committee note the update on the development of the Service Management Framework.

### **7.8. Policies/SWP's**

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#### **ACTION / RECOMMENDATION**

THAT the Committee note the update on the Policies/SWP's.

### **7.9. Strategic Planning - IP&R Framework Documents**

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#### **ACTION / RECOMMENDATION**

THAT the Committee note the Integrated Planning and Reporting Framework update.

## **8. Standing Items**

#### **ACTION / RECOMMENDATION**

THAT the Committee request the Standing Items section of the agenda as a whole be included as part of a potential workshop with the Independent Members out of session.

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**8.1. Standing Item - Non Compliance**

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**ACTION / RECOMMENDATION**

THAT the Committee note the update on Non-Compliance matters.

**8.2. Standing Item - Fraud & Corruption**

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**ACTION / RECOMMENDATION**

THAT the Committee note the update on Fraud & Corruption matters.

**8.3. Standing Item - Conflicts of Interest**

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**ACTION / RECOMMENDATION**

THAT the Committee note the report on Conflicts of Interest matters.

**8.4. Standing Item - Major Projects Review**

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**ACTION / RECOMMENDATION**

THAT the Committee note the update on Major Projects.

**8.5. Standing Item - Change in Risk Profile**

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**ACTION / RECOMMENDATION**

THAT the Committee note the update on the Change in Risk Profile.

**8.6. Standing Item - OLG Circulars**

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**ACTION / RECOMMENDATION**

THAT the Committee note the report on OLG Circulars.

**8.7. Standing Item - Non-ARIC Initiated Audits/Reviews - Operation Mantis Gap Analysis**

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**ACTION / RECOMMENDATION**

THAT the Committee note the gap analysis undertaken regarding the recommendations arising from Operation Mantis.

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## **8.8. Standing Item - Governance**

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### **ACTION / RECOMMENDATION**

THAT the Committee note the update on Governance matters.

## **9. General Business**

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### **9.1. OLG Guidelines Gap Analysis**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Note the discussion on performing a gap analysis of the OLG Guideline requirements; and
2. Request that this report be included as part of a potential workshop with the Independent Members out of session..

### **9.2. Main Street Footpath Revitalisation Program**

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#### **ACTION / RECOMMENDATION**

THAT the Committee:

1. Request an internal audit be held on Council's project management framework that would include the Main Street Revitalisation Project as part of the sample; and
2. Acknowledging that the findings from above internal audit won't be available for some time, requests an internal management review be undertaken in the interim by the Director of Finance and Governance to determine the timeline of Management/Councillor communications between May 2024 (when Council received notice that the BBRF Grant Agreement was due to expire) and August 2024 (when the matter was reported to Council).

*9:16am – Deb Goodyer left the meeting.*

### **9.3. Call for Other General Business**

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No other general business was raised.

## **10. Meeting Close**

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Next Meeting: 3 June 2025 at 9am.

There being no further business the Chair declared the meeting closed at 9:37am.

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