



# MINUTES

Audit & Risk Improvement Committee (ARIC)

held at

Council Administration Centre  
Committee Room  
180 Mort Street, Lithgow

on

Tuesday 10 March 2026

at 2:00 PM

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The Chairperson declared the meeting open at 2:00 pm.

## 1. Acknowledgement of Country

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The Chair acknowledged Wiradjuri Elders past and present of the Wiradjuri nation - the original custodians of the land on which the Lithgow's communities reside and extended respect 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
Heike Artelt	Governance & Risk Manager

### **Invitees:**

Lawrissa Chan	Audit Office of NSW
Jodie Thomas	Intentus
Susan Leahy	Centium
Jonathon Edgecombe	Director Infrastructure and Project Delivery
Jonathon Reid	Finance Manager
Sarah Lewis	Minutes

The Chair welcomed Heike Artelt to the committee.

## 3. Apologies

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Kenneth Leung	Audit Office of NSW
Ally Shelton	IT Manager

## 4. Declaration of Interest

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The Chair called for any declarations of interest.

There were no declarations of interest made.

## 5. Confirmation of Minutes

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### **ACTION**

THAT it be noted the Minutes of the Audit Risk & Improvement Committee (ARIC) Meeting held 9 December 2025 were presented and adopted by Council at the Ordinary Meeting of Council held 28 January 2026.

## 6. Business Arising from Previous Minutes

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The Chair called for any matters arising from previous minutes.

Director Finance and Governance provided a verbal update on current recruitment.

The Committee discussed the Recommendations Tracking List.

### **Recommendation**

THAT ARIC receive and note the update on the Committee recommendations from prior meetings.

## 7. Reports

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### 7.1. External Audit

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Introduction was made for Lawrissa Chan who has replaced Karen Taylor as the Engagement Director from the NSW Audit Office.

An overview was provided on the Report on Local Government tabled by the NSW Auditor General to Parliament in January. The report summarises the results of the 150 council audits and draws out common themes. Lithgow was mentioned with other councils with financial sustainability risks due to ongoing operating losses and other indicators.

The Committee also discussed the 2025/2026 Annual Engagement Plan, an update on the Audit Readiness Plan, agreed the recommended date/time of the Special ARIC Meeting for the draft 2025/2026 Financial Statements (being 9am on 10 September 2026), the 2024/2025 Final Management Letter, and the status of management actions identified as part of the 2023/2024 and 2024/2025 Management Letters.

As part of the update on the Audit Readiness Plan, it was discussed and confirmed that the plan will be finalised and distributed to the Members out of session (by 31 March), and will include the actions necessary to address each of the Management Letter findings raised within the FY25 Final Audit Management Letter (including all FY25 findings for current and prior year matters, as well as those listed in the Appendix of the FY25 final letter as 'not yet due' or 'not yet audited').

### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on External Audit.

Jodie Thomas and Lawrissa Chan left the meeting at 2:57pm.

### 7.2. Financial Management

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The Committee discussed the January 2026 Investment Report, received an update on Unrestricted Cash Management, was notified of an issue regarding duplicate payments and the December Quarterly Budget Review.

### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Financial Management.

Jonathon Reid left the meeting at 3:14pm.

### **7.3. Internal Audit**

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The Committee discussed the review of the progress on the Annual and Strategic Audit Plan, the progress of the Project Management Framework Internal Audit, and received an update on management actions from prior internal audits. Significant concerns were raised regarding the slow progress on several items, including the repeated lack of development and finalisation of the Internal Audit Plans.

#### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Internal Audit and requested that the final Internal Audit Plan and final Internal Audit Report on Project Management will be presented to the Committee by Centium at the 9 June 2026 ARIC Meeting.

Susan left the meeting at 3:38pm.

### **7.4. Management Reviews, Self-Assessments, & Non-ARIC Audits**

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The management actions identified from the Water Outage Review were discussed and updates on the management actions arising from prior management reviews and self-assessments were also discussed.

The Committee requested that the progress against the residual IT/Cyber Security self-assessment matters be incorporated into a separate report from the IT Manager (including progress of work with the CNSWJO CISO) and included as part of the Risk Management agenda item.

#### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Management Reviews, Self-Assessments and Non-ARIC Audit.

### **7.5. Risk Management**

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The Committee received a presentation from the Governance and Risk Manager on an update on the review of the Business Continuity Plan and Risk Framework.

An overview was provided on the results of the Statewide Mutual Continual Improvement Pathway Report, covering bridges, trees and incident investigations. Areas for improvement and the relevant actions identified were discussed.

An increase in risk exposure was discussed in relation to the current status of the Women's Shed site, which has now been transferred to Council.

#### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Risk Management.

### **7.6. Asset Management**

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Jonathon Edgecombe joined the meeting at 4:13pm.

An overview was provided by Director Infrastructure and Project Delivery on the review of fees and charges relating to recreation facilities, and the results of the new preconstruction process that aligns with industry best practice.

**ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Asset Management.

**7.7. Service Review**

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**ACTION / RECOMMENDATION**

THAT ARIC receive and note report on the Service Review.

The committee moved to discuss item 7.10 to accommodate Jonathon Edgecombe being present.

**7.8. Policies/SWP's**

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The Committee reviewed the new Conflict of Interest Standard Working Procedures (SWP), the revised Credit Card Usage SWP and new Clean Desk and Screen SWP.

**ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Policies/SWPs.

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

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**ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Strategic Planning IPR Framework.

**7.10. Major Projects Review**

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The Director Infrastructure & Project Delivery provided an update on the Wolgan Road Project and the significant risks being faced by Council as identified in the latest risk assessment on the proposed temporary reopening of the Old Wolgan Road. The temporary reopening is likely to cost \$7M in total and is to be funded from the contingency from the DRFA approval for the new Wolgan Road.

The Committee commended the Director (and Council as a whole) for the informative, transparent and realistic approach to the developing changes and impacts to the risk profile of the Wolgan Road Project, and that these matters appeared to have been (or will be) duly considered and discussed with all the necessary stakeholders.

**ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Major Projects Review.

Jonathon Edgecombe left the meeting at 4:44pm.

The committee returned to agenda item 7.8.

## **8. Standing Items**

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### **8.1. Standing Items**

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#### **ACTION / RECOMMENDATION**

THAT ARIC receive and note the report on Standing Items.

## **9. General Business**

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### **9.1. Other General Business**

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The Chair called for any general business.

The Chair advised that his initial term expires on the 23 May 2026, that he is seeking reappointment, and that an evaluation and determination of continuance is required under the OLG Guidelines.

The Committee noted and briefly discussed the developing situations regarding the Great Western Highway Closure and fuel cost pressures, including the current impacts to Council.

## **10. Meeting Close**

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Next Meeting: 9 June 2026 at 2pm

There being no further business the Chairperson declared the meeting closed at 5:02 pm.