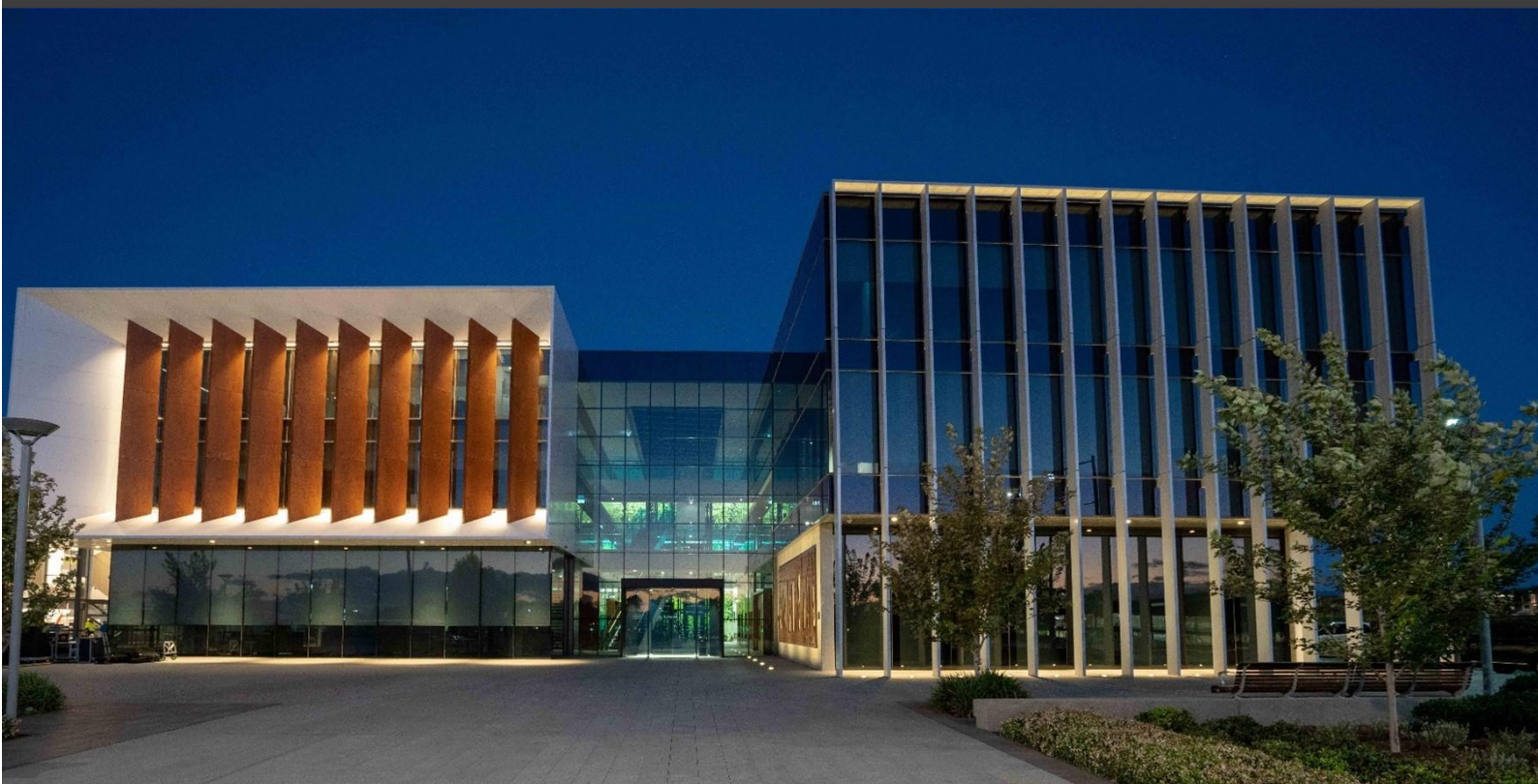


# Minutes

## Audit, Risk and Improvement Committee Meeting

Oran Park Administration Centre  
70 Central Avenue  
Oran Park  
2.00pm

27 November 2024



camden  
council

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**Voting Members Present:**

Elizabeth Gavey	Independent Member (Chair)
Michael Quirk	Independent Member
Barry Husking	Independent Member

**Non-voting Members Present:**

Cr Peter McLean                      Camden Council Councillor (attended remotely – left at 5.01pm)

**Non-voting observers:**

Acting General Manager  
Internal Audit Coordinator

**Independent Observers:**

Mary Yuen, the Audit Office of NSW (External Auditor) (attended remotely - arrived at 3.00pm and left at 3.23pm)

Gearoid Fitzgerald, the Audit Office of NSW (External Auditor) (attended remotely - left at 3.23pm)

**Invitees:**

Director Planning and Environment (left at 4.31pm)  
Director Sport, Community and Activation (left at 4.31pm)  
Director Growth and Finance (left at 4.31pm)  
Chief Financial Officer (left at 4.31pm)  
Manager Community Outcomes (left at 3.03pm)  
Manager Corporate Performance and Customer Experience (left at 3.56pm)  
Manager Legal and Governance (arrived at 3.14pm and left at 4.23pm)  
Acting Manager Environment and Regulatory Services (left at 2.41pm)  
Manager Assets and Design Services (left at 2.24pm)  
Chief Information Officer (left at 4.15pm)  
Senior Risk Advisor (left at 4.31pm)  
Claims and Risk Officer (attended remotely - arrived at 3.26pm and left at 3.36pm)  
Project Risk and Assurance Advisor (left at 3.56pm)  
Project Portfolio Management Coordinator (left at 3.56pm)  
Jeremy Elman, Partner RSM Australia (attended remotely - arrived at 2.12pm and left at 2.24pm)  
Armughan Azam, Senior Manager RSM Australia (attended remotely - arrived at 2.12pm and left at 2.24pm)  
Steve Doran, Subject Matter Expert RSM Australia (attended remotely - arrived at 2.12pm and left at 2.24pm)  
Chong Shao, ISS Partners (attended remotely - arrived at 4.04pm and left at 4.15pm)  
Michael Trovato, ISS Partners (attended remotely - arrived at 4.04pm and left at 4.15pm)  
Internal Audit Analyst

**Observers:**

Nil

**Apologies:**

General Manager  
Mayor, Councillor Ashleigh Cagney  
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 respects to Elders past, present, and those emerging.

**Meeting proceedings and in-Camera sessions**

The Chair advised that due to the size of the agenda, papers will generally be taken as read and will move to questions. ARIC business papers 13, 14 and 20 will be taken In Globo and noted without discussion. The order will also be changed to deal with business paper 19 after business paper 15.

The Chair advised that the Committee met separately 'in-camera' with Council's external auditors on 19 November 2024, following which an 'in-camera' session was held with Council's Internal Audit Coordinator. The Chair highlighted the positive outcomes from those meetings.

**Apologies****RECOMMENDED**

That leave of absence be granted.

**DECISION**

No leave of absence was granted.

**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 21 October 2024 Audit, Risk and Improvement Committee Meeting****RECOMMENDED**

That the Audit, Risk and Improvement Committee:

- i. approve the minutes to the 21 October 2024 Audit, Risk and Improvement Committee meeting; and
- ii. note the status of actions included in the actions list.

**DISCUSSION**

The Committee referred to action item 235 and asked whether the next reporting will include risks outside the risk appetite for which controls are not yet in place. The Senior Risk Advisor informed the Committee the review of Council's risk registers is complete and outcomes will be reported to the February 2025 Committee meeting, including any above appetite operational risks.

The Committee noted the 2025 presentation session will be on risks and asked whether the February 2025 meeting will include risk on the agenda. The Internal Audit Coordinator confirmed that it would and also highlighted the plans for the presentation session.

**DECISION**

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

- i. approved the minutes to the 21 October 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 INTERNAL AUDIT - Internal Audit Reports issued since last Meeting - Dam Safety Management System, Essential Eight Maturity Level 2 Gap Assessment, Payment of Expenses and Provision of Facilities to Councillors, Swimming Pools Inspections and Audit Recommendations Verification****RECOMMENDED**

That the Audit, Risk and Improvement Committee:

- i. note the Internal Audit Reports issued since last reporting for Dam Safety Management System, Essential Eight Maturity Level 2 Gap Assessment, Payment of Expenses and Provision of Facilities to Councillors, Swimming Pools Inspections and Audit Recommendations Verification; and
- ii. confirms agreement to the timeframes for completion of recommendations as included in the management responses for the Dam Safety Management System, Essential Eight Maturity Level 2 Gap Assessment, Swimming Pools Inspections and Audit Recommendations Verification Internal Audit Reports.

## DISCUSSION

### Essential Eight Maturity Level 2 Gap Assessment Internal Audit

The Committee asked what the percentage was last time we assessed and the Chief Information Officer explained the process for the previous audit which assessed against Maturity Level 1 and how this review assessed against Maturity Level 2. The Chief Information Officer outlined the plan in place to address required actions and advised that Council is not currently tracking percentage status noting this will be considered during a future assessment. The Chief Information Officer also highlighted the status of actions from the Level 1 Maturity assessment undertaken.

### Dam Safety Management System Internal Audit

The Committee asked what prompted undertaking this audit. The Internal Audit Coordinator advised that Dam Safety NSW had performed an audit several years ago and the Manager Assets and Design Services wanted to ensure that recommendations from that audit had been implemented correctly. The Committee commended the additional scope items included to cover the full process.

The Committee asked what the implications are for non-compliance with dam safety legislation and Mr Steve Doran advised that it is similar to any non-compliance with legislation and depends on the severity noting that repetitive non-compliance may result in fines.

The Committee asked how the general observations included in the report would be monitored and the Manager Assets and Design Services advised these would be considered once the recommendations were implemented.

The Committee asked whether the simulation exercise had been completed and the Manager Assets and Design Services confirmed a simulation was completed on 24 September 2024 with good survey feedback received from staff. This was a desktop simulation noting that a full simulation exercise will be conducted next year.

The Committee noted that the training program is to be developed by 31 December 2024 and asked whether the training could happen earlier than 30 June 2025. The Manager Assets and Design Services ran through the topics to be covered in the training noting that a new position is being recruited prior to roll out. It was noted that three staff members have currently been identified for the training.

The Committee asked why the dam is classified as significant and asked whether the location is the reason. The Manager Assets and Design Services explained the various reasons for the classification including location, safety, potential flooding and rain events. The Committee asked whether it is engineering or a rain event that makes a dam become declared and Mr Steve Doran advised it is a combination of both, advising that a risk assessment for each dam is required to determine this.

The Committee noted that the dam safety risk report was not yet finalised and asked whether that would impact any outcomes from the audit. The Manager Assets and Design Services advised that a request for quotation had been issued for this noting that this will assist with meeting the ongoing requirements.

The Committee asked how serious an issue it is that the emergency management plan was not provided to State Emergency Service and the Manager Assets and Design Services confirmed that this was an oversight and the Acting General Manager provided an overview of Council's current relationship between the Local Emergency Management Officer and the State Emergency Service that assists in mitigating any risks.

The Committee referred to the growth and new developments in the area and noted the importance of having dam safety management well understood for potential future dams.

#### Payment of Expenses and Provision of Facilities to Councillors

The Internal Audit Coordinator presented the one performance improvement opportunity identified in the Payment of Expenses and Provision of Facilities to Councillors Internal Audit noting that Management have advised it is complete.

There were no questions from the Committee.

#### Swimming Pools Inspections Internal Audit

The Internal Audit Coordinator introduced the Acting Manager Environment and Regulatory Services, Louise Maddalena, and provided some context for the Swimming Pools Inspections Internal Audit. The audit had many positive findings, a number of risk rated findings and some improvement opportunities. The Internal Audit Coordinator ran through the risk rated findings and advised that the Team Leader Development Compliance was very responsive to any outcomes from the audit.

The Committee sought confirmation whether the audit assessed compliance with safety and other requirements for pools tested or whether it was more ensuring correct process was followed with relevant requirements considered as part of the inspections. The Internal Audit Coordinator confirmed that it was an audit of the process noting the internal audit team are not trained swimming pool inspectors.

The Committee referred to the legislative non-compliance matter declared at business paper ARIC14 regarding swimming pool compliance and asked whether the audit findings were connected and it was confirmed that they were. The Committee asked what led to the non-compliance and the Director Planning and Environment provided an overview. The Director also highlighted the learnings from the audit around record keeping.

The Committee asked how the swimming pool inspection program worked and whether it included inspecting all pools in the LGA over a set period. The Acting Manager Environment and Regulatory Services advised that Council previously had a proactive inspection program however since the change to legislation in 2016 the requirement to inspect sold or leased properties, mandatory pools and significant risk pools are now the majority of the program. The Internal Audit Coordinator advised that Council's Swimming Pool Inspection Program document outlines the inspections that Council currently undertakes and the audit was performed against this.

The Committee asked whether there were any key performance indicators for backlogs with inspections and it was advised there is not, however inspection statistics are monitored via a PowerBI dashboard.



Audit Recommendations Verification Internal Audit

The Internal Audit Coordinator advised the overall results from the Audit Recommendations Verification Internal Audit.

The Committee asked whether the bias towards ‘high’ risk recommendations should be higher and the Internal Audit Coordinator outlined the process for selecting samples advising that there were 15 high risk and one very high risk samples tested.

The Committee noted that the final audit report indicated different sample sizes and it was explained the appendix contained an error and the correct sample size was confirmed.

The Committee noted the good result of 91% of audit recommendations verified as implemented and asked whether the original risk rating was applied to these recommendations. The Internal Audit Coordinator advised the findings were reassessed against Council’s risk matrix and adjusted for example where the previous recommendation may have been partially implemented to address the risk. The Committee requested inclusion of both the original risk rating and the revised risk ratings in future audits of this nature.

Assessment of Internal Audits

The ARIC received the following internal audit reports during the period:

<b>Audit Name</b>	<b>Total number of risk rated recommendations</b>
Essential Eight Maturity Level 2 Gap Assessment	1
Dam Safety Management System	14
Payment of Expenses and Provision of Facilities to the Councillors	Nil
Swimming Pools Inspections	12
Audit Recommendations Verification	13

DECISION

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

- i. noted the Internal Audit Reports issued since last reporting for Dam Safety Management System, Essential Eight Maturity Level 2 Gap Assessment, Payment of Expenses and Provision of Facilities to Councillors, Swimming Pools Inspections and Audit Recommendations Verification;
- ii. confirmed agreement to the timeframes for completion of recommendations as included in the management responses for the Dam Safety Management System, Essential Eight Maturity Level 2 Gap Assessment, Swimming Pools Inspections and Audit Recommendations Verification Internal Audit Reports; and
- iii. raised the following action:

- a. when undertaking the next Audit Recommendation Verification Internal Audit, the final report should include both the original risk rating and the revised risk ratings for findings.

*Jeremy Elman, RSM Partner, Armughan Azam, RSM Senior Manager and Steve Doran, RSM Subject Matter Expert arrived during discussion of this item, the time being 2.12pm.*

*The Manager Assets and Design Services, Jeremy Elman, RSM Partner, Armughan Azam, RSM Senior Manager and Steve Doran, RSM Subject Matter Expert left during discussion of this item, the time being 2.24pm.*

*The Acting Manager Environment and Regulatory Services left after this item, the time being 2.41pm.*

#### **ARIC04 SERVICE REVIEWS AND BUSINESS IMPROVEMENT - Camden Libraries - Service Review Outcome - Presentation**

##### RECOMMENDED

That the Audit, Risk and Improvement Committee note the presentation on Camden Libraries – Service Review Outcome.

##### DISCUSSION

The Manager Community Outcomes and Manager Corporate Performance and Customer Experience presented the outcome of the Camden Libraries Service Review.

The Manager Community Outcomes ran through the key findings and recommendations and provided a status update on each.

The Committee referred to the benchmarking statistics and asked about the result for CALD for Camden. The Manager Community Outcomes advised that the statistics were a snapshot taken at the time of the review and that now there is a program in place.

The Committee requested a copy of the presentation.

The Committee asked how the trial to operate for additional hours will work and the Manager Community Outcomes advised of the current budget and advised a detailed report will be presented to ELG for consideration. The Committee noted the importance of communicating to the community that this would be a trial.

The Committee commended the service review and the future planning for community growth and the Leppington Library.

##### DECISION

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

- i. noted the presentation on Camden Libraries – Service Review Outcome; and
- ii. raised the following action:

- a. requested that the Camden Libraries – Service Review Outcome presentation be provided to the Committee.

*Ms Mary Yuen, Audit Office of NSW arrived, the time being 3.00pm.*

*The Manager Community Outcomes left after this item the time being 3.03pm.*

## **ARIC05 Acting General Manager's Update**

### RECOMMENDED

That the Audit, Risk and Improvement Committee note the Acting General Manager's update.

### DISCUSSION

The Acting General Manager advised that Council was a finalist in the Bluett Awards. The Acting General Manager advised that awards may be more likely given to councils that over a number of years demonstrate high performance.

The Acting General Manager provided an update on the Western Sydney Infrastructure Grants Program (formerly WestInvest) advising that the Camden Civic Centre upgrade is under construction and others are at various stages of project planning and design.

The Acting General Manager provided an overview of Council's Community of Practice events where relevant projects and/or issues are brought to the forefront and neighbouring councils are invited so they can benefit from the learnings.

An update on the Councillor Induction Program was provided noting the excellent Councillor attendance. Topics covered so far include: roles and responsibilities, code of conduct, code of meeting practice, media and webcasting training, ARIC, financial planning, IP&R and planning processes. The Independent Commission Against Corruption presented on corruption risks for Councillors and ran through 'things of value' for councils and what can and cannot be shared, lobbying risks, conflicts of interest, and a number of investigation case studies. The induction program will also cover cyber security, records management, heavy vehicles and work, health and safety.

The Committee asked whether there has been any indication of a change in strategic direction and the Acting General Manager advised there has not.

### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the Acting General Manager's update.

*ARIC09 – External Audit – External Audit Update was dealt with at the conclusion of this item.*

**ARIC06 PERFORMANCE DATA AND MEASUREMENT AND FRAUD CONTROL AND ETHICS - Governance Information Report****RECOMMENDED**

That the Audit, Risk and Improvement Committee note the Governance Information Report.

**DISCUSSION**

The Internal Audit Coordinator advised that this is the first time this report is being presented to the Committee and noted there was nothing significant to report this round.

The Manager Corporate Performance and Customer Experience presented to the Committee on the proposed definition of significant for Capex projects. A discussion was held on the various criteria and it was agreed that these would be significant one off events.

It was noted the priority projects report should continue and any significant issues emerging on Capex projects will be reported with this Governance Information report.

**DECISION**

Following review and discussion, the Audit, Risk and Improvement Committee noted the Governance Information Report.

**ARIC07 RISK MANAGEMENT - Enterprise Risk Management****RECOMMENDED**

That the Audit, Risk and Improvement Committee note the Enterprise Risk Management update.

**DISCUSSION**

The Committee asked why the marine transit insurance contribution was so high and it was advised that this was an agenda formatting issue and the figure also includes motor vehicles.

The Committee referred to the Cyber insurance premium reduction and asked whether this was due to the work being done by Council or a reduction in the market more generally. This matter was discussed with the question taken on notice.

**DECISION**

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

- i. noted the Enterprise Risk Management update; and
- ii. raised the following action:

- a. respond to the question taken on notice to advise whether the Cyber insurance premium reduction was due to the work being done by Council or a reduction in the market more generally.

## **ARIC08 RISK MANAGEMENT - Project Risk and Assurance**

### RECOMMENDED

That the Audit, Risk and Improvement Committee note the Project Risk and Assurance update.

### DISCUSSION

The Manager Corporate Performance and Customer Experience introduced Council's Project Risk and Assurance Advisor and Project Portfolio Management Coordinator. The Project Risk and Assurance Advisor presented on Council's Project Risk Assessments and Project Assurance Program.

The Committee asked if overall project risks will be looked at and whether there are certain trends or common issues. The Project Risk and Assurance Advisor advised that Leppington is being reported at both the project level and the overall program level and advised once all project risk assessments have been undertaken a holistic analysis can commence.

The Committee commended the inclusion of the root cause analysis in the assurance program for scope changes.

The Committee asked about the system for monitoring projects and a discussion was held regarding the functionality. It was advised that a review of the system is planned in the next 12 months.

The Committee asked whether the project manager or ePMO drives lessons learned reviews and it was advised that more complex projects with multiple stakeholders will be driven by the ePMO and less complex projects are led by the project manager. The Project Portfolio Management Coordinator advised that a library is currently being built of common risks for project managers to use to ensure there is consistency in language across Council.

The Committee asked how projects are classified as priority or complex and the Manager Corporate Performance and Customer Experience advised there is a categorisation tool that all projects go through. The categorisation is included in reporting to ELG with the Executive confirming if a project should be categorised as priority or complex.

The Committee requested a status update on the construction safety procedure and it was advised that extensive consultation was required with the relevant branches and a Senior Business Partner role was also recently recruited and will require appropriate training.

The Committee noted that the priority projects report is from September 2024 and requested that future reports be the most recent month. The Internal Audit Coordinator advised that if the meeting date is close to when the most recent month is reported to ELG, the attachment could be distributed to the Committee under separate cover.

The Committee requested project cost be included in future reports for context where projects costs are off track. The Manager Corporate Performance and Customer Experience advised of the project with the finance team and Council's software providers to integrate this information. The Committee clarified they only require the 'comments' column to include the costs for projects where project costs are off track.

The Committee commended the Manager Corporate Performance and Customer Experience and the team on the creation of such a beneficial report.

### DECISION

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

- i. noted the Project Risk and Assurance update; and
- ii. raised the following actions:
  - a. include the most recent priority projects report when reporting to the Committee; and
  - b. that future priority project reports include in the comments the project costs for any projects where costs are off track.

*The Manager Corporate Performance and Customer Experience, Project Risk and Assurance Advisor and Project Portfolio Management Coordinator left after this item, the time being 3.56pm.*

### **ARIC09 EXTERNAL AUDIT - External Audit Update**

#### RECOMMENDED

That the Audit, Risk and Improvement Committee note the External Audit Update.

#### DISCUSSION

*This item was dealt with at the conclusion of ARIC05 – Acting General Manager's Update.*

Ms Mary Yuen of the Audit Office of NSW presented the key issues from the External Audit draft management letter for the year ending 30 June 2024 noting that there were three new year matters and two prior year matters. The management response was received on 26 November 2024 and has not yet been discussed with management and as a result the report is still in draft.

It was noted that the intention is to circulate the final management letter to the Committee once finalised and prior to the February 2025 meeting.

The Committee asked when the next conflicts of interest audit will be conducted and the Internal Audit Coordinator advised that it is scheduled to commence shortly however Key Management Personnel is not included. The Committee noted that this management letter finding would be revisited once the final management letter is received.

The Committee thanked the Audit Office.

The Committee referred to the Audit, Risk and Improvement Committee self-assessment results regarding 'oversight of external audit' and suggested that this discussion could be taken offline with the Audit Office however one possible change could be that the Committee receive the engagement plan when in draft form rather than final. The Audit Office agreed and advised that planning has already commenced with the finance team with the aim to have a draft plan ready in the coming days.

### DECISION

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

- i. noted the External Audit Update; and
- ii. raised the following action:
  - a. the Audit Office provide the Committee the Engagement Plan for consideration in draft prior to finalisation.

*The Manager Legal and Governance arrived during discussion of this item, the time being 3.14pm.*

*Ms Mary Yuen, Audit Office of NSW and Mr Gearoid Fitzgerald, Audit Office of NSW left after this item, the time being 3.23pm.*

*ARIC06 - PERFORMANCE DATA AND MEASUREMENT AND FRAUD CONTROL AND ETHICS - Governance Information Report was dealt with at the conclusion of this item.*

### **ARIC10 INTERNAL AUDIT - Audit Report Recommendations Implementation Status Update - October 2024**

### RECOMMENDED

That the Audit, Risk and Improvement Committee note the Audit Recommendations Implementation Status Update for 31 October 2024.

### DISCUSSION

The Committee asked whether ELG approved the requests for revised due dates and it was confirmed that they did with an additional six months added to the three fleet management recommendations.

The Internal Audit Coordinator noted the error in the audit recommendations table of the report and provided the correct statistics as noted in the table below.

The Committee requested an update on the IT service management framework that is due by 31 December 2024. The Chief Information Officer advised that this will be based on Information Technology Infrastructure Library (ITIL) and is on track.

The Committee requested an update on the fleet management recommendations. The Acting General Manager provided an overview of the delays and advised that the current manual processes are transitioning to a new system. The Chief Financial Officer also advised that some delays were due to the financial statements and external audit being prioritised.

The Committee asked whether the draft budget development guidelines have been finalised and the Chief Financial Officer confirmed they were endorsed by ELG this month.

## Audit Recommendations

A number of audit reports, investigation reports and management letters have been issued since the inception of the internal audit function in 2015. A summary of the status of the implementation of all recommendations from these is as follows:

Risk Rating	Number of recommendations	Verified as Implemented	Status		
			Completed*	Not Yet Due (on-track)	Delayed
Very High	40	2	40	0	0
High	175	58	161	11	1
Medium	376	80	347	21	9
Low	306	71	288	15	4
<b>Total</b>	<b>897</b>	<b>211</b>	<b>836</b>	<b>47</b>	<b>14</b>

## DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the Audit Recommendations Implementation Status Update for 31 October 2024.

*Mr Chong Shao and Mr Michael Trovato from ISS Partners arrived, the time being 4.04pm.*

### **ARIC11 COMPLIANCE - Personally Identifiable Information (PII) Audit Report**

#### RECOMMENDED

That the Audit, Risk and Improvement Committee:

- i. note the outcome of the audit completed on Personally Identifiable Information (PII); and
- ii. confirms agreement to the timeframes for completion of recommendations as included in the management responses for the PII Audit Report.

## DISCUSSION

The Committee asked whether privacy training occurs and the Manager Legal and Governance provided background on what is in place and explained there is generally good awareness with staff, however there will be compulsory training for all staff rolled out shortly.

The Committee asked whether Development Applications were looked at as part of the audit, especially in relation to objections. The Chief Information Officer provided an overview of the various systems that contain development application information and highlighted the areas covered that use similar systems and processes. The Chief Information Officer highlighted that the source of truth for development applications is the NSW Planning Portal and this was not included noting it is a state government system.



The Committee asked how the PII management solution will work and the Chief Information Officer advised of the system and various data sources that it will scan over a 12 month period noting that when the next part of this audit is presented to the Committee further information will be reported.

The Committee referred to physical and digital records and asked whether destruction protocols relate to both. The Chief Information Officer advised that it did and outlined Council's record disposal policy and the steps undertaken to date and upcoming.

The Committee requested a future update on the implementation of the findings and recommendations from this audit and it was advised that these have been included in the audit recommendations status updates.

### DECISION

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

- i. noted the outcome of the audit completed on Personally Identifiable Information (PII); and
- ii. confirmed agreement to the timeframes for completion of recommendations as included in the management responses for the PII Audit Report.

*Mr Chong Shao and Mr Michael Trovato from ISS Partners and the Chief Information Officer left after this item, the time being 4.15pm.*

### **ARIC12 FRAUD CONTROL AND ETHICS - Fraud and Corruption Control Update**

### RECOMMENDED

That the Audit, Risk and Improvement Committee note the update on fraud and corruption control at Council.

### DISCUSSION

The Committee noted the positive results and referred to the smaller number of disagree and strongly disagree responses and asked if these related to a particular branch or area of Council. The Manager Legal and Governance advised that the survey was anonymous however the overall results were very positive. It was noted that there was not much difference in results between this all staff survey and the previous management survey.

The Manager Legal and Governance advised of the various response rates between branches noting the overall response rate was 24%. The Committee asked whether the results will be disseminated to all staff and it was advised that the intention was to provide to the Senior Management Team. The Committee suggested there might be value in sending to all staff.

### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the update on fraud and corruption control at Council.

*The Manager Legal and Governance left after this item, the time being 4.23pm.*

**ARIC13 FINANCIAL MANAGEMENT - September Review of the 2024/25 Budget****RECOMMENDED**

That the Audit, Risk and Improvement Committee note the information in this report for the September 2024 Quarterly Budget Review.

**DISCUSSION**

Nil

**DECISION**

Following review, the Audit, Risk and Improvement Committee noted the information in this report for the September 2024 Quarterly Budget Review;

**ARIC14 COMPLIANCE - Quarterly Legislative Compliance Declarations - April to June 2024****RECOMMENDED**

That the Audit, Risk and Improvement Committee note the status of compliance declarations for the previous quarter.

**DISCUSSION**

Nil noting the discussion at ARIC03 with the swimming pools inspections internal audit report.

**DECISION**

Following review and discussion, the Audit, Risk and Improvement Committee noted the status of compliance declarations for the previous quarter.

**ARIC15 Audit, Risk and Improvement Committee Self-Assessment Results****RECOMMENDED**

That the Audit, Risk and Improvement Committee:

- i. note the Audit, Risk and Improvement Committee self-assessment results; and
- ii. identify any actions required in response to the self-assessment results.

**DISCUSSION**

The Committee noted the generally good results with the standout issue being the length of the meetings. The Committee suggested simplifying the reporting may be a way to streamline meetings.

The Committee referred to the result in the 'oversight of external audit' noting it was similar to last year's result and agreed to document criteria/areas the Committee should examine to assist the Committee to monitor this.

### DECISION

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

- i. noted the Audit, Risk and Improvement Committee self-assessment results; and
- ii. raised the following actions:
  - a. the Committee to document the criteria/areas the Committee should examine to monitor external audit.

*ARIC19 – INTERNAL AUDIT – Internal Audit Plan Status Update was dealt with at the conclusion of this item.*

### **ARIC16 INTERNAL AUDIT - Quality Assurance and Improvement Program - Internal Audit Annual Survey and Internal Audit Self-Assessment Results**

### RECOMMENDED

That the Audit, Risk and Improvement Committee note the results of the annual internal audit customer satisfaction survey and the internal audit self-assessments.

### DISCUSSION

*This item was dealt with at the conclusion of ARIC19 – INTERNAL AUDIT – Internal Audit Plan Status Update.*

The Committee referred to the survey results noting that the most common issue is the frequency and the system used for monthly status updates for audit recommendations. The Internal Audit Coordinator ran through some of the current software issues and advised that feedback from the survey indicated that monthly updates are burdensome when recommendations are not due for another 12 months (as an example). The Committee and Council's Internal Audit Coordinator discussed possible solutions for these issues.

In order to address the survey feedback regarding communication, the Internal Audit Coordinator advised that she has commenced attending Directorate managers meetings to report on common audit findings, the audit program, reports from authoritative bodies and updates from Committee meetings. In addition to this, consideration has been given to attending directorate and branch staff meetings and the production of an Internal Audit newsletter to help get the message out more broadly to staff.

The Committee agreed that the newsletter is a good initiative but raised concerns over the extra resources taken to produce this ongoing.

The Committee commended the Internal Audit team on the good results and proposed actions.

### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the results of the annual internal audit customer satisfaction survey and the internal audit self-assessments.

**ARIC17 INTERNAL AUDIT - Global Internal Audit Standards - Gap Analysis****RECOMMENDED**

That the Audit, Risk and Improvement Committee note the Global Internal Audit Standards Gap Analysis.

**DISCUSSION**

The Internal Audit Coordinator advised that the Standards have been written for much larger internal audit teams and noted that at a recent Institute of Internal Auditors event it was advised councils should aim to demonstrate they are complying with the intent of the Standards.

It was noted that it will be resource intensive to implement all elements of the Standards however the internal audit team has an action plan in place to address.

The Internal Audit Coordinator advised that the Standards are effective 9 January 2025, however full compliance is not necessarily expected at that time. It was noted that Council's next self-assessments will be undertaken against the new the Standards and that the external assessment is not scheduled until 2027.

The Committee asked if the Internal Audit Strategy was being developed and the Internal Audit Coordinator explained the intention of adding elements to the Strategic Internal Audit Plan this year with the Strategy to be developed next year.

**DECISION**

Following review and discussion, the Audit, Risk and Improvement Committee noted the Global Internal Audit Standards Gap Analysis.

**ARIC18 INTERNAL AUDIT - Review of Internal Audit Manual and Quality Assurance and Improvement Program****RECOMMENDED**

That the Audit, Risk and Improvement Committee:

- i. review and endorse the revised Internal Audit Manual; and
- ii. review and endorse the revised Internal Audit Quality Assurance and Improvement Program.

**DISCUSSION**

The Committee made the below recommended changes and comments:

Internal Audit Manual:

- Change the frequency of audit recommendation updates from 'monthly' to 'periodically'

Quality Assurance and Improvement Program:

- Include a footnote where the 'board' is referenced in the Quality Assurance and Improvement Program to indicate 'board' is in reference to the ARIC
- Adjust customer satisfaction survey scale to 3.5

- Noted that the 80% target for the audit plan is challenging but did not request a change
- The wording of the customer satisfaction survey question relating to disruption to be changed from 'inappropriately' to 'unreasonably'.

The Committee asked about the difference between assurance and consulting and the Internal Audit Coordinator explained the difference.

### DECISION

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

- i. endorsed the revised Internal Audit Manual subject to the below change:
  - a. change the frequency of audit recommendation updates from 'monthly' to 'periodically'.
- ii. endorsed the revised Internal Audit Quality Assurance and Improvement Program subject to the below changes:
  - a. include a footnote where the 'board' is referenced in the Quality Assurance and Improvement Program to indicate 'board' is in reference to the ARIC
  - b. adjust customer satisfaction survey scale to 3.5
  - c. amend the customer satisfaction survey wording on the question relating to disruption from 'inappropriately' to 'unreasonably'.

### **ARIC19 INTERNAL AUDIT - Internal Audit Plan Status Update**

#### RECOMMENDED

That the Audit, Risk and Improvement Committee note the internal audit plan status update.

#### DISCUSSION

*The item was dealt with at the conclusion of ARIC15 – Audit, Risk and Improvement Committee Self-Assessment Results.*

The Committee asked the Internal Audit Coordinator to outline any emerging themes from the Local Government Assurance Forum and the Internal Audit Coordinator provided an overview of the presentations and items discussed highlighting Artificial Intelligence, Cyber Security and Psychosocial Hazards as key areas. It was also advised the Local Government Internal Audit Network meeting is scheduled for 6 December 2024.

The Committee discussed the amount of administration work currently being undertaken by the Internal Audit team and agreed that alternative methods to manage this need to be sought. The Internal Audit Coordinator provided an overview of the current and future administrative tasks required in addition to day to day duties.

#### DECISION

Following review and discussion, the Audit, Risk and Improvement Committee noted the internal audit plan status update.

*The Director Sport and Community Activation, Director Growth and Finance, Director Planning and Environment, Chief Financial Officer and Senior Risk Advisor left, the time being 4.31pm.*

*ARIC16 - INTERNAL AUDIT - Quality Assurance and Improvement Program - Internal Audit Annual Survey and Internal Audit Self-Assessment Results - was dealt with at the conclusion of this item.*

**ARIC20 COMPLIANCE AND SERVICE REVIEWS AND BUSINESS IMPROVEMENT - Update on Reports from Authoritative Bodies**

RECOMMENDED

That the Audit, Risk and Improvement Committee note the update on reports from authoritative bodies.

DISCUSSION

Nil

DECISION

Following review, the Audit, Risk and Improvement Committee noted the update on reports from authoritative bodies.

**ARIC21 Audit, Risk and Improvement Committee 2024 Annual Work Plan Status and 2025 Annual Work Plan**

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 Audit, Risk and Improvement Committee Annual Work Plan for the 2025 calendar year.

DISCUSSION

The Committee referred to the 2025 Annual Work Plan and requested the PII audit be added where any reference to the Information Management audit is noted.

The Committee asked when the cash management internal audit will be scheduled and the Internal Audit Coordinator advised that it will be considered as part of the current Internal Audit Plan review noting that an Investments audit was also recently completed.

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;

- ii. endorsed the Audit, Risk and Improvement Committee Annual Work Plan for the 2025 calendar year;
- iii. raised the following action:
  - a. the PII audit to be added where any reference to the Information Management audit is noted in the 2025 Annual Work Plan.

*Councillor McLean left after this item, the time being 5.01pm.*

## **ARIC22 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:

- Nil

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

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

- The Committee referred to items ARIC15, ARIC16, ARIC17 and ARIC18 in this agenda noting that Camden are leading the way on these matters including internal audit self-assessment activities, review of the global internal auditing standards and the quality assurance and improvement program and internal audit manual. The Committee noted the many recent and upcoming changes due to the Regulations and the Global Standards and commended Council on being the most prepared that they have seen in local government.

### DECISION

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

**Meeting Closed at 5.06pm.**

#### **Next Meeting:**

The next meeting of the Audit, Risk and Improvement Committee will be held on 19 February 2025 at 1.30pm at Council's Administration Building, 70 Central Avenue, Oran Park.


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 70 Central Avenue  
Oran Park NSW 2570

 PO Box 183  
Camden NSW 2570

 13 22 63

 ABN: 31 117 341 764

 [mail@camden.nsw.gov.au](mailto:mail@camden.nsw.gov.au)

 [www.camden.nsw.gov.au](http://www.camden.nsw.gov.au)

 [www.facebook.com/camden council](https://www.facebook.com/camden council)



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