



CENTRAL TABLELANDS ALLIANCE (CTA)
AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC)

Lithgow City Council

MINUTES - 3 December 2019

Attendance

Neil Maltby	Independent Member
Phillip Burgett	Independent Member
Graham Falkner	General Manager Lithgow City Council
Ross Gurney	Chief Financial and Information Officer Lithgow Council
Trinity Newton	Secretariat – Lithgow Council
Ash Pather	External Auditor - Crowe Australasia via Telephone link

Apologies

Mayor Ray Thompson	Mayor Lithgow City Council - Member
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Lithgow Meeting Commenced at 11:48 am

3.1. Compliance - review of Legal and Compliance risks

Committee requested an exceptions report to identify any actions which have not been carried out on time. Suggestions included a colour coded system and actions not completed in each quarter (between Committee meetings).

ACTION

THAT the CFIO review the presentation of the compliance report to show any incomplete actions in the Compliance Register.

Moved: Philip Burgett

Seconded: Neil Maltby

Graeme Faulkner left the meeting at 11:56am.

3.2. Risk Management – risk register / council Risk Committee Update.

CFIO will reassess the ratings for residual risks for project risks where the residual risk is listed as catastrophic. This is likely to be due to misunderstanding of the risk matrix.

Correctly define the risk and action to mitigate the risk.



Project owner needs to understand the risk matrix in PULSE. CFIO will raise this with the project owners.

The tolerance of risk needs to be reflected in the Risk register. The tolerance level needs to be identified.

Important to identify any risks that are outside tolerance and any risk ratings which have changed.

ACTION

THAT the CFIO review the risk reporting in Pulse to identify suitable reports to present to the Committee.

Moved: Philip Burgett

Seconded: Neil Maltby

3.3. Fraud control – update on Strategies and controls

Council has an adopted a Fraud Control policy and plan. A risk assessment has also been documented.

LCC is partaking in the StateWide Mutual Fraud Control Framework Review.

ACTION

THAT the Committee note the information regarding the fraud control framework review.

Moved: Philip Burgett

Seconded: Neil Maltby

3.4. Financial Management – 2018/19 Finance statements, 2019/20 Quarter 1 Budget review, investment Policy Review.

- Quarter 1 budget review was projecting a satisfactory budget position at year end. The Drought Communities programme funding helped with this as it comes into the budget as operational income.
- Investment Policy review was discussed by the committee.
- Closing engagement Report was sent to LCC finance manager. CFIO will locate it and forward to the Committee.
- Operating performance ratio is below the industry standards. Committee queried strategies to improve the ratio. CFIO indicated that there is are Long Term Financial Plan strategies being implemented to improve the operating performance ratio.
- CFIO indicated that LCC has requested to be taken off OLG monthly reporting, however, no decision has been made by the OLG as yet.
- CFIO outlined membership of the LCC internal Finance Committee and the Councillor Finance committee.



ACTION

THAT the committee receive and note the 2018/19 Finance statements, 2019/20 Quarter 1 Budget review, Investment Policy Review and the Conduct of Audit Report.

Moved: Philip Burgett

Seconded: Neil Maltby

3.5. Governance – Policy register, conflicts of Interest

- The Committee congratulated LCC on catching up on policy updates.
- Reporting to Committee to include any policies overdue for review since Committee last met / details of any policies endorsed by Council (with date).
- Conflict of interest – External audit action was implemented for new staff and a declaration will also be completed for existing staff.

ACTION

THAT the information be noted regarding the policy register and conflicts of interest.

Moved: Philip Burgett

Seconded: Neil Maltby

3.6. Implementation of strategies / performance measurement data – 2018/19 annual report

The Committee reviewed the strategies and performance measurement data in the Annual Report and how unachieved targets are reported.

The CFIO reported that capital carryover works continue to be quite substantial.

ACTION

THAT the Committee receive and note the Implementation of strategies / performance measurement data – 2018/19 annual report.

Moved: Philip Burgett

Seconded: Neil Maltby

3.7. Service Reviews - Update

The Committee discussed the role of the Service Review Co-ordinator and what the role is to achieve in relation to the service review action in the Performance improvement plan Action list.



ACTION

THAT the information on the service review be noted.

Moved: Philip Burgett

Seconded: Neil Maltby

3.8. Internal & External Audit – Audit Action lists, 2018/19 Audit Final Management letter.

ACTION

THAT the Committee receive and note the Audit Action lists and 2018/19 Audit Final Management Letter.

Moved: Philip Burgett

Seconded: Neil Maltby

3.9. General Business

Nil

There be no further business the Chairman declared the meeting closed at 12:51 pm