



# MINUTES

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

held at

Council Administration Centre  
Committee Room  
180 Mort Street, Lithgow

on

Tuesday 29 March 2022

at 10:00 AM

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## **1. Attendees**

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Present: Neil Maltby, Philip Ross, Gabriel Faponle, Chariee Bultitude

Officers: Craig Butler, Ross Gurney, Neil Derwent, Trinity Newton (minutes)

## **2. Apologies**

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Apologies were received from Mayor M Statham and Deputy Mayor C Coleman.

## **3. Confirmation of Minutes**

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The minutes of the 26 October 2021 ARIC meeting were endorsed by two members of the Committee being:

Neil Maltby and Phillip Ross.

The minutes were presented to the 22 November 2021 Council meeting.

### **ACTION**

THAT the Minutes of the October 2021 meeting of be taken as read and confirmed.

**MOVED:** Neil Maltby

**SECONDED:** Phil Ross

## **4. Business Arising from Previous Minutes**

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The Chair called for any matters arising from previous minutes.

There were no matters arising.

## **5. Agenda Reports**

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### **5.1. ARIC - Terms of Reference**

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Lithgow to discuss with Oberon their membership of the CTA ARIC. It was noted that Oberon is in a different tier to Lithgow. The OLG guidelines require Councils to appoint an ARIC that has three or more members according to the council's categorisation under the Guidelines as a tier 1, tier 2 or tier 3 Council.

A head of the internal audit function is mentioned in the guidelines and ToR but is yet to be appointed.

In the near future, a four year plan will need to be considered by the Committee.

### **ACTION / RECOMMENDATION**

THAT the Audit Risk & Improvement Committee endorse the draft Terms of Reference for Council's consideration at the 26 April 2022 meeting.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

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## 5.2. ARIC - Annual Work Plan

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Key matters for the Annual Work Plan were discussed.

CFIO is assisting with a CNSWJO evaluation panel for the appointment of independent Committee members. Lithgow is not a member of the joint organisation, however, they have included Lithgow in the EOI group.

Phil Ross asked that the next meeting revert to the standard agenda focused on the Committee's responsibilities and Annual Work Plan. There should be a focus on risk management by way of reassessing risk in the risk register. Suggestion to benchmark Council's risk framework status compared with the new guidelines. Also update on Service Review program.

The CFIO provided an update on the internal audit plan - status and audits coming up. Completed customer service audit and recommendations are being implemented - short term and long term. The Committee requested a report on this review for the next meeting.

Performance reviews by Auditor General - using it as an improvement opportunity, e.g., Local Government business and service continuity for Natural Disasters, integrity of grant programs. - How does Lithgow compare with recommended improvements for subject Councils.

July meeting and future meetings – time to be allowed for phasing and planning the work plan.

LCC are having service reviews in a number of areas - reports to be brought to the ARIC for review and feedback.

Service review on Drinking water management audit - NSW Health are required to have an input, progress has stalled due to NSW Health having other issues more pertinent at present.

A review of the risk management framework is due and will take into account the new guidelines for OLG.

An external audit planning for the 2021/22 audit will be occurring this afternoon with the Auditors.

### **ACTION / RECOMMENDATION**

THAT the Audit Risk and Improvement Committee note the Annual Work Plan for the year ending 30 June 2022.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

## 5.3. Rating Review Report

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The Future Together Group Rating Review report recommendations were presented to the ARIC.

The Committee were informed of the timeline for Council decisions on the report recommendations.

Opportunities for the waste business were discussed.

The budget / Operational Plan for 2022/2023 will go to the April Council meeting for public exhibition.

Action needs to be taken from the 2023/24 year.

LCC is advocating for increases in the Financial Assistant Grant allocation.

#### **ACTION / RECOMMENDATION**

THAT the Audit Risk and Improvement Committee receive the presentation on the rating review report and endorse the recommendations of the rating review report.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

#### **5.4. Appointment of Chair of the ARIC**

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#### **ACTION / RECOMMENDATION**

THAT the item be deferred until the next meeting of ARIC – by which time there should be a third independent member appointed and Councillor members are in attendance.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

#### **5.5. 2020/21 Final Audit Management Letter**

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Chariee Bultitude commented that the Deputy Auditor General has noted that most Councils have excess leave reported and the reporting on this will be relaxed.

LCC has had discussions regarding excessive annual leave and will direct staff to take leave if required.

#### **ACTION / RECOMMENDATION**

THAT the 2020/21 final audit management letter be noted by the Audit Risk & Improvement Committee.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

## 5.6. 2021/22 Quarter Two Budget Review

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### ACTION / RECOMMENDATION

THAT the Audit Risk and Improvement committee note the summary of the Quarterly Performance Report on the 2021-2022 Operational Plan for the period of 1 October 2021 to 31 December 2021.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

## 5.7. RFS Assets (Phil Ross)

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The OLG requires Councils to assess if they control RFS assets (in the Code of Accounting Practice).

Lithgow has joined Leeton's positioning that Councils do not control RFS assets.

Charlee Bultitude informed the committee that Treasurer and the Department of Environment (OLG) have determined that the Councils do control these assets. The Auditor General has requested that this be reassessed by the OLG.

Auditor General has also recognised that the RFS information supplied is not complete and accurate and has requested that more information is to be supplied.

All parties involved in this matter have been requested by the Auditor-General to reassess and resupply their information.

In service agreement there is a clause that councils have access to the assets for assessment purposes.

Councils have no list of assets or where they are held. Materiality should also be a consideration.

Awaiting Auditor-General's report on 2020/21 Local Government audits for more direction on the RFS assets issue.

### ACTION / RECOMMENDATION

THAT the Audit Risk and Improvement Committee note the verbal report on the issue of recognition of the RFS assets.

**MOVED:** Phil Ross

**SECONDED:** Neil Maltby

**CARRIED:** Unanimously

## 6. General Business

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Noted that a report was sent to CFIO by Phil Ross with regard to a Camden Council case - WHS responsibilities for volunteer workers in local government. To be discussed at the next internal Risk Committee meeting.

## **7. Meeting Close**

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Next Meeting: Tuesday 5 July 2022 at 2pm at Lithgow City Council Committee Room.

There being no further business the Chairperson declared the meeting closed at 11:50 am.