



MINUTES

JOINT

Central Tablelands Alliance (CTA) Audit & Risk
Improvement Committee (ARIC)

held at

Council Administration Centre
Committee Room
180 Mort Street, Lithgow

on

Tuesday 8 June 2021

at 10:00 AM

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The Chairperson declared the meeting open at 10.13am.

Welcome & Acknowledgement of Country

We acknowledge the traditional custodians of the land on which we live and work - the Wiradjuri and Gundungurra and Dharug people and we pay our respects to the Elders past, present and emerging.

1. Attendees

Neil Maltby	(Chair) (voting delegate) Independent Member
Phillip Burgett	(voting delegate) Independent Member
Phil Ross	(voting delegate) Independent Member
Mark Kellam	Deputy Mayor (voting delegate) Oberon Council
Kathy Sajowitz	Mayor (voting delegate) Oberon Council
Gary Wallace	General Manager Oberon Council
Steve Ring	Councillor (voting delegate) Lithgow City Council
Craig Butler	General Manager Lithgow City Council
Ross Gurney	Chief Financial & Information Officer Lithgow City Council
Chariee Bultitude	Audit Office Lithgow City Council External Auditor
Gabriel Faponle	Crowe Lithgow City Council External Auditor
Rhiannan Whiteley	Secretariat Lithgow City Council

2. Apologies

Lynette Safranek	Corporate Services Director Oberon Council
Ray Thompson	Mayor (voting delegate) Lithgow City Council
John O'Malley	Intentus Oberon Council – External Auditor

3. Declarations of Interest

NIL

4. Confirmation of Minutes

4.1. Confirmation of Minutes

Lithgow City Council External Auditor, Chariee Bultitude's name is incorrectly listed in the attendees and on page seven of the minutes.

ACTION

THAT the Minutes of the meeting of be taken as read and confirmed.

MOVED: Phil Burgett

SECONDED: Phil Ross

5. Business Arising from Previous Minutes

5.1. Committee Recommendations Tracking

The Chair called for any matters arising from previous minutes.

Committee Recommendation Tracking

1. Correspondence regarding update on the status of the discussion paper on the role of Audit Risk and Improvement Committee (ARIC) Guidelines - no response has been received. Additional information has been sourced from the workshop that Lithgow CFIO attended.
2. Joint ARIC Self-Assessment - ARIC Self-Assessment survey results have been compiled and will be discussed later in the agenda.

Recommendation

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

MOVED: Phil Burgett

SECONDED: Phil Ross

6. Agenda Reports

6.1. Future Direction of the CTA ARIC - new Council term

This is likely to be the last ARIC meeting of the current Council term. Lithgow CFIO summarised the self-assessment survey commentary from the independent members with their observations on the Joint Committee arrangement. This is an opportunity for an open discussion on the future direction of the ARIC which will provide input for each Council to report early in their next Council term on the way forward for the ARIC for each Council and whether we continue with the Joint meeting and continue to work together.

Phil Burgett discussed his observations and concerns with the committee. He assessed that the two councils are progressing at different stages with different priorities. Lithgow has a greater capacity than Oberon in terms of resources and have different priorities in terms of their risk profiles the focus of their internal audit activities. He indicated that he is not seeing substantial benefits of the Joint committee to warrant continuing with the arrangement. Items covered in the Joint meeting can be covered in the individual Council meetings and is not an effective use of everyone's time.

Oberon Council Deputy Mayor, Mark Kellam indicated that the primary reason for the venture is resource sharing and the common denominator is the independent members.

Lithgow CFIO indicated that an alternative model would be to have separate committees with the same independent members and separate charters / terms of reference. We are waiting guidance from the OLG who will have a model terms of reference that is likely to be fairly standard anyway.

Oberon General Manager, Gary Wallace advised that the implementation of the Joint Committee was put in place originally when the terms were set up to start with and we need to go back and look at the terms of reference before we start to work out where this is tracking. The intention of the ARIC

to start with was due to OLG advice that ARICs were needed, we renewed an arrangement and if that is now not the preferred option of the group, then we need to look at other options.

The information required from the OLG is not likely to be forthcoming any time soon. The requirement for a Joint Committee was not mentioned, however, resource sharing is an option.

Phil Ross agreed that the Councils are at different stages and have different risk profiles. We have the opportunity to share ideas because of the independent members but he doesn't see any benefits coming from the joint meeting. When the OLG guidelines are published then that is an opportunity to see how we approach it.

Gary indicated that the Committee has arisen from an earlier alliance with Lithgow, Mudgee and Oberon from 2010. The Central Tablelands Alliance was that group of Councils.

The Committee were in agreement that the Joint Committee has outlived its usefulness and we need to have separate committees with common independent members.

Lithgow General Manager, Craig Butler commented that ultimately this is a decision of each Council. We need to share knowledge and experiences and we can continue to do this effectively with the use of the independent members, at the General Manager level. It is not possible in a practical sense or in reality to harmonize our priorities. We are different organisations and at different stages.

The General Managers of each council will discuss moving forward and establishing the new committee in the new Council term.

The term for the Independent Members ceases at the conclusion of this Council term. Independent member, Phil Burgett previously indicated that he would not be seeking reappointment. Councils will need to seek EOI's for new independent members and a Council resolution to appoint new independent members. Councillors will need to be appointed to the Committee in the new term of Council.

First meeting of the newly established ARIC will be in October. Date to be confirmed.

Recommendation

THAT:

1. The Committee note that a summary of the Committee's discussion on the future direction of the CTA ARIC will provide input for a report for each Council on the future structure and functions of the ARIC.
2. The Joint Committee arrangement be deferred.
3. Each council retain its separate ARIC with shared independent membership.
4. Meetings be planned to run on same day at alternating locations.
5. ARIC Charters be developed by each Council removing reference to the Joint Committee, considering that they need to be similar to allow the same independent members to be used.

MOVED: Phil Burgett

SECONDED: Phil Ross

6.2. AO Performance Audits

No local government performance audit reports have been issued by the Audit Office since the March ARIC meeting.

Gary Wallace enquired as to whether there was an audit on the sale of land? Chariee advised that the Auditor General had been requested to look into the Sale of Lands as a separate investigation, however, this is not applicable to Local Government.

The Audit Office is planning to undertake the following performance audits in 2021:

- Business continuity planning and disaster recovery planning;
- Stronger communities funding grants for amalgamated and merged councils;
- Annual charges.

The Auditor General have an Annual Work Plan but this also depends on what is happening on the political agenda or what the public interest and can change. They have a number of topics in their plan that are not active that they can bring forward at any time.

Recommendation

THAT the Committee note that no local government performance audit reports have recently been issued.

MOVED: Phil Burgett

SECONDED: Phil Ross

6.3. ARIC Self -Assessment

Numerous meetings were arranged for collaboration on this, however, Oberon representative was unable to attend. Lithgow CFIO proceeded to put together a response in relation to the Lithgow Survey. In the end it was determined that it was not possible to do a single self-assessment for both committees which was suggested by the Independent members.

Mark Kellam suggested a methodical process to ensure that we address everything in the Terms of Reference in a two year cycle.

Lithgow CFIO advised that we have an annual work plan as part of the Lithgow meeting which addresses the charter and he provided this information to Oberon previously. Effectively, the Lithgow Agenda is set from the work plan.

RECOMMENDATION

THAT The committee:

1. Note the concerns from Oberon and defer consideration of performance assessments to individual meetings.
2. Based on discussions at the June ARIC meeting, the CFIO prepare a report to the Committee on strategies to improve in the Lithgow survey areas identified as "Less than Adequate".

MOVED: Phil Ross

SECONDED: Phil Burgett

7. General Business

The Committee extended their gratitude to Phil Burgett for his contribution to the CTA ARIC during his time on the Committee.

With regards to the yearend process and accounts - how will this be managed with the caretaker mode? CFIO Lithgow indicated that a meeting of the ARIC should be scheduled for October to meet the deadlines and statutory requirements. A special meeting can be held to discuss the financial statements and to ensure that the Committee has input into this process.

8. Meeting Close and Next Meeting Date

Next Meeting: TBA - October 2021

There being no further business the Chairperson declared the meeting closed at 11.04am