



# MINTUES

## CENTRAL TABLELANDS ALLIANCE (CTA) AUDIT RISK & IMPROVEMENT COMMITTEE (ARIC)

Tuesday 7 April 2020

Lithgow City Council Meeting

Commenced 10:30 am

### ATTENDEES

Neil Maltby, Independent Member  
Phillip Burgett, Independent Member  
Ray Thompson, Mayor  
Steve Ring, Deputy Mayor  
Graeme Falkner, General Manager  
Ross Gurney, Chief Financial and Information Officer  
Gabriel Fanople, Crowe Horwath  
Chariee Bultitude, Audit Office Director  
Trinity Newton (Minutes)

**Action:** Individual Council ARIC Meeting minutes to be confirmed at the following individual Council's meeting.

1. **Compliance – Review Of Legal And Compliance Risks**

For each meeting, the CFIO will report that legal and compliance risks have been reviewed and whether there have been any legal risks which have arisen and/or compliance actions which have not been completed

LCC have no outstanding compliance matters. The 2019/20 Quarter Two budget review and variations was adopted at the February 2020 Council meeting.

### **ACTION**

That the Committee receive the verbal report and it be noted that there are no outstanding compliance matters.

2. **Risk management – risk register / council risk committee update**

For each meeting, the CFIO will report on any reassessed risks and any new risks added to the Risk Register.

The report will confirm, for any existing risks, reasons as to why they have been reassessed.

**ACTION**

That the Committee receive and note the verbal report on the risk register.

**3. Fraud control – update on strategies and controls**

For each meeting, the CFIO will report on fraud strategies and controls.

In response to a query, the CFIO reported that the Audit Management Letter Prior Issues Raised - Fraud Control has been completed

The audit finding recommended that fraud control improvements and improvements have been implemented. LCC are taking part in a fraud awareness program. New starters completing a conflicts of interest declaration. There is annual reporting in relation to conflicts of interest by all staff and a fraud control link on the LCC website for the community to be able to report possible fraud.

In relation to Fraud and Covid 19 – an ICAC advice document has been received. The fraud advice will be sent to the Committee for their information.

**ACTION**

That the Committee receive and note the verbal report on fraud strategies and controls.

**4. Financial management –2019/20 quarter 2 budget review, investment policy review**

The CFIO reported that the current investment strategy is to invest in term deposits only to minimise risk.

Council had engaged an investment advisor for three months and the term expired at the end of March. A regular update is being received from them but due to the unstable environment at present, LCC has decided to stay with the current investment strategy.

No advice has been received from the State and Federal Governments on the current investment environment.

The Chair raised for discussion the implications of “force majeure” conditions. The CFIO reported that he was not aware of any issues that would have major repercussions for Council.

Quarter 2 Budget Review – the CFIO was able to report a satisfactory budget position at the end of Q2.

The Quarter 3 review will need to consider Covid 19 impacts. LCC has put forward proposals to waive commercial rents, close income generating facilities e.g.: halls and sporting grounds, rates interest and legal action have been put on hold.

H\It was queried as to how Council is managing Covid 19 risks with Staff, service and exposure around Waste, water, sewer etc. This will be discussed in General Business at the end of the meeting.

**ACTION**

That the Committee note and accept the verbal report on the Quarter 2 Budget Review.

The Committee noted that the final Drought Communities payment has now been received.

The Investment Policy Review did not involve substantial change and the Committee Noted the advice from the CFIO.

**5. Governance – policy register, conflicts of interest**

The CFIO reported that no policies are overdue for the review. The new policy Register Process was discussed.

Conflicts of Interest – the CFIO will provide a brief report to each meeting on any significant conflicts of interest. The CFIO outlined the conflicts of interest process in brief.

With Council meetings the conflicts of interest are noted in the minutes of the Council meeting.

**ACTION**

That the Committee note and accept the verbal report on the Policy Register and conflicts of interest.

**6. Implementation of strategies / performance measurement data – 6 monthly progress report**

The CFIO will provide a report to each Committee meeting on the implementation of strategies. The Committee is interested in the review of strategies and the process of the review and the acceptance of Council of progress reports.

**ACTION**

That the Committee note and accept the report on the implementation of strategies and performance measurement data.

**7. Service reviews – update**

The CFIO provided a verbal report as an update on service reviews. The Service Review Coordinator has moved to another role.

**ACTION**

That the Committee note and accept the report on service reviews.

**8. Internal & external audit – audit action lists (internal & external)**

The CFIO reported on the audit action list which now includes the Payroll Audit. For the Payroll Audit, actions have been allocated and the next step is to set due dates. The high risk segregation of duties finding has been addressed for one specific staff member.

The substantial number of actions which had a due date of 31 March 2020 will have a revised target date. The CFIO notified the committee that target dates have been revised and an updated action list will be sent to the Committee members.

EA 1.1.3 – Audit logs for the December quarter have not been received and has been

followed up. This will be checked prior to sending out to the committee.

**ACTION**

That the Committee note and accept the report on the internal and external audit actions.

**9. General Business**

- The General Manager, Graeme Faulkner outlined the LCC strategies in response to the Covid 19 Pandemic.
- Outdoor staff are working week on / week off on a rostered teams approach.
- Meter reading activities are now carried out remotely with smart meters.
- The CFIO gave an update on the recruitment of the independent Audit Committee member.

The Meeting was closed at 11:40am.