



MINUTES

Audit & Risk Improvement Committee (ARIC)

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Tuesday 9 June 2026

at 2:00 PM

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1. Acknowledgement of Country

Acknowledgement of Country

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

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:

Larissa Chan	Audit Office of NSW (external auditor)
Kenneth Leung	Audit Office of NSW (external auditor)
Jodie Thomas	Intentus (external audit contractor)
Penelope Corkill	Centium (internal auditor)
Jonathon Reid	Financial Services Manager
Trinity Newton	Minutes

3. Apologies

All being present there were no apologies.

4. Declaration of Interest

The Chair called for any declarations of interest.

There were no declarations of interest made.

5. Confirmation of Minutes

ACTION / RECOMMENDATION

THAT the Minutes of the meeting of 10 March 2026 be confirmed and adopted by the Committee.

6. Business Arising from Previous Minutes

The Chair called for any matters arising from previous minutes.

The Committee discussed the ARIC Committee Recommendations tracking spreadsheet and noted the additional items deemed completed:

- Page 1 – 10/9/24 – BCP Report Request
- Page 1 – 10/9/24 – BCP Scenario Testing
- Page 2 – 9/12/25 – Internal Audit Plans
- Page 2 – 9/12/25 – Final Internal Audit Report on Project Management Framework
- Page 3 – 9/3/26 – IT/Cyber Security Report

Ron Gillard also acknowledged and thanked Council for his reappointment as Chair of the Lithgow City Council ARIC.

ACTION / RECOMMENDATION

THAT the Committee note the update on the Committee recommendations from prior meetings.

7. Reports

7.1. External Audit

The Financial Services Manager provided an overview of the Audit Readiness Plan. Feedback was provided by the Committee and an example provided to guide improvement.

An overview of the status of Management Action arising from the 2023/2024 and 20204/2025 audits was provided. Concern was raised from the Committee on the number of overdue items, which has predominantly arisen from vacancies and action required from software providers.

Intentus gave an overview of the Interim Audit and that good progress has been made on many of the information requests, however the revaluation of Infrastructure Property, Plant & Equipment and the grant register requires significant and immediate attention.

An overview of the data collection audit requested from the Audit Office in relation to Procurement, Governance and Cyber Security was given from Intentus. The Director Finance and Governance expressed concerns regarding the resourcing required to support this exercise at the same time as the Interim Audit.

ACTION / RECOMMENDATION

THAT the Committee receive and note the report on External Audit.

7.2. Financial Management

The Committee discussed the April 2026 Investment Report, received an update on Cash Management and Budgetary Pressures, and the March Quarterly Budget Review. The Committee emphasised the importance of prioritising the grants register to assist with appropriate oversight of unrestricted cash.

ACTION / RECOMMENDATION

THAT the Committee receive and note the report on Financial Management.

7.3. Internal Audit

The Committee discussed the review of the progress on the Annual and Strategic Audit Plan, reviewed the Project Management Framework Internal Audit, discussed the preparation and finalisation Complaints Handling Internal Audit scope/work plan, and received an update on management actions from the prior internal audit.

ACTION / RECOMMENDATION

THAT the Committee:

1. endorses the 2025–2029 Internal Audit Plan, including the 2025/2026 and 2026/2027 Annual Plans and the associated assurance mapping;
2. ratifies the out of session endorsement of the Complaints Handling audit scope/work plan; and
3. receives and notes the Project Management Framework Internal Audit Report and Procurement Audit Action Tracking List.

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

The Governance and Risk Manager provided an overview of

- the review, simplification and integration of Council's, Enterprise Risk Management documents,
- a review undertaken on Strategic Risk: Poor Workplace Culture and Practices, and
- the recommended Complaints Handling Internal Audit to address the findings of the review of the Strategic Risk.

The Committee provided strong, positive feedback with some recommended changes for better practice and to assist with understandability and implementation in the organisation.

ACTION / RECOMMENDATION

THAT the Committee:

1. Notes the review and simplification of Council's Risk Management Documentation and the establishment of an integrated suite of risk management documents;
2. Notes the findings of the deep-dive review of Strategic Risk STR-005 (Workplace Culture & WHS), including that the risk is currently above Council's approved risk appetite;
3. Endorses the proposed risk treatment focus areas, including:
 - a. strengthening WHS governance and document control
 - b. embedding leadership accountability and due diligence
 - c. improving WHS performance monitoring, reporting and assurance
 - d. establishing a structured complaints and grievance management framework
 - e. implementing continuous improvement and "lessons learned" processes
 - f. enhancing assurance through audits and control testing; and
4. Requests regular progress reporting to ARIC on:
 - a. risk treatment actions
 - b. internal audit outcomes
 - c. control effectiveness improvements; and
 - d. movement of the risk position toward alignment with Council's risk appetite

7.5. Risk Management

The Committee received a presentation from the Governance and Risk Manager on the review and progress of the improvements made to Council's Business Continuity Management (BCM)

arrangements, and discussed the Council's Information and Communications Technology resilience.

The Committee expressed strong positive feedback in relation to the work undertaken on the BCM, while concerns were raised on the lack of progress/deliverables from the Central NSW Joint Organisation CISO program and whether the current approach is the optimal method of resourcing this function and best use of Council's limited resources.

ACTION / RECOMMENDATION

THAT the Committee:

1. Notes the findings of the internal review and independent Marsh assessment,
2. Notes the outcomes of the March 2026 scenario exercise,
3. Acknowledges the identified gaps in BCM capability,
4. Endorses the BCM uplift program and governance approach,
5. Endorses the continued implementation and embedding of the BCM framework and expects regular reporting on progress and maturity improvements,
6. Endorses the establishment of BCM as a standing ARIC agenda item for ongoing oversight,
7. Acknowledges the importance of maintaining effective Business Continuity Plans to support organisational resilience,
8. Notes the current ICT security and resilience position, including the absence of reported cyber security incidents and positive penetration testing outcomes,
9. Notes the limited progress of CNSWJO CISO-delivered programs during the quarter, and is disappointed with the overall lack of progress to date,
10. Endorses continued focus on progressing cyber security uplift activities, including strengthening governance oversight and delivery of key initiatives, and
11. Requests ongoing reporting on ICT security performance, program delivery and emerging risks as part of regular ARIC updates.

7.6. Asset Management

The Committee discussed the progress of the Transport Asset Management Plans.

ACTION / RECOMMENDATION

THAT the Committee note the Asset Management Report.

7.7. Service Reviews

ACTION / RECOMMENDATION

THAT the Committee receive and note report on the Service Review.

7.8. Policies/SWP's

The Committee reviewed the Policies and Standard Working Procedures Registers and provided management with suggested improvements of including risk rating and target review dates for overdue items, as well as report formatting. Regular quarterly reporting required for adopted, under review, and 'high risk' overdue items, with annual reporting (June) to include of all overdue items.

ACTION / RECOMMENDATION

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

7.9. Strategic Planning - IP&R Framework Documents

ACTION / RECOMMENDATION

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

7.10. Major Projects Update

The Committee were provided an update on Wolgan Road, and discussion was held on the proposed management to procure a contractor to deliver the Interim Works required to temporarily reopen the old Wolgan Road, given no tenders were submitted, which will be considered at an Extraordinary Council Meeting to be held 10 June 2026.

It was identified that Browns Gap Road will be added to the Major Projects for update for the next report to the Committee.

ACTION / RECOMMENDATION

THAT the Committee receive and note the update on Major Projects.

8. Standing Items

ACTION / RECOMMENDATION

THAT the Committee receive and note the report on Standing Items.

9. General Business

No General business was raised.

10. Meeting Close

Next Meetings:

- Draft Financial Statement Review – 10 September 2026 at 9am (online)
- Quarterly ARIC Meeting – 16 September 2026 at 2pm (in-person)

It was requested that both of the September meeting invites be resent to appropriate attendees, noting not usual attendees all are needed for 10 September meeting.

There being no further business the Chairperson declared the meeting closed at 5:06 pm.