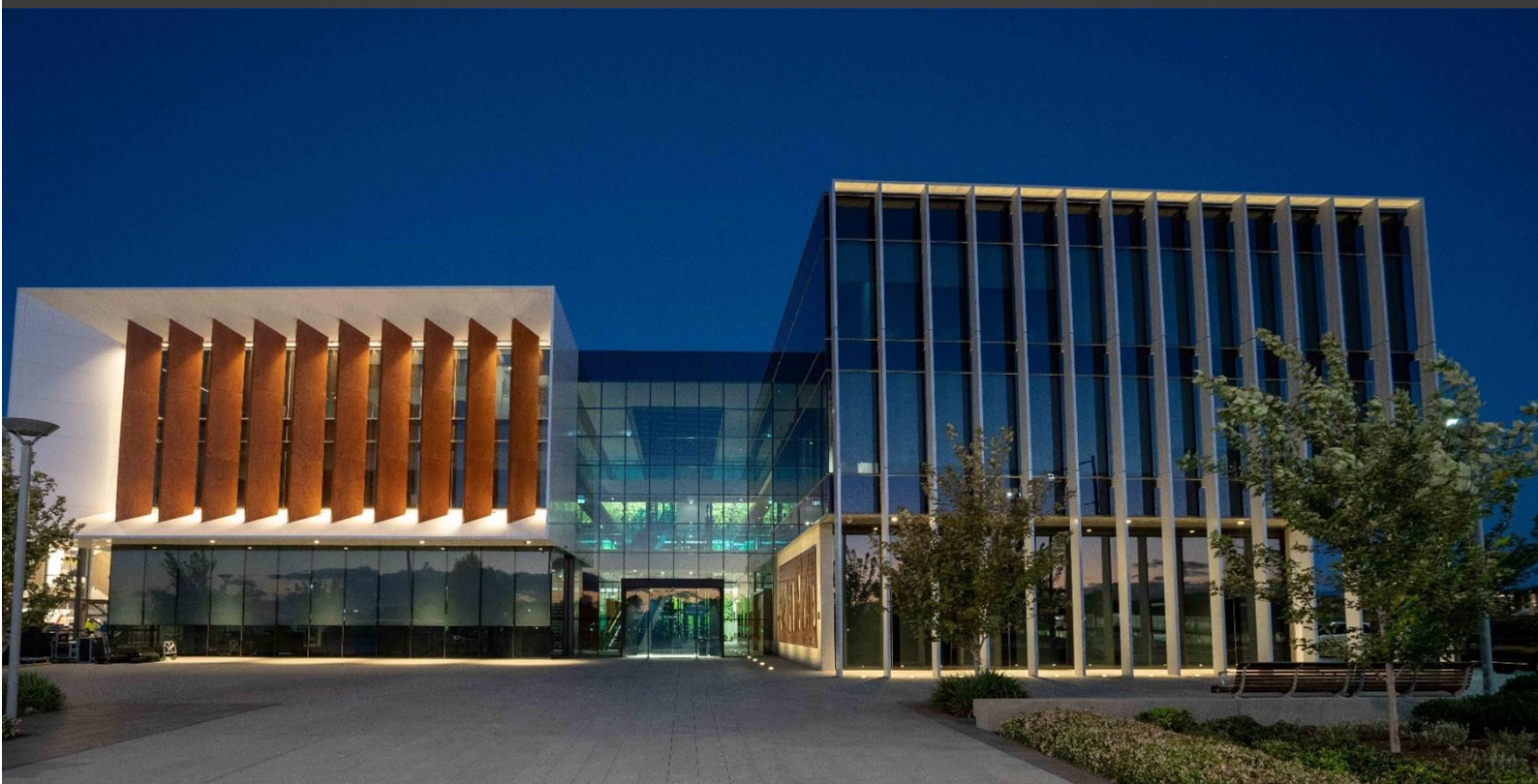


# Minutes

## Audit, Risk and Improvement Committee Meeting

This meeting was held as a  
teleconference at 4.00pm

21 October 2024



camden  
council

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**Voting Members Present:**

Elizabeth Gavey                      Independent Member (Chair)  
Michael Quirk                         Independent Member

**Non-voting Members Present:**

Nil

**Non-voting Observers:**

General Manager  
Internal Audit Coordinator

**Independent Observers:**

Mary Yuen, the Audit Office of NSW (External Auditor) (left at 4.37pm)

**Invitees:**

Director Community Assets  
Director Planning and Environment  
Director Sport, Community and Activation  
Director Growth and Finance  
Chief Financial Officer  
Deputy Chief Financial Officer  
Manager Assets and Design Services  
Chief Information Officer  
Internal Audit Analyst

**Observers:**

Nil

**Apologies:**

Barry Husking                         Independent Member  
Gearoid Fitzgerald                     Audit Office of NSW (External Auditor)  
Director Customer and Corporate Strategy

**Acknowledgement of Country**

The Chair read the following Acknowledgement of Country:

I would like to acknowledge that this meeting is being held on the Traditional Lands and Waterways of the Dharawal people and also recognise surrounding Dharug, and Gundungurra people and pay our respect to Elders past, present, and those emerging.

**Apologies**

**RECOMMENDED**

That leave of absence be granted.

### DECISION

Leave of absence granted to Independent Member, Mr Barry Husking.

#### **ARIC01 Declarations of Interest**

### RECOMMENDED

That the Audit, Risk and Improvement Committee declarations be noted.

### DISCUSSION

Nil

### DECISION

The Audit, Risk and Improvement Committee noted the declarations.

#### **ARIC02 Minutes to the 19 August 2024 Audit, Risk and Improvement Committee Meeting**

### RECOMMENDED

That the Audit, Risk and Improvement Committee:

- i. approve the minutes to the 19 August 2024 Audit, Risk and Improvement Committee meeting; and
- ii. note the status of actions included in the actions list.

### DISCUSSION

Nil

### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee:

- i. approved the minutes to the 19 August 2024 Audit, Risk and Improvement Committee meeting; and
- ii. noted the status of actions included in the actions list.

**Moved: Ms Elizabeth Gavey**

**Seconded: Mr Michael Quirk**

#### **ARIC03 External Audit - Review of Annual Financial Statements and Audit Reports for the Year Ending 30 June 2024**

### RECOMMENDED

That the Audit, Risk and Improvement Committee:

- i. note the draft Engagement Closing Report;

- ii. note the Draft Management Representation Letter, including the certification on the effectiveness of internal controls;
- iii. endorse the General Purpose Financial Statements for the year ended 30 June 2024 for submission to Council for adoption;
- iv. endorse the Special Purpose Financial Statements for the year ended 30 June 2024 for submission to Council for adoption; and
- v. endorse Special Schedules for the year ended 30 June 2024 for submission to Council for adoption.

### DISCUSSION

The Chair invited the Audit Office of NSW to present their findings. Ms Mary Yuen advised it is anticipated that an unqualified audit opinion will be issued on the General Purpose and Special Purpose financial statements and noting that the Application for Pensioner Concession Subsidy had an unqualified opinion issued on 3 October 2024.

Ms Mary Yuen outlined the outcomes included in the Engagement Closing Report from the Audit Office review of the key issues raised in the Engagement Plan. This included the review of the comprehensive revaluation of Council's public space – recreation and other assets, land improvements, land under roads, community and crown land; assessing the fair value of Council's Infrastructure, Property, Plant and Equipment (IPPE); quality and timeliness of financial reporting; cyber security; information technology general controls; the Western Sydney Infrastructure Grants Program (formerly known as WestInvest); Developer contributions and Council's growth risk.

The Committee raised the following questions:

- Whether any high risk findings were anticipated for the final management letter and the Audit Office advised that there are no high risk findings, only medium and low risk.
- Requested an explanation of how the corrected disclosure deficiency included in Table Two of the Engagement Closing Report occurred. The Audit Office and Chief Financial Officer advised that this was the result of a spreadsheet calculation/addition error.
- Whether the language used in the management representation letter might be toned down for example to use the word 'material' where stating there are no deficiencies. The Chief Financial Officer advised the reasoning behind some of the wording and that discussions could be had with the Audit Office however, noted the letter is an Audit Office of NSW template.
- Asked whether the audit opinion will cover the Executive Summary or whether it is just reviewed for consistency with the Financial Statements. The Audit Office confirmed that the Executive Summary is excluded from the audit opinion.
- Queried why the commentary around financial performance measures does not include a specific reference to the Operating Performance Ratio. The Chief Financial Officer explained that the first section of the Executive Summary highlights Council's operational performance and advised that a note would be included to better link this information.

- Sought clarification whether Council is comfortable saying our Rates and Outstanding Charges Ratio is expected to improve in the Executive Summary and the Chief Financial Officer confirmed the commentary noting the pause on debt recovery that occurred during COVID.
- Requested the wording for the "industry benchmark for Growth Councils" be considered for the debt service ratio to be more specific. The Chief Financial Officer advised this can be reviewed.
- Whether Council is comfortable with the language used in relation to forward funding and long term financial risks. The Chief Financial Officer advised that this has been discussed with both the Director Growth and Finance and the General Manager and Council is in agreement that this commentary can remain as it is as the State Government is already aware of these matters. The General Manager confirmed that these matters have been previously raised with the State Government.
- Referred to the intangible assets note and sought explanation for the increase in software purchases. The Deputy Chief Financial Officer advised this related to multiple software packages and the associated licences as outlined in Council's Digital Innovation Strategy. This was confirmed by the Chief Information Officer who highlighted one of the more significant new systems being implemented.
- An explanation was requested for the reduction in net assets and the payments related to the Oran Park Leisure Centre were explained.
- Requested an explanation for the process undertaken to enable sign-off of internal controls by the Chief Financial Officer. The Chief Financial Officer explained the results of the interim and final audits are considered. The Committee advised there may be benefit in introducing a system for obtaining sign-off from directors or similar as is used in state government and some councils. It was agreed that this will be considered for future years.

The Chief Financial Officer confirmed that the typographical errors noted via email by the Committee will be corrected and that suggested amendments will be taken into consideration.

The Committee commended management on the excellent Executive Summary noting that it is laid out in such a way to make it easier to digest for the community.

The Committee noted that the in-camera session with the Audit Office has been scheduled for 19 November 2024.

The Chief Financial Officer thanked Ms Mary Yuen and the Audit Office noting that many of their team were new this year however they were very knowledgeable and approachable.

Ms Mary Yuen expressed her appreciation of the finance team and the effort and hours put in by the team to produce financial statements. Ms Yuen highlighted the improvements in completing the comprehensive revaluations earlier this year.

## DECISION

Following review and discussion, the Audit, Risk and Improvement Committee:

- i. noted the Engagement Closing Report;



- ii. noted the Draft Management Representation Letter, including the certification on the effectiveness of internal controls;
- iii. endorsed the General Purpose Financial Statements for the year ended 30 June 2024 for submission to Council for adoption;
- iv. endorsed the Special Purpose Financial Statements for the year ended 30 June 2024 for submission to Council for adoption;
- v. endorsed Special Schedules for the year ended 30 June 2024 for submission to Council for adoption; and
- vi. commended management on the quality of the financial statements and thanked the Audit Office and Council's finance and assets teams for completion of the external audit and a clean set of accounts.

*Ms Mary Yuen of the Audit Office of NSW left after this item, the time being 4.37pm.*

#### **ARIC04 Audit, Risk And Improvement Committee Annual Work Plan Status**

##### RECOMMENDED

That the Audit, Risk and Improvement Committee:

- i. note the Audit, Risk and Improvement Committee Annual Work Plan status for the 2024 calendar year; and
- ii. endorse the proposed meeting dates for the 2025 Audit, Risk and Improvement Committee meetings.

##### DISCUSSION

The Committee noted that a large number of reports are scheduled for the 27 November 2024 meeting and confirmed that the proposed 2025 meeting dates had already been distributed to them out of session.

##### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee:

- i. noted the Audit, Risk and Improvement Committee Annual Work Plan status for the 2024 calendar year; and
- ii. endorsed the proposed meeting dates for the 2025 Audit, Risk and Improvement Committee meetings.

#### **ARIC05 General Business**

##### RECOMMENDED

That the Audit, Risk and Improvement Committee note any General Business discussed.

## DISCUSSION

### Opportunities for longer term improvement

The Committee noted the following in relation to potential longer-term improvement opportunities for Council, not covered elsewhere, from this meeting:

- The process for completing comprehensive revaluations earlier this year was highlighted as a significant improvement that should be brought to the attention of Council with it expected to continue to improve over time.

### Key opinions or take-outs from this meeting

The Committee noted the following key opinions or take-outs, not covered elsewhere, from this meeting:

- Nil

The General Manager provided an update to the Committee on the outcome of the recent local government elections advising that Camden now has five new Councillors. It was also advised that on Tuesday 15 October 2024 Council elected Councillor Ashleigh Cagney as Mayor and Councillor Therese Fedeli as Deputy Mayor.

The Committee asked for an update on the Councillor induction process and the General Manager advised it had already commenced with further sessions to be held over coming weeks.

The Committee asked whether there would be a non-voting Councillor member elected to the Committee by the 27 November meeting. The Internal Audit Coordinator advised that this item is scheduled to be presented to the Council meeting held 12 November 2024 and provided an outline of the induction timeline.

## DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the General Business items discussed.

**Meeting Closed at 4.43pm.**

### **Next Meeting:**

The next meeting of the Audit, Risk and Improvement Committee will be held on 27 November 2024 at 2.00pm at Council's Administration Building, 70 Central Avenue, Oran Park.



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