

AGENDA

Finance and Governance Committee

Tuesday, 11 June 2024

6:00 PM

Waratah Room

Georges River Civic Centre

Hurstville



OATH OF OFFICE OR AFFIRMATION OF OFFICE

All Georges River Councillors are reminded of their Oath of Office or Affirmation of Office made at the time of their swearing into the role of Councillor.

All Councillors are to undertake the duties of the office of Councillor in the best interests of the people of the Georges River Council area and are to act faithfully and impartially carry out the functions, powers, authorities and discretions vested in them under the *Local Government Act 1993* or any other Act to the best of their ability and judgement.

DISCLOSURES OF INTEREST

All Georges River Councillors are reminded of their obligation to declare any conflict of interest (perceived or otherwise) in a matter being considered by Council or at any meeting of Council.

FINANCE AND GOVERNANCE COMMITTEE MEETING

ORDER OF BUSINESS

OPENING

ACKNOWLEDGEMENT OF COUNTRY

Council acknowledges the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

APOLOGIES / LEAVE OF ABSENCE

REQUEST TO JOIN VIA AUDIO VISUAL LINK

NOTICE OF WEBCASTING

DISCLOSURES OF INTEREST

PUBLIC FORUM

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

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CONFIDENTIAL (CLOSED SESSION)

FIN021A-24	Property Matter - 6 Dora Street, Hurstville (Report by Senior Property Officer)	
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CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Item: FIN021-24 Confirmation of the Minutes of the Finance and Governance Committee Meeting held on 13 May 2024

Author: Executive Services Officer

Directorate: Office of the General Manager

Matter Type: Previous Minutes

FIN021-24

RECOMMENDATION:

That the Minutes of the Finance and Governance Committee Meeting held on 13 May 2024, be confirmed.

ATTACHMENTS

Attachment [↓](#)1 Minutes of the Finance and Governance Committee Meeting held on 13 May 2024



MINUTES

Finance and Governance Committee

Monday, 13 May 2024

6:00 PM

Waratah Room

Georges River Civic Centre

Hurstville



GEORGES RIVER COUNCIL

UNCONFIRMED MINUTES

PRESENT

COUNCIL MEMBERS

Councillor Christina Jamieson (Chairperson), Councillor Elise Borg, Councillor Veronica Ficarra and Councillor Colleen Symington.

COUNCIL STAFF

Director Business and Corporate Services - Danielle Parker, Chief Finance Officer – Scott Henwood, Chief Audit Executive – Steven Baker, Head of Strategic Property - Bernard Morabito, Kristen O’Grady – Senior Property Officer, Executive Services Officer – Nickie Paras, A/Executive Assistant – Barb Presti, (Minutes) Chief Information Officer - Brendan Scott, Technology Business Support Officer – Earl Santos.

OPENING

The Chairperson, Councillor Jamieson, opened the meeting at 6.00pm.

ACKNOWLEDGEMENT OF COUNTRY

The Chairperson, Councillor Jamieson acknowledged the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

REQUEST TO ATTEND VIA AUDIO VISUAL LINK

There were no requests to attend via Audio Visual Link.

APOLOGIES/LEAVE OF ABSENCE

That a leave of absence be accepted for Councillor Katris and Councillor Mahoney.

MOTION: Councillor Symington, Councillor Ficarra

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

NOTICE OF WEBCASTING

The Chairperson, Councillor Jamieson advised staff and the public that the meeting is being recorded for minute-taking purposes and is also webcast live on Council’s website, in accordance with section 5 of Council’s Code of Meeting Practice. This recording will be made available on Council’s Website.

CODE OF MEETING PRACTICE

Council’s Code of Meeting Practice prohibits the electronic recording of meetings without the express permission of Council.

DISCLOSURES OF INTEREST

There were no disclosures of interest made.

PUBLIC FORUM

There were no registered speakers.

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

FIN015-24 Confirmation of the Minutes of the Finance and Governance Committee Meeting held on 8 April 2024

(Report by Integrated Planning and Reporting Officer)

RECOMMENDATION: Deputy Mayor, Councillor Borg, Councillor Ficarra

That the Minutes of the Finance and Governance Committee Meeting held on 8 April 2024, be confirmed.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

COMMITTEE REPORTS

FIN016-24 Investment Report as at 31 March 2024

(Report by Senior Financial Accountant - Reporting)

RECOMMENDATION: Deputy Mayor, Councillor Borg, Councillor Ficarra

That the Investment Report as at 31 March 2024 be received and noted by Council.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

FIN017-24 Quarterly Budget Review Report for Period Ending 31 March 2024

(Report by Senior Business Performance Accountant)

RECOMMENDATION: Councillor Symington, Deputy Mayor, Councillor Borg

(a) That Council receives and notes the contents of this report in relation to the Quarterly Budget Review for the period ending 31 March 2024.

(b) That Council adopt the proposed amendments to the 2023/24 Budget as outlined in Attachment 1.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was

CARRIED.

Note: The following Questions With No Notice were asked by Councillor Symington with regard to FIN017-24 - Quarterly Budget Review Report - Item Q24/020 Mayoral Replacement Vehicle (State Contract SCM0653):

Q1. Is the Mayoral replacement vehicle leased, if so how long for and cost per month?

Q2. What budget is this cost coming from?

Q3. What type of vehicle is it and what is its ecofriendly credentials e.g. hybrid or electric?

Q4. Is this vehicle a similar standard to other Council vehicles?

Q5. Who made the decision to replace the Camry Hybrid that was previously used by the Mayor?

The questions were taken on notice by the Director Finance and Governance and responses will be reported to the May 2024 Council Meeting.

FIN018-24 Quarterly Commercial Property Portfolio Report for Period Ending 31 March 2024
(Report by Senior Property Officer)

RECOMMENDATION: Deputy Mayor, Councillor Borg, Councillor Ficarra

That Council receive and note the contents of this report in relation to the Quarterly Commercial Property Portfolio, for the period ending 31 March 2024.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

FIN019-24 Property Matter - Ramsgate Car Park, Ramsgate
(Report by Head of Strategic Property)

RECOMMENDATION: Deputy Mayor, Councillor Borg, Councillor Ficarra

(a) That the report "Property Matter - Ramsgate Car Park, Ramsgate" be received and noted.

(b) That the General Manager acknowledge the unsolicited offer and express that Council is declining the offer for the sale of the Ramsgate Car Park based on their being no strategic justification for disposal.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

FIN020-24 Property Matter - Purchase of 23 Cook Street, Mortdale
(Report by Head of Strategic Property)

RECOMMENDATION: Councillor Ficarra, Councillor Symington

- (a) That Council purchase the residential property at 23 Cook Street, Mortdale, being Lots 20 and 21 in Deposited Plan 4817 on the terms outlined generally in this report and in confidential Attachment 1 to this report.
- (b) That Council authorise the General Manager to execute the Contract for Sale, Transfer Document, Lease Agreement and all other associated documentation to affect the purchase of Lots 20 and 21 in Deposited Plan 4817 located at 23 Cook Street, Mortdale.
- (c) That in accordance with Section 31 (2) of the Local Government Act 1993, the land be classified as Operational Land upon settlement.
- (d) That Council approve the budget for the acquisition as outlined in the associated attachments and the proposed funding source of the Strategic Centre Reserve.
- (e) That Council approve for the appropriate public notification to be undertaken for the property classification process and future community lease Expression of Interest (EOI) process.

Record of Voting

For the Motion: Deputy Mayor, Councillor Borg, Councillor Jamieson, Councillor Ficarra, Councillor Symington

On being PUT to the meeting, voting on this Motion was UNANIMOUS. The Motion was CARRIED.

CONCLUSION

The Meeting was closed at 6.10pm

COMMITTEE REPORTS

Item: FIN022-24 Property Matter - Proposed Reclassification and Sale of Part Moore Park, Beverley Park

Author: Senior Property Officer

Directorate: Business and Corporate Services

Matter Type: Committee Reports

FIN022-24

<Summary Section>

RECOMMENDATION:

- (a) That the General Manager, in accordance with Section 377(h) of the Local Government Act 1993, be authorised to execute the Contract for Sale, Transfer Document and all other documentation in this matter, to effect the disposal of part Lot 160 in DP19098, pursuant to the advice and terms provided within Confidential Attachment 3 of the report.
- (b) That prior to disposal, the subject part of Lot 160 in DP19098 (being approximately 330 square metres as shown in Attachment 1) be reclassified from Community to Operational land.
- (c) That any monies derived from a land sale be held in restricted reserve for the future embellishment or acquisition of public open space as referenced within the adopted Council Strategic documents.
- (d) That Council provides landowner consent to the proposed reclassification and/or rezoning of Part Lot 160 in DP19098.

EXECUTIVE SUMMARY

1. On 22 May 2023, Council resolved (FIN021-23) as follows:
 - a) *That Council seeks further information in regard to the future development plans of this site before this matter is considered further.*
 - b) *That during any future consideration of the matter the General Manager provides a further report to Council outlining details of all costs, consideration payable and options in regard to replacement of open space.*
2. This report provides the additional information sought by Council in further consideration of this matter and will consider an offer provided by the St George Leagues Club Ltd (the Club) to purchase approximately 330 square metres of part of Moore Park described as Lot 160 in Deposited Plan (DP)19098 and located at 33 Lobb Crescent, Beverley Park. A location plan is provided in Attachment 1.
3. The offer from the Club (Attachment 2) is favourable and should be considered by Council. Full details of the financial offer and proposed terms is outlined in Attachment 3. In support of the offer, market valuation advice is provided in confidential attachments 4 and 5.

BACKGROUND

4. Council was approached by the St George Leagues Club regarding their interest in acquiring approximately 330 square metres (subject to survey) of part of the adjoining Council owned Moore Park, to assist with car park traffic flow associated with the existing leagues club car park. The subject (part) parcel is triangular and is located at the rear of

the reserve between the Club boundary and the pathway that comes in from Lobb Crescent, Beverley Park as detailed in Attachment 1.

5. As per resolution (a) of FIN021-23, additional information was sought regarding the future development plans of this site. In this regard, the Club has outlined the purpose of their offer within their letter of offer (Attachment 2).
6. Regarding costs information as per resolution (b) of FIN021-23, details of all costs, consideration payable and options regarding replacement of open space are provided in Confidential Attachment 3.

FINANCIAL IMPLICATIONS

7. The Club has provided Council with a market value offer for the land. In addition to this market value payment, the Club is offering a substantial one-off cash incentive for Council to upgrade play equipment at an adjoining local reserve. The offer in total exceeds market value. Details of this offer together with officer recommendations, is provided in Confidential Attachment 3.
8. In accordance with Council's Acquisition and Disposal Policy, Council has obtained valuation advice to determine the market value of the land. In this regard, Southern Alliance Valuation Services (SAVS) and BEM Property Consultants and Valuers (BEM) were engaged to determine the market value of part of the reserve (approximately 330m²), the subject of this proposal. The valuations from SAVS and BEM are provided in Attachments 4 and 5 respectively.
9. Before the land can be sold, it will need to be reclassified from Community to Operational land. Due to the cost of reclassifying land, it is further proposed that all costs associated with the reclassification, rezoning and subdivision be at the expense of the applicant.
10. Expanding the open space within the Local Government Area (LGA) is a principal aim as outlined in the Community Infrastructure Needs Assessment and the Area Acquisition Strategy, as well as the Open Space, Recreation, and Community Facilities Strategy. It is recommended that funds generated from disposals be designated specifically for the acquisition or enhancement of open spaces as described in these strategies. Noting that the challenges associated with acquiring space, such as reputation, cost, and time, are significant due to the urban environment of the Georges River LGA.

RISK IMPLICATIONS

11. By restricting funds from the sale of the land to enhance/acquire open space will ensure Council can deliver on actions committed to within the relevant adopted strategies.

COMMUNITY ENGAGEMENT

12. Community engagement will be required and undertaken as part of the reclassification process should Council resolve to dispose of part of Moore Park.

1.

FILE REFERENCE

D24/46757

ATTACHMENTS

Attachment [1](#) Location Plan Moore Park



Attachment 2 Moore Park offer 6 May 2024 - Lot 160 DP 19098 Beverley Park NSW 2217 - *published in separate document* (Confidential)

Attachment 3 Financial Considerations and Terms - Sale of Part Moore Park, Beverley Park - *published in separate document* (Confidential)

- Attachment 4 Valuation Report - SAVS - *published in separate document* (Confidential)
- Attachment 5 Valuation Report - BEM - *published in separate document* (Confidential)

Attachment 1: Location Plan – Moore Park, Beverley Park



Item: FIN023-24 Internal Audit Plan 2024-2028
Author: Chief Audit Executive
Directorate: Office of the General Manager
Matter Type: Committee Reports

RECOMMENDATION:

That the Audit, Risk and Improvement Committee endorsed Internal Audit Plan 2024-2028 be received, noted and endorsed by the Council.

EXECUTIVE SUMMARY

1. The purpose of this report is to table and seek endorsement for the 2024-2028 Internal Audit Plan (Plan).
2. The Plan was presented to the Executive at the 20 February 2024 meeting and then endorsed by the Audit, Risk and Improvement Committee (ARIC) at the meeting held on 28 February 2024.
3. The Plan covers the four (4) year period from 1 July 2024 to 30 June 2028. It outlines internal audit assurance activities to be performed or facilitated by the internal audit function.
4. The items included in the Plan have been compiled after consultation with the General Manager, individual Directors and selected Managers.

BACKGROUND

5. In 2016, the *Local Government Amendment (Governance & Planning) Act 2016* was enacted and subsequently updated. The mandated commencement date for the section of the legislation relating to internal audit and audit risk and improvement committees is 1 July 2024.
6. A council's audit, risk and improvement committee must develop a strategic work plan every four (4) years to ensure all matters listed in Section 428A of the Local Government Act are reviewed by the committee.
7. The Plan has been aligned to assist both the ARIC and management fulfil their responsibilities under legislation and in conjunction with other activities being performed across the council.
8. Implementing a risk-based internal audit plan is included as a deliverable action in Council's Draft Delivery Program and Operational Plan as part of the responsibilities to achieve the pillar of Leadership and Transparency.
9. The purpose of the Plan is to:
 - (a) Identify the most relevant and "best use" of internal audit resources, having regard to other sources from which Georges River Council (GRC) obtains assurance,
 - (b) Outline how the desired level of assurance is to be obtained by mapping the Plan against other external and internal assurance activities undertaken by GRC; and
 - (c) Prioritise and assign internal audit resources to meet the requirements of the agreed Plan.
10. The following internal stakeholders have been consulted in the development of this Plan:

- (a) The General Manager,
 - (b) Individual Directors,
 - (c) Selected Managers representing core service / activities; and
 - (d) The Audit, Risk and Improvement Committee.
11. The Plan will ensure internal audits are directed to the areas of greatest value and need within the organisation and allow the Audit, Risk & Improvement Committee and management to have assurance over those areas identified in the Plan.
 12. The ARIC will consider this Plan at the August 2024 meeting to review alignment to legislative requirements, resourcing available and relevance to existing and emerging priorities.
 13. The Plan is aligned to other initiatives of Council, including:
 - (a) IP&R Delivery Program and Operational Plan,
 - (b) Enterprise Risk Management Framework,
 - (c) NSW Audit Office Client Engagement Plan,
 - (d) Other assurances and accreditations performed or required by the organisation; and
 - (e) Compulsory compliance or accreditation requirements.
 14. The Georges River Council Internal Audit Plan 2024-2028 (see Attachment 1) contains the purpose, relationships, coordination and resourcing of the proposed 2024-2028 Internal Audit Plan and references the audit items from the existing 2021-2024 Internal Audit Plan (ending 30 June 2024).

FINANCIAL IMPLICATIONS

15. No immediate financial/budget impact for this report.
16. Noted as a recurrent operational budget included in the Draft 2024/25 Budget and the subsequent years being 2025/26, 2026/27 and 2027/28 are unfunded at this stage.

RISK IMPLICATIONS

17. Enterprise and operational risks exist with no adopted and adequately resourced internal audit program that meets our legislative obligations under the regulations.

COMMUNITY ENGAGEMENT

18. Community engagement was not required for this report.

FILE REFERENCE

D24/123203

ATTACHMENTS

Attachment [↓](#)1 Internal Audit Plan 2024-2028





Georges River Council

Internal Audit Plan

2024-2028

Endorsed by Executive Team on 20 February 2024

Tabled at Audit, Risk & Improvement Committee on 28 February 2024

Endorsed by Audit, Risk & Improvement Committee on 28 February 2024

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Introduction

The development of this Internal Audit Plan (Plan), also known as the strategic work plan, is prescribed in the Office of Local Government – Guidelines for Risk Management and Internal Audit (updated November 2023). It covers the four (4) year period from 1 July 2024 to 30 June 2028.

The Plan outlines internal audit assurance activities to be performed or facilitated by the Internal Audit function as well as other audit and assurance activities to be undertaken within Council over this period.

1. Purpose

The purpose of the Plan is to:

- Identify the most relevant and “best use” of internal audit resources, having regard to other sources from which Georges River Council (GRC) obtains assurance;
- Outline how the desired level of assurance is to be obtained by mapping the Plan against other external and internal assurance activities undertaken by GRC; and
- Prioritise and allocate internal audit resources to meet the requirements of the agreed internal audit program.

The Plan is divided up into annual Audit Programs as follows:

Year 1 – 1 July 2024 to 30 June 2025

Year 2 – 1 July 2025 to 30 June 2026

Year 3 – 1 July 2026 to 30 June 2027

Year 4 – 1 July 2027 to 30 June 2028

2. Caveat

The ability to implement the Plan is dependent on several factors that may impact it, not limited to:

- Workloads and recommendations received from other agencies that require priority of internal audit resources such as ICAC, Ombudsman, OLG, NSW Audit Office, Department of Planning and Infrastructure recommendations and requests.
- Availability of internal audit resources.
- Internal priorities that take precedence over the use of internal audit resources. This may include Complaint Coordinator, Public Interest Officer, Online Corruption investigations and customer response duties.
- Changing risks and audit priorities over the four (4) year period of the Plan.
- Budget allocations.

This may require the Plan being subject to reassessment and adjustments. The Plan should be flexible to allow such circumstances to be accommodated.

3. Relationship to Integrated Planning & Reporting (IP&R) Framework

Development of a four (4) year Internal Audit Plan will be consistent with and support the Delivery Program (2024 and 2025, then 2025-2028) and Operational Plan 2024/25, aiming to support Council’s achievement of goals in the Community Strategic Plan 2022-2032. The most relevant Community Strategic Plan reference is Pillar 6 “Leadership &

Transparency” which contains key “Audit Responsibilities” within it, including the implementation of a risk-based audit plan.

In addition, individual audits included in this Plan will incorporate specific elements of the applicable Delivery Program and Operational Plan goals.

4. Relationship to Enterprise Risk Management Framework

In 2017, Council commenced implementation of an Enterprise Risk Management (ERM) Framework that focuses on the identification of strategic, operational and fraud/corruption risks. This continues to be refined, implemented and integrated into the organisation.

The Internal Audit function will continue to monitor the progress of the of the risk management framework, in conjunction with the Head of Governance and Risk, with the intent of dedicating a proportion of this Plan to examine the extent to which specific mitigating treatment plans and controls for the identified high risks, have been successfully implemented and are effective.

5. Coordination with External Audit & NSW Audit Office

In 2016, the NSW Audit Office was mandated as the external auditor for NSW local councils. Internal Audit remains committed to working with the external auditors to minimise duplication of effort and maximise knowledge sharing to facilitate a comprehensive assurance program.

Besides the statutory financial audit that will be conducted via an interim and final audit, the NSW Audit Office has published the following Performance Audit Plans for Local Government. Georges River Council may not be selected as part of these audits specifically, but the audit outcomes may impact the council.

2023/26 – Whole-of-government / multi-agency

- Flood housing response
- Governance and administration arrangements
- GovConnect NSW

2023-2026 – Local government specific

- Cyber security in local government
- Road asset management
- Coastal management reforms
- Managing climate risks to assets and services
- Performance management & monitoring (IP&R)
- Audits of governance issues within a particular council[^]
- Amalgamated councils[#]

[^] The Audit Office may carry out performance audits on single councils reviewing efficiency, effectiveness, economy or compliance with laws. It could also include management and sustainability, governance, and the effectiveness of service delivery.

[#] Possible examination of merged councils achieving economies of scale, improvements to community services and reduced spending. It may also consider centralisation issues such as community engagement, decision-making and councillor representation. This may focus on one or more councils.

6. Coordination with other organisational Service Reviews

Internal Audit will attempt to coordinate activities with other Divisions/Units of Council to ensure that such reviews do not form part of the Plan in the next four (4) years unless there are identifiable internal control concerns.

This is designed to remove duplication of activities and allow areas that have been subject to a Service Review, sufficient time to implement changes and recommendations. The organisational Service Review Program will be coordinated and funded by the Office of the General Manager. The program for 2024/25 and subsequent years, once developed, should be presented to the ARIC for review at the appropriate time.

7. Completion of the 2021-2024 Audit Plan

The following audits were included, commenced, completed and/or remain incomplete from the 2021-2024 Audit Plan.

The majority of these topics will not be audited in the 2024-2028 Audit Plan due to them recently been audited and to allow time for audit recommendations to be implemented and become effective. Any legacy or not started audits have been considered for the proposed audit programs.

No	Audit Program Item	Audit Status	Comments
	Year 1 – 2021/22		
1	RMS DRIVES System Annual Compliance Audit	Completed	Completed in July 2021 Presented to ARIC 19 August 2021
2	Swimming Pool Compliance	Completed	Completed in June 2021 Presented to ARIC 19 August 2021
3	Project Governance & Methodology	Completed	Completed August 2021 Presented to ARIC 15 October 2021
4	Development Related Fees	Completed	Completed September 2021 Presented to ARIC 15 October 2021
5	Bonds, Bank Guarantees & Security Deposits	Completed	Completed October 2021 Presented to ARIC 25 November 2021
6	IM&T Audit – Physical Intrusion Testing	Completed	Presented to ARIC 15 October 2021
7	IM&T Audit – ASD Essential 8 Maturity Assessment	Completed	Presented to ARIC 15 October 2021

8	IM&T Audit – Records Management Security Framework	Completed	Presented to ARIC 25 November 2021
9	IM&T Audit – Network Segmentation	Completed	Presented to ARIC 24 February 2022
10	IM&T – Microsoft 365 Best Practice Assessment	Completed	Presented to ARIC 2 June 2022
11	Procurement Spend Analysis Review	Completed	Presented to ARIC 2 June 2022
12	Complying Development Payments Pilot Study (arising from Development Related Fees audit)	Completed	Presented to ARIC 24 February 2022 & 25 August 2022
13	TfNSW DRIVES Compliance Audit 2022	Completed	Completed July 2022
Year 2 - 2022/2023			
1	Cash Management	Completed	Presented to ARIC on 9 December 2022
2	Implementation of recommendations or requirements relating to External Agency recommendations/outcomes	In Progress	Awaiting external Agency changes impacting recommendations.
3	Exception/oversight reporting	In Progress - Ongoing	
4	IM&T – Internal Network Penetration Testing	Completed	Presented to ARIC 18 May 2023
5	Budget Management	Completed	The Budget Management Policy was adopted in October 2021 and tabled at the 23 May 2024 meeting.
6	Community Leases	Completed	Completed August 2023 Presented to ARIC on 10 August 2023
7	Consultancy, Contractor and Labour Hire usage	Completed	Presented to ARIC on 9 November 2023
8	TfNSW Drives Compliance Audit 2023	Completed	Completed July 2023 Presented to ARIC on 19 October 2023
9	IM&T – Microsoft 365 Assessment	Completed	Presented to ARIC on 9 November 2023
Year 3 - 2023/2024			
1	Fleet & Light Vehicle Review	In Progress	Commenced late 2023 / early 2024

			Initial report tabled at February 2024 ARIC Update report to be tabled at May 2024 ARIC
2	IM&T – External Network & WIFI Penetration Testing	Completed	Presented to ARIC on 28 February 2024
3	IM&T – Physical Intrusion Testing	Completed	To be tabled at May 2024 ARIC
4	IM&T – Social Engineering Testing	In Progress May 2024	To be tabled at August 2024 ARIC.
5	IM&T – ASD Essential 8 Maturity Assessment	Expected commencement June 2024	Reconfirmed dates with CIO. To be tabled at August 2024 ARIC.
6	Asset Management	Not yet commenced	For consideration for the new audit program after Enterprise System Review completed.
7	Enterprise Risk Management Controls & Treatment Plans	Not yet commenced	To be deferred due to current roll out of new Risk Management Framework.
8	Employee Leave Entitlements	Not commenced	To be reassessed in line with the new audit program priorities.
9	Drug & Alcohol Testing	Not commenced	Operational testing still undertaken.
10	TfNSW Drives Terms of Access Agreement 2024	Expected commencement June/July 2024	Consultant engaged, expected to be tabled at August or October 2024 ARIC.

Legend

	Audit not commenced
	Audit completed
	Audit removed from Program

8. Development of the Internal Audit Plan

Development of the strategic plan has involved consideration of:

- Council's objectives in the Community Strategic Plan, Delivery Program & Operational Plan;
- Council's Risk Management Framework (including strategic risks);
- Georges River Council Audit Universe;
- Known and emerging issues within the Local Government Internal Audit Network;
- Known risk & corruption areas identified by oversight agencies (ICAC, NSW Ombudsman and OLG);
- Internal Audit's experience with core business processes and previous audits/reviews;
- Other assurance activities being undertaken by external parties throughout Council.

The following internal stakeholders have been consulted in the development of this program:

- Executive management team; and
- Managers representing core corporate service areas

During the development process, over 20 auditable items were identified for possible inclusion in the Plan. The Plan has been refined and prioritised and the following items specifically excluded:

- Items to be covered by the NSW Audit Office Performance Audit section.
- Items that are to be a major focus of the NSW Audit Office as part of their Financial Statement Audit.
- Issues and gaps that have been already identified by management and which are in the process of being addressed/rectified.
- Service Reviews and Process Reviews being undertaken by GRC that do not have internal control concerns outstanding.
- Items where external third-party audit or assurance activity is already being applied or required.
- Items that have been included and reviewed during the 2021-2024 Internal Audit Plan.

Council has several activities and functions that are subject to external independent audit and/or review assurance. These activities have been excluded from the internal audit program to avoid duplication of effort.

9. Proposed Internal Audit Plan 2024-2028

The Plan has been split into four (4) annual Audit Programs. Like/related audit items have been sequenced to facilitate efficient resourcing & data collection. The majority of audit items are by topic area only and subject to detailed scoping with relevant stakeholders prior to audit review to determine and focus on specific issues. Oversight items indicate that other resources will be relied upon to complete audits / reviews.

The ability to fulfill the annual audit programs will be dependent on the annual resource and budget allocation. A planned budget estimate has been allowed for to reflect the required funds for external assurance / audit services. The amount allocated from budget bids will only be finalised for each given year and subject to change. The Audit Programs will be reviewed by the ARIC annually in consideration of this and updates tabled at respective meetings.

No.	Topic	Internal / External^	Comment
Audit Program – Year 1 – 2024/25			
1	RMS DRIVES System Compliance Audit	External	Recurrent annual audit completed externally.
2	IM&T Audit – Physical Intrusion Testing	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
3	IM&T Audit – ASD Essential 8 Maturity	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
4	IM&T Audit – Penetration Testing / WiFi	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
5	IM&T Audit – TBA / Spare	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
6	Asset Management	External	Phase 1 – Review of asset maturity.
7	Business Continuity Plan - Oversight	Internal	Post COVID plan / response review. Outcomes to be reported to ARIC.
8	Enterprise Risk Management Framework	Internal	Compliance reporting as per OLG guidelines.
9	Employee Leave Entitlements	Internal	Review of methodology, assumptions and calculations.
10	Procurement – Capital Program	External	Review of planning & compliance, for procurement delivery of value for money, outcomes & delivery in line with project requirements.
11	WHS - Oversight	Internal	Compliance - measurement review, compliance and reporting mechanisms to Executive.
12	Councillor Processes - Oversight	Internal	Post Council election review.

13	Exception / Oversight Reporting	Internal	Compliance program to be confirmed annually.
14	Fraud & Corruption Control	Internal	Compliance reporting as per OLG guidelines.
15	Financial Management	Internal	Compliance reporting as per OLG guidelines.
16	Legislative Compliance	Internal	Compliance reporting as per OLG guidelines.
17	Commercial Property	External	Strategic review incorporating terms of reference, updated valuations and links to reserve functions & budget funding.
18	Development Applications	Internal	Update report on actions taken to manage risks associated with development assessment timeframes & issues (as requested by the ARIC).
19	Risk Register	Internal	Review status of specific strategic risks (request by Director A&I).
Audit Program – Year 2 – 2025/26			
1	RMS DRIVES System Compliance Audit	External	Recurrent annual audit completed externally.
2	IM&T Audit – Network Segmentation	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
3	IM&T Audit – Internal Network Security / Cyber	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
4	IM&T Audit – Microsoft 365	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
5	IM&T Audit – Social Engineering/Phishing	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
6	Asset Management	External	Phase 2 - AMP review and strategy gaps analysis.
7	Enterprise Risk Management Framework	Internal	Compliance reporting as per OLG guidelines.
8	Fleet	Internal	Review of mechanical services and workshop (request from Director).
9	Waste Contract	Internal	Review compliance with contract terms & conditions and service levels given the large value of the contract (request from Director).
10	Budget Management	External	Review of the implementation of the Budget Management Policy, budget construction & parameters.
11	Contract Management	Internal	Trades oversight & service compliance – plumbing.

12	Exception / Oversight Reporting	Internal	Compliance program to be confirmed annually.
13	Fraud & Corruption Control	Internal	Compliance reporting as per OLG guidelines.
14	Financial Management	Internal	Compliance reporting as per OLG guidelines.
15	Legislative Compliance	Internal	Compliance reporting as per OLG guidelines.
16	Commercial Property	External	External review of management agreement/s.
17	Voluntary Planning Agreements	Internal	Compliance as per DPE guidelines.
Audit Program – Year 3 – 2026/27			
1	RMS DRIVES System Compliance Audit	External	Recurrent annual audit completed externally.
2	IM&T Audit – Physical Intrusion Testing	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
3	IM&T Audit – ASD Essential 8 Maturity	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
4	IM&T Audit – Penetration Testing / WiFi	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
5	IM&T Audit – TBA / Spare	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
6	Asset Management	External	Phase 3 – review of system and process implementation.
7	Restricted Reserves	Internal	Review of policies & administration of reserves. Use of and commitments in funding future budgets.
8	Contract Management	Internal	Trades oversight & service compliance – HVAC.
9	Community Property	Internal	Compliance / review leases & licensing.
10	Enterprise Risk Management Framework	Internal	Compliance reporting as per OLG guidelines.
11	Exception / Oversight Reporting	Internal	Compliance program to be confirmed annually.
12	Communications	External	Request externally to unit for a review of processes and services provided to the organisation.
13	WHS - Oversight	External	Psychosocial - identify hazards, review of documentation, education & consistency within coordination & complaints.
14	Fraud & Corruption Control	Internal	Compliance reporting as per OLG guidelines.
15	Financial Management	Internal	Compliance reporting as per OLG guidelines.

16	Legislative Compliance	Internal	Compliance reporting as per OLG guidelines.
17	Parking Unit	Internal	Process and compliance audit as requested by Director.
18	Fees & Charges	Internal	Phase 1 – Review of quantum & methodology.
19	Footpath Construction	Internal	Review / compliance on private works and process review as requested by Director.
Audit Program – Year 4 – 2027/28			
1	RMS DRIVES System Compliance Audit	External	Recurrent annual audit completed externally.
2	IM&T Audit – Network Segmentation	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
3	IM&T Audit – Internal Network Security / Cyber	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
4	IM&T Audit – Microsoft 365	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
5	IM&T Audit – Social Engineering/Phishing	External	Suite of IT audits provided externally & can be substituted with other IT audits based on priorities.
6	Asset Management	External	Phase 4 – Functional review.
7	Premium Facilities	External	Management of key sites.
8	Fleet	Internal	Depot utilisation / management.
9	Restoration Works	Internal	Analysis of cost of service, margins and processes.
10	Contract Management	Internal	Trades oversight & service compliance - electrical.
11	Exception / Oversight Reporting	Internal	Compliance program to be confirmed annually.
12	Fraud & Corruption Control	Internal	Compliance reporting as per OLG guidelines.
13	Enterprise Risk Management Framework	Internal	Compliance reporting as per OLG guidelines.
14	Financial Management	Internal	Compliance reporting as per OLG guidelines.
15	Legislative Compliance	Internal	Compliance reporting as per OLG guidelines.
16	Certification Services	Internal	Process and compliance audit as requested by Director.
17	Fees & Charges	Internal	Phase 2 – Review of cost drivers & informing strategy to budget.

18	Sporting Facilities	External	Review of bookings & process for identifying use & allocation of fields and facilities.
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^ Resourcing may change from time to time for a variety of factors and the Plan will be adjusted accordingly.

Item: FIN024-24 Audit, Risk and Improvement Committee - Minutes of Meeting held on 28 February 2024 (Confirmed) and 23 May 2024 (Unconfirmed)

Author: Chief Audit Executive

Directorate: Office of the General Manager

Matter Type: Committee Reports

FIN024-24

RECOMMENDATION:

- (a) That the confirmed Minutes of the Audit, Risk and Improvement Committee meeting held on 28 February 2024 be received and noted by Council.
- (b) That the unconfirmed Minutes of the Audit, Risk and Improvement Committee meeting held on 23 May 2024 be received and noted by Council.

EXECUTIVE SUMMARY

1. Council's Audit, Risk and Improvement Committee Model Terms of Reference provides for the reporting of Audit, Risk and Improvement Committee (ARIC) Minutes to the Council.
2. The Minutes of the ARIC meeting held on the 28 February 2024 were confirmed by the ARIC at its 23 May 2024 meeting and are now submitted for Council's information.
3. The Minutes of the ARIC meeting held on the 23 May 2024 are unconfirmed. They will be confirmed at the next scheduled ARIC meeting to be held on 22 August 2024.

BACKGROUND

4. The attached Minutes relate to the ARIC meetings held on 28 February 2024 and 23 May 2024 respectively.
5. The minutes are also available to Councillors on the ARIC HUB accessible via the Councillor HUB.

FINANCIAL IMPLICATIONS

6. No budget impact for this report.

RISK IMPLICATIONS

7. No risks identified for this report.


COMMUNITY ENGAGEMENT


8. Community engagement was not required for this report.

FILE REFERENCE

D24/133570

ATTACHMENTS

Attachment [↓](#)1  CONFIRMED Minutes - Audit, Risk and Improvement Committee 28 February 2024

Attachment [↓](#)2  UNCONFIRMED Minutes - Audit, Risk and Improvement Committee 23 May 2024

MINUTES

Audit, Risk and Improvement Committee

Wednesday, 28 February 2024

10:30 AM

**Waratah Room,, Ground Floor, Georges River
Council Civic Centre**



PRESENT

COMMITTEE MEMBERS

Cliff Haynes (Chair)
Michael Seery
Barry Husking
Councillor Lou Konjarski (non-voting member)

STAFF

David Tuxford	General Manager
Steven Baker	Chief Audit Executive (CAE) (AUD002-24, AUD005-24, AUD006-24, AUD007-24, AUD008-24, AUD009-24 & AUD010-24)
Danielle Parker	Director, Business and Corporate Services (AUD004-24 for the Executive Manager of the Office of the General Manager)
Sue Matthew	Executive Assistant to the General Manager (Minutes & AUD001-24)

SPECIFIC AGENDA ITEMS ONLY

Scott Henwood	Chief Financial Officer (CFO) (Items AUD003-24 & AUD012-24)
Renata Sala	Head of Corporate Governance & Risk (Items AUD013-24, AUD014-24 & AUD017-24)
Brendan Scott	Chief Information Officer (CIO) (Item AUD011-24)
Simon Massey	Executive Manager City Futures (AUD018-24)
Tom Heath	Manager City Technical Services (Item AUD015-24)
Liam Frayne	Manager Building & Development (Item AUD016-24)
Meryl Bishop	Director Environment & Planning (Item AUD016-24)

EXTERNAL ATTENDEES

Cathy Wu	Audit Office NSW (Item AUD003-24)
Candy Lee	Audit Office NSW (Item AUD003-24)

OPENING

The Chair, Cliff Haynes opened the meeting at 10.31am.

ACKNOWLEDGEMENT OF COUNTRY

The Chair, Cliff Haynes acknowledged the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

APOLOGIES/LEAVE OF ABSENCE

There were no apologies or requests for leave of absence.

DISCLOSURES OF INTEREST

There were no disclosures of interest made.

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

AUD001-24 Confirmation of the Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 November 2023
(Report by Executive Services Officer)

REPORT RECOMMENDATION:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 November 2023, be confirmed.

DISCUSSION:

It was noted that the disclosure of interest in the November ARIC minutes should be Barry Husking and not Michael Seery and to be corrected by the CAE.

RESOLVED:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 November 2023, be confirmed.

COMMITTEE REPORTS

AUD007-24 ARIC Actions Register Status Report
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the status of the ARIC Actions Register be received, reviewed and noted.

DISCUSSION:

The CAE noted that two (2) actions were being presented to this ARIC meeting and there were two (2) outstanding items scheduled to be presented at the May 2024 meeting.

The Chair noted that there were previous discussions on Council's move away from cash being collected and requested that an update be brought back to the ARIC and included as an action item.

RESOLVED:

- (a) That the status of the ARIC Actions Register be received, reviewed and noted.
- (b) That an item be included in the Actions Register in relation to receiving an update on the organisation's position on moving to cashless payments at a future meeting.

AUD003-24 NSW Audit Office - Final Management Letter 2022/23 with status update, and Annual Engagement Plan 2023/24.

(Report by Chief Financial Officer)

REPORT RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the NSW Audit Office Final Management Letter for 2022/23 (attachment 1).
- (b) That the ARIC receives and notes the NSW Audit Office Annual Engagement Plan for 2023/24 (attachment 2).

Georges River Council - Minutes of Audit, Risk and Improvement Committee Meeting - 28 February 2024

- (c) That the ARIC receives and notes the status update on the issues identified in the Final Management Letter for 2022/23.

DISCUSSION:

Items from the final Management Letter were discussed including changes to processes around key management personnel disclosures of interest, managing excessive leave (including policy and proactive communications from management), early work on notes and disclosures in the annual financial statements, as well the asset revaluation cycle inclusions and timing. It also covered the quality and timeliness and producing pro-forma statements including working papers at an earlier stage.

Cathy Wu from the Audit Office NSW presented the Engagement Plan as submitted and accepted by management, highlighting the new lead and director for this year's audit. The scope will be similar to previous years, focusing on revaluation timeframes, capital program and cyber security.

RESOLVED:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the NSW Audit Office Final Management Letter for 2022/23 (attachment 1).
- (b) That the ARIC receives and notes the NSW Audit Office Annual Engagement Plan for 2023/24 (attachment 2).
- (c) That the ARIC receives and notes the status update on the issues identified in the Final Management Letter for 2022/23.

AUD009-24 Councillors' Expenses Claims review (1 July 2023 to 31 December 2023)
(Report by Research and Projects Officer)

REPORT RECOMMENDATION:

- (a) That the record of claims (as detailed in Attachment 1) made pursuant to the *Mayor and Councillors' Expenses and Facilities Policy* for the period of 1 July 2023 to 31 December 2023, be noted.
- (b) That following consideration of this report by the Audit, Risk and Improvement Committee, details of reimbursements contained in Attachment 1 will be made publicly available on Council's website.

DISCUSSION:

Discussion on devices and transactions / values was an individual choice and within budget limit and the Councillor Expense policy. ARIC were concerned about the excessive costs of some Councillors mobile plans and whether this should be controlled by Council staff.

RESOLVED:

- (a) That the record of claims (as detailed in Attachment 1) made pursuant to the *Mayor and Councillors' Expenses and Facilities Policy* for the period of 1 July 2023 to 31 December 2023, be noted.
- (b) That following consideration of this report by the Audit, Risk and Improvement Committee, details of reimbursements contained in Attachment 1 will be made publicly available on Council's website.

AUD017-24 Enterprise Risk Management Update
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

The Audit, Risk and Improvement Committee (ARIC) note the Enterprise Risk Management Update.

DISCUSSION:

The Quarterly Risk report was distributed to showing an example of the review of risks and the activities undertaken to address any identified risks.

The Post Treatment Outside of Risk Appetite report normally taken to the monthly executive was distributed as an example of advising the executive for monitoring and actioning purposes.

It was noted that current risk categories and risk appetites (including the thresholds) need reviewing, identify gaps, restructuring and updating to better suit the organisation.

RESOLVED:

The Audit, Risk and Improvement Committee (ARIC) note the Enterprise Risk Management Update.

AUD013-24 Fraud and Corruption Control Update
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the progress of the Fraud and Corruption Control Framework within Council.
- (b) The ARIC note the presentation made to Councillors regarding the Fraud and Corruption Framework on 19 February 2024. (Attachment 1).

DISCUSSION:

Noted that the new policy and procedures will be taken to ARIC in the next quarter and will then be placed on public exhibition.

RESOLVED:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the progress of the Fraud and Corruption Control Framework within Council.
- (b) The ARIC note the presentation made to Councillors regarding the Fraud and Corruption Framework on 19 February 2024. (Attachment 1).

AUD012-24 Quarterly Budget Review Statement for the Period Ending 31 December 2023
(Report by Senior Business Performance Accountant)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review Statement for the period ending 31 December 2023.

DISCUSSION:

The CFO noted highlights from the report including the forecast budget and the adjusted operating result. The main contributing factors that influenced the figure were interest earnings

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(higher than expected), better results in various user fees and charges and depreciation expense (increase replacement cost and review of useful lives).

The capital works program was adjusted over the 3 years of projects. YTD actuals were behind the budget but there are several programs (e.g. Roads program) that are due to start in the first quarter of 2024. It was also noted that the development of the 2024/25 capital program has been through the Project Review Committee and executive with preliminary costing by the Assets & Infrastructure undertaken. This will need to be reviewed from a phasing, timeframes and capacity to deliver prior to the draft budget being presented to Council.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review Statement for the period ending 31 December 2023.

AUD015-24 City Technical Services Capital Works Process Update
(Report by Manager City Technical Services)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to changes in the process of tracking and reporting on the City Technical Services capital works program.

DISCUSSION:

The approach of mitigation of risks of projects going to carry overs was presented, including weekly reporting and categorisation of projects to track status of project delivery to allow monitoring and changes to actions on projects throughout the year.

It was noted that the financial result from the quarterly budget should be linked to the capital works process update report, for the entire capital program, to ensure consistency in comparative information. More details were requested to indicate the current position of the capital program and the estimated capital expenditure by the end of the financial year.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to changes in the process of tracking and reporting on the City Technical Services capital works program.

AUD014-24 Governance and Compliance Update
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Governance and Compliance Update report.

DISCUSSION:

The risk plan was discussed in relation to the risk register and whether an assurance map was utilised by the organisation. Reports were tabled and obligations were noted with compliance program with links to operational risks and integrating legislative changes and mapping assurances in lieu of a formal assurance map.

RESOLVED:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Governance and Compliance Update report.

AUD018-24 Community Survey
(Report by Executive Manager City Futures)

REPORT RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee note the outcomes of the Community Survey that was conducted in 2023.
- (b) That the Audit, Risk and Improvement Committee note that the outcomes of the Community Survey have been communicated to staff in a range of forums. The information has been used to inform prioritisation of projects and will be utilised to inform the next iteration of the Community Strategic Plan.

DISCUSSION:

As requested by ARIC at the previous meeting, the Community Satisfaction Survey was presented with high level results were highlighted. The survey was shared with staff for feedback and use for prioritisation and use for projects. It would also inform the development of the next strategic plan. It is communicated back to the community via the annual report.

RESOLVED:

- (a) That the Audit, Risk and Improvement Committee note the outcomes of the Community Survey that was conducted in 2023.
- (b) That the Audit, Risk and Improvement Committee note that the outcomes of the Community Survey have been communicated to staff in a range of forums. The information has been used to inform prioritisation of projects and will be utilised to inform the next iteration of the Community Strategic Plan.

AUD004-24 Annual Report 2022/23
(Report by Manager Office of the General Manager)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Annual Report 2022/23.

DISCUSSION:

NIL

RESOLVED:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Annual Report 2022/23.

AUD008-24 Fleet & Light Vehicle Review - Update
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

- (a) That the Fleet & Light Vehicle Review – Update report be received and noted by the Audit Risk and Improvement Committee.
- (b) That the recommendations noted at 12(a) – 12(c), 12(e) & 12(f) of this report be recorded as audit recommendations in the corporate reporting system (Pulse) and followed up accordingly by the Chief Audit Executive.
- (c) That the Audit Risk and Improvement Committee receive a further update report to be scheduled for the May 2024 meeting on the status of the recommendations and progress of other elements raised in the report to the General Manager.

DISCUSSION:

The previous report and its recommendations from 2017 were noted and the lack of action in implementing those findings based on many factors, including resourcing, structural changes and competing strategies.

There was a staff meeting held to review the CAE report to the General Manager, agree on initial actions to get movement on recommendations.

It was noted by the committee that there seemed to be a lack of commitment in actioning recommendations over a period of time.

The Chair queried the review of the lease fees as they are outstanding and it was noted that the impacts of FBT had been finalised but were awaiting the operational costs of vehicles to be included before tabling at executive. The raised the issue of any increases are limited by the aware arrangements and it was acknowledged that this would take some time to catch up to any recalculated fees.

RESOLVED:

- (a) That the Fleet & Light Vehicle Review – Update report be received and noted by the Audit Risk and Improvement Committee.
- (b) That the recommendations noted at 12(a) – 12(c), 12(e) & 12(f) of this report be recorded as audit recommendations in the corporate reporting system (Pulse) and followed up accordingly by the Chief Audit Executive.
- (c) That the Audit Risk and Improvement Committee receive a further update report to be scheduled for the May 2024 meeting on the status of the recommendations and progress of other elements raised in the report to the General Manager.
- (d) That a report on the review of the leaseback fees be reported to the next ARIC meeting.

**AUD011-24 Independent Information Security Audit Program 23/24 - External Network
and Wi-Fi Penetration Testing**
(Report by Chief Information Officer)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Independent Audit report on the External Network and Wi-Fi Penetration testing.

DISCUSSION:

As part of the annual information security program, the report was tabled and tested external penetration from the web. Seen as a critical security element of the program and 12 items were recommended. Some examples of the variety tests were discussed with committee members.

The testing was comprehensive from the supplier and outstanding recommendations are scheduled to be actioned within the due dates applied.

It was noted by the committee that there are a large number of outstanding items from the current and previous audit recommendations that need to be actioned.

RESOLVED:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Independent Audit report on the External Network and Wi-Fi Penetration testing.

Georges River Council - Minutes of Audit, Risk and Improvement Committee Meeting - 28 February 2024

**AUD005-24 Independent Commission Against Corruption Recommendations -
Operation Galley**
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee receive and note the recommendations and actions from the report (CCL115-23) Independent Commission Against Corruption Investigation – Operation Galley.
- (b) That the recommendations and actions from the Table – ICAC Operation Galley – GRC Actions Recommended (Attachment 3) be recorded in PULSE corporate system as Audit Recommendations and followed up to ensure measures are implemented to prevent the recurrence of misconduct by any official of the Council.

DISCUSSION:

A follow up ARIC report after previous council briefing and reports tabled and adopted to formally record ICAC recommendations as audit recommendations, assigning responsibilities and due dates.

While there were changes required to be implemented by the Department of Planning and Environment (DPE), in anticipation of the guidelines, the organisation wanted to proactively action recommendations.

RESOLVED:

- (a) That the Audit Risk and Improvement Committee receive and note the recommendations and actions from the report (CCL115-23) Independent Commission Against Corruption Investigation – Operation Galley.
- (b) That the recommendations and actions from the Table – ICAC Operation Galley – GRC Actions Recommended (Attachment 3) be recorded in PULSE corporate system as Audit Recommendations and followed up to ensure measures are implemented to prevent the recurrence of misconduct by any official of the Council (including both GRC and DPE actions be provided any future updates on recommendations).

AUD006-24 Internal Audit Plan 2021-2024 Status Update
(Report by Chief Audit Executive)

RECOMMENDATION:

That the status of the Internal Audit Plan for 2021-2024 be received and noted.

DISCUSSIONS:

Noted remaining IMT audits to be completed prior to the end of the financial year.

The Chair raised the Budget Management review audit item that hadn't been completed and queried its basis and what it would entail. It was removed due to the Budget Management policy being introduced prior to the scheduled review, to allow for policy implementation. It has been transferred to the new audit plan with the scope proposed to be around budget parameters, criteria, assumptions and information used to draft the budget (yet to be finalised). It was requested that the Budget Policy be submitted to the next ARIC.

RESOLVED:

- (a) That the status of the Internal Audit Plan for 2021-2024 be received and noted.
- (b) That the Budget Policy be submitted to the next ARIC meeting.

AUD002-24 Status of Overdue Internal Audit Recommendations
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.

DISCUSSION:

Discussed the areas and amount of audit recommendations that are past due dates. Primarily for the reasons of resourcing, awaiting other actions and the enterprise system review. A meeting was held with the two (2) key areas being IMT and Project Governance and dates were reset to allow a more practical timeframe for action rather than bring the same outstanding items to ARIC meetings.

There were 4 outstanding audit recommendations not included in the adjusted dates and these should be resolved by the next ARIC meeting.

RESOLVED:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.
- (b) That a report be provided to the May ARIC meeting on the approach to the Enterprise System process and review including an update of the migration project in TechOne. The report to include the timeframes for the development of the enterprise system solution.

AUD010-24 Proposed Internal Audit Plan 2024-2028
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

- (a) That the Internal Audit Plan for 2024-2028 be received and noted.
- (b) That the Internal Audit Plan for 2024-2028 be endorsed.

DISCUSSION:

The internal audit plan for the new 2024-2028 period was tabled and discussed, including the relatively large amount of work proposed, with the ability to review and adapt to requirements that may arise (given budget allocation and limited resources).

It was noted that the recurrent type of reports that come to ARIC meetings regularly may not have been specifically included in the audit plan (e.g. external audit, budget, metrics etc.).

It was suggested that the RMS Drives annual audit could be resourced externally one year and internally in another.

The program was considered in light of the organisations ability and commitment to address issues raised and recommendations that can be resourced and actioned. The value of the volume of IT audits was raised considering the recent history overdue recommendations.

Service reviews were raised and the responsibility of the organisational program needs to be reviewed and tabled to ARIC.

RESOLVED:

- (a) That the Internal Audit Plan for 2024-2028 be received and noted.
- (b) That the Internal Audit Plan for 2024-2028 be endorsed.
- (c) That an updated report on the Service Reviews status be presented to a future ARIC meeting by the Executive Manager of the Office of the General Manager.

AUD016-24 Issues and Actions taken to Manage Reputational Risks associated with Development Assessment timeframes

(Report by Manager Development and Building)

REPORT COMMENDATION:

That the Committee note the report on the issues and actions taken to manage reputational risks associated with Development Assessment timeframes.

DISCUSSIONS:

The main impacts affecting the average assessment times were discussed, primarily, demand for experienced planners, council vacancies and staff turn-over, the nature of applications submitted (under differing planning controls), matters lodged in court and data inaccuracy in the NSW Planning Portal.

Actions to improve assessment performance and data was detailed, with a request by the Chair for an update report to be submitted to ARIC every 6 months.

RESOLVED:

- (a) That the Committee note the report on the issues and actions taken to manage reputational risks associated with Development Assessment timeframes.
- (a) That a progressive report be provided to the ARIC meeting on a six (6) monthly basis.

GENERAL BUSINESS

That the ARIC thank Michael Seery for his service over the past 3 years.

The proposed date for the Annual Financial Statements will need to be confirmed closer to the time and Barry Husking informed the Chair that he will be on leave during mid-September until the first week of November.

CONCLUSION

The Meeting was closed at 1.54pm.

Chairperson

MINUTES

Audit, Risk and Improvement Committee

Thursday, 23 May 2024

10:30 AM

Waratah Room, Ground Floor, Georges River
Council Civic Centre

UNCONFIRMED



GEORGES RIVER COUNCIL

PRESENT

COMMITTEE MEMBERS

Cliff Haynes - Chair
Barry Husking - Independent Member
Hamish McNulty - Independent Member
Councillor Lou Konjarski - Councillor Member (non-voting)

STAFF

David Tuxford	General Manager (GM)
Danielle Parker	Director, Business & Corporate Services (BACS)
Andrew Latta	Director, Assets & Infrastructure (A&I)
Steven Baker	Chief Audit Executive (CAE)
Nickie Paraskevopoulos	Executive Services Officer
Marisa Severino	Acting Integrated Planning & Reporting Officer
Scott Henwood	Chief Financial Officer (CFO)
Brendan Scott	Chief Information Officer (CIO)
Sharni Watts	Chief People Officer (CPO)
Hans Kludass	Manager City Operational Services
Tom Heath	Manager City Technical Services
Renata Sala	Head of Corporate Governance & Risk Management
Craig Henry	Senior Business Performance Accountant
Bradley Sutton	Head of Work Health & Safety
John Hair	Senior Developments Contribution Planner
Susie Yan	Acting Coordinator Financial Management
Brook Dell-Sewell	Paralegal

EXTERNAL ATTENDEES

Nicky Rajani Audit Office NSW

OPENING

The Chair, Cliff Haynes, opened the meeting at 10:36am.

ACKNOWLEDGEMENT OF COUNTRY

The Chair acknowledged the Bidjigal people of the Eora Nation, who are the Traditional Custodians of all lands, waters and sky in the Georges River area. I pay my respect to Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples who live, work and meet on these lands.

APOLOGIES/LEAVE OF ABSENCE

Vicki McKinley	Manager Office of the General Manager
Nerida Stores	Executive Strategic Planner

Catherine McMahon Manager Strategic Planning
Candy Lee Audit Office NSW

DISCLOSURES OF INTEREST

- Mr Hamish McNulty submitted a disclosure form prior to the meeting
- Mr Barry Husking submitted a disclosure form prior to the meeting
- Councillor Lou Konjarski submitted a disclosure form prior to the meeting
- Mr Cliff Haynes submitted a disclosure form at the end of the meeting

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

AUD019-24 Confirmation of the Minutes of the Audit, Risk and Improvement Committee Meeting held on 28 February 2024
(Report by Executive Services Officer)

REPORT RECOMMENDATION:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 28 February 2024, be confirmed.

DISCUSSION:

Minor adjustment noted to the month recorded in general business section.

RESOLVED:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 28 February 2024, be confirmed.

COMMITTEE REPORTS

AUD020-24 ARIC Actions Register Status Report
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the status of the ARIC Actions Register be received, reviewed and noted.

DISCUSSION:

Action Register presented noting two (2) items still to be presented at future meetings.

RESOLVED:

That the status of the ARIC Actions Register be received, reviewed and noted.

AUD021-24 NSW Audit Office - Status of external audit recommendations and interim audit update 2023/24
(Report by Chief Financial Officer)

REPORT RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the status update on the issues identified in the Final Management Letter for 2022/23.
- (b) That the ARIC receives and notes the verbal update on the 2023/24 year end processes, audit and interim audit progress.

DISCUSSION:

The Audit Office provided an update on recommendations with no outstanding matters, there had been some meetings with management already, revaluations commenced and due to the auditors by July. An update on the interim audit will be provided at the next ARIC meeting.

The CFO noted that the valuation of investment properties has been completed and that stormwater assets are currently with valuers for review. The Project Capitalisation Policy will be presented to the Executive in June as per auditor requests. It was also noted that the IT Policy is due for review and adoption. Managing excessive leave was noted by the Chair and an explanation on the measures to address was discussed with further discussion required at a future meeting.

The process of assessing an asset system / application was discussed and it was noted that is scheduled in line with the Enterprise System Review, which is still expected to be undertaken later this calendar year.

RESOLVED:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the status update on the issues identified in the Final Management Letter for 2022/23.
- (b) That the ARIC receives and notes the verbal update on the 2023/24 year end processes, audit and interim audit progress.

AUD022-24 Quarterly Budget Review Report for Period Ending 31 March 2024
(Report by Senior Business Performance Accountant)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review for the period ending 31 March 2024.

DISCUSSION:

The CFO provided a summary of the key results of the March Quarterly Budget Review and there were discussions on useful lives of assets, domestic waste contract costs, timing of financial assistance grants, and the approach to budgeting for legal costs.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review for the period ending 31 March 2024.

AUD023-24 Capital Works Program - Status Update Q3 2023/24
(Report by Chief Financial Officer)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Capital Works Program (CWP).

DISCUSSION:

The CFO provided update on the overall Capital Works Program with the changes to the presentation of information, which was well received by the Committee.

There was discussion on presentation by asset class in the body of future reports and any mismatching of spending. The Manager Technical Services noted the suggestion of incorporating accruals each quarter for the program where applicable (due to the timing of

invoices). Spending will need to be identified for the next quarter to account for this. It was expected that carryovers for recurrent programs are an unacceptable KPI but will be considered for individual projects. It was highlighted that there will be a shift towards renewal rather than larger one off projects in the short term.

It was noted that a specific quarterly meeting with A&I and CFO to discuss the capital program and projects will be implemented. The Chair noted the positive steps to the new reporting format.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the Capital Works Program (CWP), and compliment staff on the progress of the status of the Capital Works Program.

AUD024-24 Budget Management Policy
(Report by Senior Business Performance Accountant)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receive and note the Budget Management Policy document.

DISCUSSION:

The Senior Business Performance Accountant provided an update on the policy document, being drafted in 2021, as providing principles and guidelines to budget management and is due for review in October 2024.

Noted by the Committee that material variances and any new proposals should be considered through separate Council reports. Also recommended that the policy should be adopted by Council once reviewed.

There was a query on Budget Policy and was not common in Councils, but was noted as a positive. It was also suggested that the policy should consider how the Council will deal with budgeting extremes and that financial sustainability should be reinforced as a priority.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receive and note the Budget Management Policy document and that the Policy be reviewed and made a Council Policy.

AUD025-24 Vehicle Leaseback Arrangements Review
(Report by Chief Financial Officer)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee receives and notes the contents of this report.

DISCUSSION:

The CFO provided reasons for the need to recalculate leaseback fees started due to the increase in FBT and that deductions haven't been reviewed in some time. The policy is out dated and is in need of review.

The new calculation would consider a cost recovery approach on fees. It also highlighted the need for a reconciliation on all vehicles within Council. There is a report being prepared for the executive team to consider.

The Committee queried the impact of changes to FBT under carparking and it was explained the legislation has changed and the existing tax ruling Council relied on didn't apply anymore. A valuation was undertaken which should reduce the impact on the liability.

RESOLVED:

That the Audit, Risk and Improvement Committee receives and notes the contents of this report and once the report is complete to be submitted to ARIC.

AUD026-24 People and Culture Metrics Report - Q3 - FY 2023/24
(Report by Chief People Officer)

REPORT RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q3 FY2023/24.

DISCUSSION:

Representatives from the People & Culture (P&C) team provided an update on the P&C Metrics Report. Questions were received on comparative data, overtime and budget allocations and the reasons behind results and answers were provided by staff. There was also discussion on psychological claims, new starter turnover, the timeframes around data and results. It was suggested that significant sick leave should be excluded in future statistics. The plan of reducing excessive leave was discussed including the capacity, prioritising and reinforcing the policy through communications. The quality of the report was positively noted by the Committee. Reminder that the report to be tabled every 6 months, receiving Q2 and Q4 results.

RESOLVED:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q3 FY2023/24.

AUD027-24 Legislative Compliance and Statutory Reporting
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

- (a) The Audit, Risk and Improvement Committee receives and notes the completion of the legislative compliance project and the update provided by Head of Corporate Governance and Risk.
- (b) The Audit, Risk and Improvement Committee note the update provided regarding statutory reporting required in this quarter.

DISCUSSION:

Report taken as read and the only query was received in relation to onboarding notifications which was explained.

RESOLVED:

- (a) The Audit, Risk and Improvement Committee receives and notes the completion of the legislative compliance project and the update provided by Head of Corporate Governance and Risk.
- (b) The Audit, Risk and Improvement Committee note the update provided regarding statutory reporting required in this quarter.

AUD028-24 Enterprise Risk Management Update
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

The Audit, Risk and Improvement Committee (ARIC) receives and notes the Enterprise Risk Management update.

DISCUSSION:

The Head of Corporate Governance and Risk provided an update on the Enterprise Risk Management uplift program including annual risk review. It was noted that the Business Continuity framework was basically complete and are just awaiting on the consultant who provided the Business Continuity Plan (BCP) test to provide the report from this year's assessment. It was noted that the staff performed well during the assessment in relation to roles, responsibilities and actions required.

RESOLVED:

The Audit, Risk and Improvement Committee (ARIC) receives and notes the Enterprise Risk Management update and the report from BCP results to be provided and the next ARIC meeting.

AUD029-24 Fraud and Corruption Control Framework
(Report by Head of Corporate Governance and Risk)

REPORT RECOMMENDATION:

The Audit, Risk and Improvement Committee (ARIC) receives and notes the Fraud and Corruption Control Framework update.

DISCUSSION:

The Head of Corporate Governance and Risk provided an update on the Fraud and Corruption Control Framework and the control action plan currently on public exhibition (after feedback from ICAC received).

RESOLVED:

- (a) The Audit, Risk and Improvement Committee (ARIC) receives and notes the Fraud and Corruption Control Framework update.
- (b) That the Policy and Action Plan be presented at the next ARIC meeting in August.

AUD030-24 Review of Policy on Planning Agreements - Status of Audit Recommendations
(Report by Executive Strategic Planner)

REPORT RECOMMENDATION:

- (a) That the information in this report be received and noted.
- (b) That the target implementation dates for the five outstanding audit actions relating to the review of the *GRC Planning Agreements Policy 2016* be amended to June 2025.
- (c) That the review of the *GRC Planning Agreements Policy 2016* be finalised and reported to Council once the Department of Planning, Housing and Infrastructure's Draft Practice Note on Planning Agreements (December 2023) becomes effective and following the Council elections in September 2024.
- (d) That the status of ICAC Operation Galley Report recommendations relating to Voluntary Planning Agreements be received and noted, and the due dates for those recommendations relating to the review of the VPA Policy be amended to June 2025.

DISCUSSION:

The report was taken as read and tabled by the Senior Development Contributions Planner and, in line with the practice notes, the policy is still being developed. This raised the query of the outstanding recommendations and their treatment particularly in relation to indexation. It was also noted that the practice notes had changed again and in light of the upcoming elections, it was considered appropriate to seek a request to extend the due date for policy implementation. With the report author not available, the query was taken on notice for information to be provided outside a normal meeting.

RESOLVED:

That the information in this report be received and noted.

- (b) That the target implementation dates for the five outstanding audit actions relating to the review of the *GRC Planning Agreements Policy 2016* be amended to June 2025.
- (c) That the review of the *GRC Planning Agreements Policy 2016* be finalised and reported to Council once the Department of Planning, Housing and Infrastructure's Draft Practice Note on Planning Agreements (December 2023) becomes effective and following the Council elections in September 2024.
- (d) That the status of ICAC Operation Galley Report recommendations relating to Voluntary Planning Agreements be received and noted, and the due dates for those recommendations relating to the review of the VPA Policy be amended to June 2025.
- (e) That the CAE raise the management of the recommendations with the report author and email the Committee with the response.
- (f) That an update on the recommendations from the Operation Galley to be provided and the next ARIC meeting.

AUD031-24 Update on Development Contributions held in Reserve
(Report by Manager Strategic Planning)**REPORT RECOMMENDATION:**

- (a) That the Audit, Risk and Improvement Committee note the following:
 - (i) The total of development contributions held in reserve,
 - (ii) The principles for the allocation of development contributions towards projects listed in the Georges River Council Local Infrastructure Contributions Plan 2021, and
 - (iii) The actions to facilitate the spending the development contributions.

DISCUSSION:

The Senior Development Contributions Planner provided an update of the Development contributions held in reserve (in place of the Manager Strategic Planning) including historical context, the number of plans, legal advice on usage of contributions received and re-engaging internal stakeholders to facilitate spending that is aligned to agreed projects to be delivered. The new contribution plans had not received the required funds to complete works and review was underway of the works schedules to ensure the right infrastructure was being proposed. A project team has been established to review the schedules prior to elections and will require review by external consultants for nexus to plans prior to public exhibition, is expected by the end of the year or early 2025.

The Committee commented on the amount of funds held and asked when the list of projects will be completed and provided to the ARIC. It was also noted that advocacy for projects needs to

increase to have projects included in capital works programs. It was noted about the capacity to deliver projects that are nominated needs to be considered.

RESOLVED:

That the Audit, Risk and Improvement Committee note the following:

- (i) The total of development contributions held in reserve.
- (ii) The principles for the allocation of development contributions towards projects listed in the Georges River Council Local Infrastructure Contributions Plan 2021.
- (iii) The actions to facilitate the spending the development contributions.
- (iv) That a list of Section 94 projects and the timeframes of completion be provided to the next ARIC meeting.
- (v) A project plan and timeframes with outcomes of the Contributions Plan review be presented at the next quarterly meeting.

AUD032-24 2023/24 Integrated Planning and Reporting Half Yearly Progress Report
(Report by Manager Office of the General Manager)

REPORT RECOMMENDATION:

That the Committee receive and note the Half Yearly Progress Report July 2023 – December 2023 (Attachment 1) of performance made against Georges River Council's Delivery Program 2022 -2026 and Operational Plan 2023/24.

DISCUSSION:

The report tabled was taken as read with some items highlighted to consider for future data and reports. This included the possibility of another category to differentiate projects behind schedule and not due to start. It was also noted to check consistency for graphs, hours quoted for Bushcare and the cyber security KPI. These items will be raised with the report author.

RESOLVED:

That the Committee receive and note the Half Yearly Progress Report July 2023 – December 2023 (Attachment 1) of performance made against Georges River Council's Delivery Program 2022 -2026 and Operational Plan 2023/24.

AUD033-24 Update on Service Review Program
(Report by Manager Office of the General Manager)

REPORT RECOMMENDATION:

- (a) That the Committee note the completion of the service review of the Waste Services Structure conducted as part of the 2022-2026 Delivery Program.
- (b) That the Committee note the plan to engage a consultant to produce a service review framework to align with the NSW Office of Local Government's Service Review requirements under Integrated Planning and Reporting.

DISCUSSION:

The Acting Integrated Planning & Reporting Officer provided an update on Service Review Program, which was being prepared for a request for tender for external assistance to develop a framework (subject to a budget bid for 24/25).

The Committee highlighted the importance and mandatory status of delivering outcomes from an IP&R legislation perspective. It was also suggested to contact Blacktown and Randwick Council's for their experience with Service Review programs.

RESOLVED:

- (a) That the Committee note the completion of the service review of the Waste Services Structure conducted as part of the 2022-2026 Delivery Program.
- (b) That the Committee note the plan to engage a consultant to produce a service review framework to align with the NSW Office of Local Government's Service Review requirements under Integrated Planning and Reporting.
- (c) The Committee expressed concerns about the resourcing requirements for a mandatory Service Review program to be undertaken.

AUD034-24 Independent Information Security Audit Program 2023/24 - Physical Access Testing
(Report by Chief Information Officer)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Independent Audit report on Physical Access Testing.

DISCUSSION:

The CIO provided ARIC with an overview of the Independent Information Security Program – Physical Access Testing. The report was also presented to the executive and working through recommendations that will be entered into the Pulse system.

RESOLVED:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the Independent Audit report on Physical Access Testing.

AUD035-24 Internal Audit Plan 2021-2024 Status Update
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the status of the Internal Audit Plan for 2021-2024 be received and noted.

DISCUSSION:

The CAE provided an update on the status of the Internal Audit Plan for 2021-2024 including the fleet review still underway, the two (2) remaining IT audits are programmed to be completed and the consultant had been engaged for the annual RMS Drives agreement compliance audit.

RESOLVED:

That the status of the Internal Audit Plan for 2021-2024 be received and noted.

AUD036-24 Status of Overdue Internal Audit Recommendations
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.

DISCUSSION:

The CAE provided an update on the status of internal audit recommendations. Future practice will be overdue recommendations are taken to the executive first for review. The GM could have the authority to grant an extension of the due date. Any further extensions to due dates are to be tabled at the ARIC for discussion with the Responsible and Authorising Officers to attend for explanation.

RESOLVED:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.

AUD037-24 Internal Audit Plan 2024-2028 Update
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

That the update on the Internal Audit Plan for 2024-2028 be received and noted.

DISCUSSION:

The CAE re-tabled the previously endorsed Internal Audit Plan for 2024-2028 out of courtesy to the new ARIC member. The next step is to table the plan at the Finance & Governance Committee.

RESOLVED:

That the update on the Internal Audit Plan for 2024-2028 be received and noted.

AUD038-24 Fleet & Light Vehicle Review Update
(Report by Chief Audit Executive)

REPORT RECOMMENDATION:

- (a) That the Fleet & Light Vehicle Review Update report be received and noted by the Audit, Risk and Improvement Committee (ARIC).
- (b) That a further report be provided at the next ARIC meeting to update members on the completion of the initial recommendations and the next steps in the Fleet & Light Vehicle Review.

DISCUSSION:

The Manager City Operational Services noted that in November 2023 there was a decision to move to hybrid and ultimately EV cars as a strategy. He also provided an update on the status of the 2017 Fleet report where contact has been made with the consultant to review existing recommendations and to included current objectives to a revised scope.

The leaseback calculation report will be presented to the executive next week and impacts will need to be considered in line with the revised scope of the review. It was also noted that the replacement program of vehicles has been expanded as Council is still facing long lead times for ordering from the existing vehicle manufacturers.

It was also noted complications such as legacy fleet issues from amalgamation, carparking, FBT, personal use, operational requirements, industrial relation considerations all contribute to the overall impact in the fleet review.

RESOLVED:

- (a) That the Fleet & Light Vehicle Review Update report be received and noted by the Audit, Risk and Improvement Committee (ARIC).
- (b) That a further report be provided at the next ARIC meeting to update members on the completion of the initial recommendations and the next steps in the Fleet & Light Vehicle Review.

GENERAL BUSINESS

The GM welcomed the new member, Hamish McNulty to the ARIC.

Business updates were provided in relation to Council meetings, increased notice of motions and ensuring meetings are conducted in a safe and respectful way for all.

The 24/25 Budget is scheduled to be adopted 24 June 2024 and it was noted that an operating surplus is proposed with a focus on aligning to the Long Term Financial Plan.

The organisation is in the process of hiring a new Director for Environment and Planning.

The CAE noted the upcoming requirement of producing and presenting the Annual ARIC report to Council, and a draft document to be sent to the Chair for review and comment.

The Committee requested the CAE provide a report on the OLG Risk Management and Internal Audit Guidelines and Council's actions put in place to fulfill requirements under the key areas of the ARIC roles and responsibilities, ARIC terms of reference, Risk Management policy and Internal Audit charter.

The Director BACS provided a verbal update on Project Governance with a view to finalising the policy for consideration in June.

The Project Review Committee process was also discussed with focus on improvements to be considered after the first two (2) years of experience to be reviewed. This included addressing information and timing of forms and data provided, particularly in the area of costs and scope plan, together with prioritising projects as proposed improvements.

The Chair expressed the importance to the GM of the mandatory requirements under IP&R for service reviews and the consideration of appropriate budget and resourcing allocations to achieve those outcomes. This was included as a committee recommendation.

It was also noted by the Chair and members that at other ARIC's they are involved with that the General Manager and Executive team attend the whole meeting and this should be considered by the executive for future meetings. The GM noted the comments and would take the request to discuss at the next executive meeting.

The Committee also requested the CIO to provide a report on the framework on managing cyber risks at the next ARIC meeting.

CONCLUSION

The Meeting was closed by the Chair at 2:21pm.

Item: FIN025-24 Investment Report as at 30 April 2024
Author: Senior Financial Accountant - Reporting
Directorate: Business and Corporate Services
Matter Type: Committee Reports

FIN025-24

RECOMMENDATION:

That the Investment Report as at 30 April 2024 be received and noted by Council.

EXECUTIVE SUMMARY

1. This report details Council’s performance of its investment portfolio as at 30 April 2024 and compares its performance against key benchmarks.
2. This report also includes the estimated market valuation of Council’s investment portfolio, loan liabilities and any required update on Council’s legal action against various parties.
3. Council’s annualised rate of return as at 30 April 2024 is 4.38% which is 0.14% above benchmark with income from interest on investments totalling \$8,913,000 which is \$1,188,000 higher than the year-to-date adopted budget of \$7,725,000.

BACKGROUND

4. Council’s Responsible Accounting Officer is required to report monthly on Council’s investment portfolio and certify that the investments are held in accordance with Council’s Investment Policy, section 625 of the Local Government Act 1993 and Local Government (General) Regulation 2021.

INVESTMENT PERFORMANCE COMMENTARY

5. Council’s performance against the benchmark for returns of its investment portfolio for April 2024, are as follows:

	1 Month	3 Month	12 Month
Portfolio Performance	0.38%	1.15%	4.38%
Performance Index	0.35%	1.07%	4.24%
Excess Performance	0.03%	0.08%	0.14%

Notes:

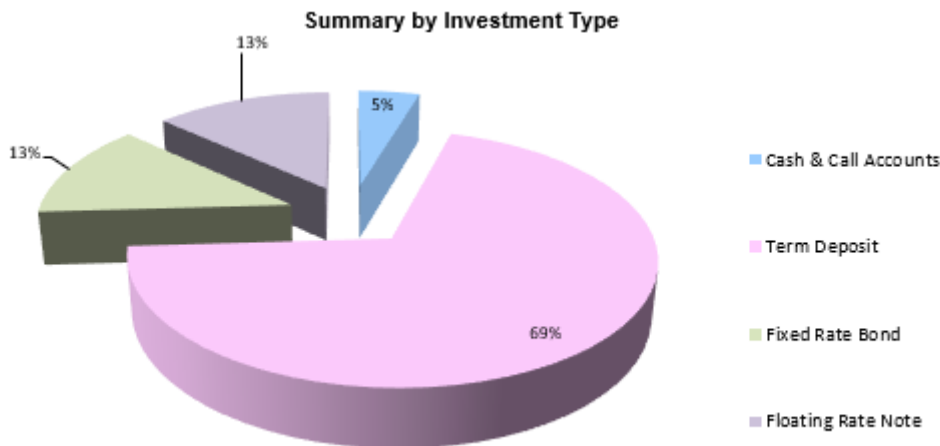
- (a) Portfolio performance is the rate of return of the portfolio over the specified period.
- (b) The Performance Index is the Bloomberg Ausbond Bank Bill Index.
- (c) Excess performance is the rate of return of the portfolio in excess of the (b) Performance Index.

6. Council’s investment portfolio as at the end of April 2024 was as follows:

Security Type	Market Value \$000's	% Total Value
At Call Deposit	218	0.09%
Consolidated Cash Fund	10,751	4.51%
Term Deposit	165,700	69.46%
Fixed Rate Bond	30,300	12.70%
Floating Rate Note	31,580	13.24%
Portfolio Total	238,550	100%

- 7. At the end of April 2024, total cash and investments were \$239 million, which was a decrease of \$2 million from the previous month (March 2024: \$241 million).
- 8. Council continues to utilise the Federal Government’s current guarantee (\$250,000) investing in term deposits with a range of Authorised Deposit Taking Institutions (ADI’s).

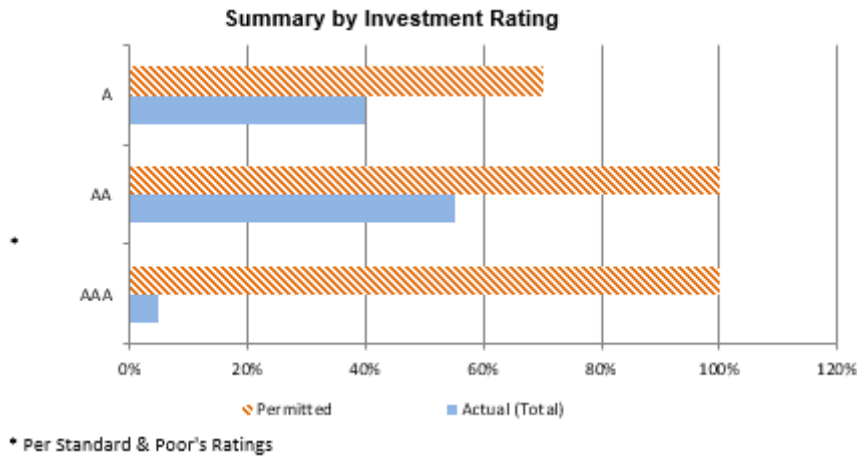
TYPE OF INVESTMENTS



- 9. The majority of Council’s investment portfolio is made up of term deposits, which account for approximately 69% of total investments.
- 10. Floating Rate Notes (FRN) can offer liquidity and a higher rate of income accrual, which is highly recommended by our Investment Advisors (CPG Research & Advisory).
- 11. The following are the types of investments held by Council:
 - a) Cash and Call Accounts refer to funds held at a financial institution and can be recalled by Council either same day or on an overnight basis.
 - b) A Floating Rate Note (FRN) is a debt security issued by a company with a variable interest rate. This can either be issued as Certificates of Deposit (CD) or as Medium-Term Notes (MTN). The interest rate is floating, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.
 - c) A Term Deposit is a debt security issued by a company with a fixed or floating interest rate over the term of the deposit, where the adjustments to the interest rate are usually made quarterly and are tied to a certain money market index such as the Bank Bill Swap Rate.
 - d) A Fixed Rate Bond is a debt security can be issued by a company or government in a form of fixed rate of interest at a specified time.

POLICY LIMITS

12. The graph below shows the investment rating limits, as a percentage of total cash investments, which are allowed under Council’s Investment Policy. All funds invested are within the limits set in the Investment Policy.



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INVESTMENT INCOME

- 13. Income from interest on investments totals \$8,913,000 which is \$1,188,000 higher than the year-to-date adopted budget of \$7,725,000.
- 14. Investments have been made in accordance with the Local Government Act 1993, Minister’s Guidelines, Regulations and Council’s Investment Policy.

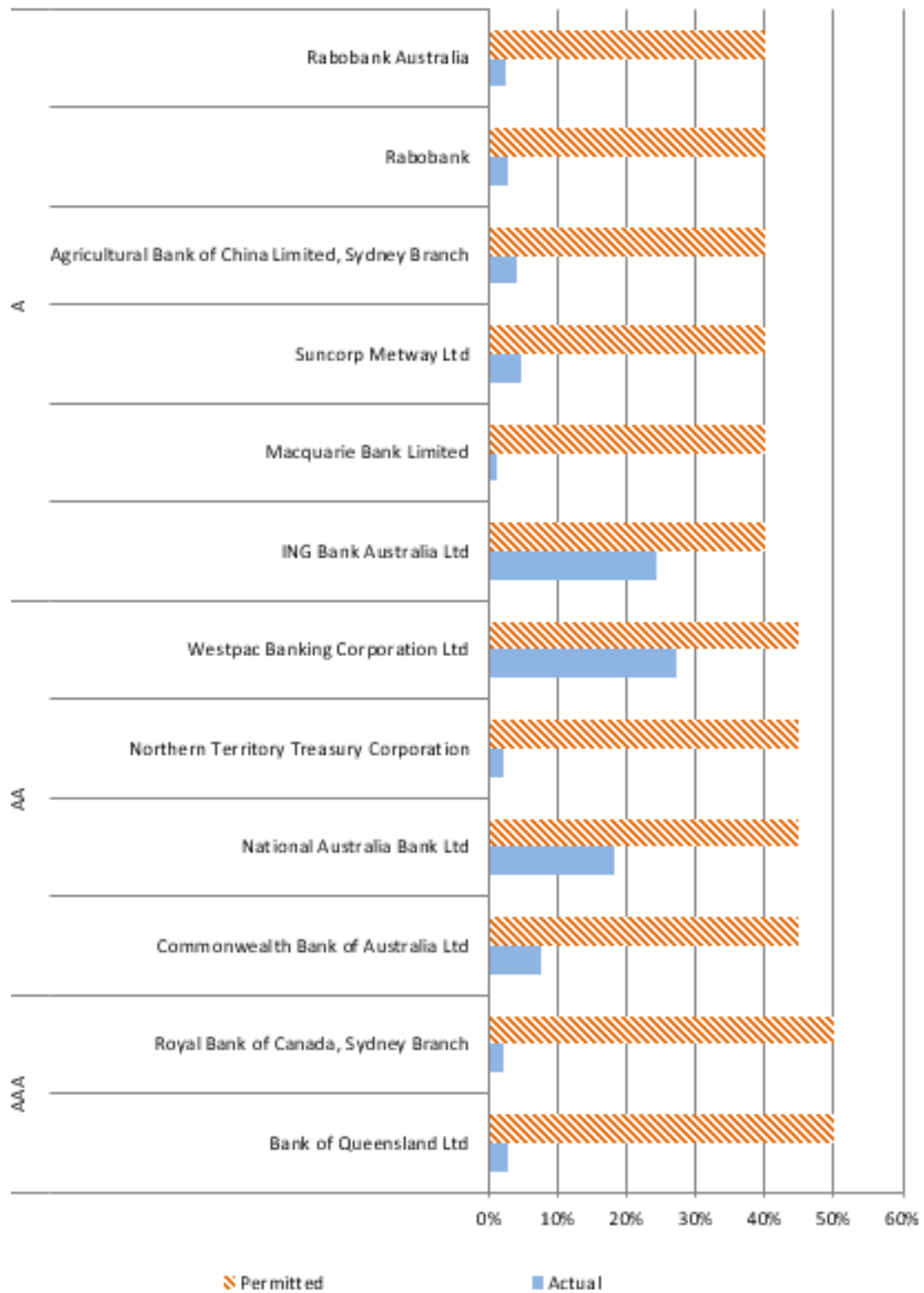
ANALYSIS OF INVESTMENTS

15. Investment Duration

Investment Term	Market Value \$000's	% Total Value	Policy Limits %
0 to < 1 Year	72,970	31.0%	100%
1 to < 3 Years	69,030	29.0%	60%
3 to < 5 Years	96,550	40.0%	40%
Portfolio Total	238,550	100.00%	

16. Council’s portfolio is moderately liquid, with 31% of assets maturing within 12 months. All future new investments will be placed in the 3 years and below categories until the 3 to 5 years category decrease to around 35%. FRNs, At-Call Funds and Fixed Rate Bonds also provide additional liquidity in an emergency. The following graph shows the analysis of the total cash investment by institution as at 30 April 2024.

Investment by Institution



FIN025-24

CREDIT RATING

17. Credit ratings are generally a statement as to an institution's credit quality. Council's investment advisors (CPG Research & Advisory) use standard & poor's credit ratings to classify the investments held by Council. Ratings ranging from AAA to A are considered investment grade.
18. A general guide for the meaning of each credit rating that Council deals with is as follows:
 - AAA: The highest possible quality. An obligor's capacity to meet its financial commitments on the obligation is extremely strong.
 - AA: The best quality companies, reliable and stable. An obligor's capacity to meet its financial commitments on the obligation is very strong.
 - A: The obligor's capacity to meet its financial commitments on the obligation is still strong but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.
19. The credit quality of Council's portfolio is high with 100% of assets rated 'A' or higher.

COUNCIL'S INVESTMENT POWERS

20. Council's investment powers are regulated by Section 625 of the Local Government Act 1993, which states:
 - A council may invest money that is not, for the time being, required by the council for any other purpose.
 - Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
 - An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
 - The acquisition, in accordance with Section 358, of a controlling interest in a corporation or an entity within the meaning of that section is not an investment for the purposes of this section.
21. Council's Investment Policy and strategy requires that all investments are to be made in accordance with:
 - *Local Government Act 1993 - Section 625*
 - *Local Government Act 1993 - Order (of the Minister) dated 12 January 2011*
 - *The Trustee Amendment (Discretionary Investments) Act 1997 - Sections 14A (2), 14C (1) & (2)*
 - *Local Government (General) Regulations 2021*
 - *Investment guidelines issued by the Department of Local Government*

LEGAL MATTERS

22. Georges River Council is participating in a Group Class Action since January 2019 against Fitch Ratings Inc and Fitch Ratings Ltd (collectively Fitch), in respect to losses suffered in relation to products Council acquired which were rated by Fitch, specifically the Corsair (Cayman Islands) No.4 Ltd Series 6 Kakadu Collateralised Debt Obligation (CDO) notes (rated AA by Fitch but estimated in fact BB). Council suffered a capital loss of \$215,000 on these investments dating back to December 2006 and will seek damages of the capital loss including lost interest, as part of the action.
23. As a Group Member, Council will not incur any legal costs or disbursements, or be liable for any adverse costs order that the Court may make in the proceedings. The Banton

Group Pty Ltd (Banton) is the legal firm acting for Council in relation to the class action proceedings against Fitch, engaged on November 2020. Banton has been working on the matter and conferring with consultant experts on a new potential fraud issue within Fitch's ratings methodology. The latest correspondence on this matter was in early March 2024, where Banton is still conferring with Counsel and experts regarding the arguments and alternative strategies in this matter and they expect to be in a position to provide a substantive update in the coming weeks. The anticipated substantive update has been delayed slightly for commencement of the proceedings against Fitch.

FINANCIAL IMPLICATIONS

24. Income from interest on investments totals \$8,913,000 which is \$1,188,000 higher than the year-to-date adopted budget of \$7,725,000.
25. The majority of Council's cash is restricted for specific purposes, with less than 10% available as unrestricted operating cash. Around 60% of the cash is externally restricted by legislation or formal agreements, mainly involving developer contributions and unspent grants. Internally restricted, about 30% of the funds are reserved for governance and sustainability to support funding strategies and asset renewal. This financial structure highlights the need for effective management of these restricted funds to ensure the Council's financial health and operational requirements.

RISK IMPLICATIONS

26. Enterprise risk/s identified, and management process applied.
27. Council's enterprise risk identified was 'poor financial management adversely impacts Council's long-term financial sustainability'. The risk has been managed by Council's management of investments in accordance with the relevant Act and Regulations, along with Council's adopted Investment Policy and introduction of the SRV. To further minimise the risk, Council is progressively moving towards the placement of investments only in investments rated A or above.

COMMUNITY ENGAGEMENT

28. No community consultation is required.

FILE REFERENCE

D24/143806

ATTACHMENTS

Attachment [↓](#)1 P10. Investment Portfolio as at 30 Apr 2024





INVESTMENT REPORT

As at 30 April 2024



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1. Portfolio as at 30 April 2024
2. Portfolio Valuation by Categories as at 30 April 2024



Investment Report
Georges River Council
as at 30 April 2024

1. Portfolio Valuation As At 30 April 2024

	Fixed Interest Security	ISIN	Face Value Original	Market Value	% Total Value
Cash at Bank					
	CBA Consolidated operating 70 & 18		10,751,479.68	10,751,479.68	4.51%
			10,751,479.68	10,751,479.68	4.51%
At Call Account					
	CBA Cash deposit 167242		218,272.31	218,272.31	0.09%
	CBA Online saver 7676		-	-	0.00%
			218,272.31	218,272.31	0.09%
Fixed rate bond					
	NTTC 1.0 15 Dec 2024 1206DAY Fixed		5,000,000.00	5,000,000.00	2.10%
	NAB 4.95 25 Nov 2027 1826DAY Fixed	AU3CB0294502	7,400,000.00	7,400,000.00	3.10%
	ING 4.70 8 Dec 2025 1096DAY Fixed	AU3CB0294759	3,750,000.00	3,750,000.00	1.57%
	Suncorp 4.80 14 Dec 2027 1826DAY Fixed	AU3CB0294957	5,200,000.00	5,200,000.00	2.18%
	Rabobank 5.71 21 Nov 2028 1827DAY Fixed	AU3CB0304525	6,750,000.00	6,750,000.00	2.83%
	Suncorp 4.75 19 Mar 2029 1826DAY Fixed	AU3CB0307809	1,200,000.00	1,200,000.00	0.50%
	ING 4.84 22 Mar 2027 1095DAY Fixed	AU3CB0307908	1,000,000.00	1,000,000.00	0.42%
			30,300,000.00	30,300,000.00	12.70%
Floating rate note					
	MACQ 0.48 09 Dec 2025 FRN	AU3FN0057709	3,000,000.00	2,975,280.00	1.25%
	Suncorp 0.45 24 Feb 2026 FRN	AU3FN0058343	2,100,000.00	2,075,377.50	0.87%
	BOQ 1.07 14 May 2025 FRN	AU3FN0054086	6,500,000.00	6,529,380.00	2.74%
	RBCSyd 0.73 30 Jun 2026 FRN	AU3FN0079133	5,000,000.00	5,000,000.00	2.10%
	Suncorp 1.05 12 Jul 2028 FRN	AU3FN0079406	3,000,000.00	3,000,000.00	1.26%
	CBA 0.95 17 Aug 2028 FRN	AU3FN0080396	2,000,000.00	2,000,000.00	0.84%
	ABOCSyd 0.90 4 Sep 2026 FRN	AU3FN0080859	10,000,000.00	10,000,000.00	4.19%
			31,600,000.00	31,580,037.50	13.24%



Investment Report
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Term Deposit

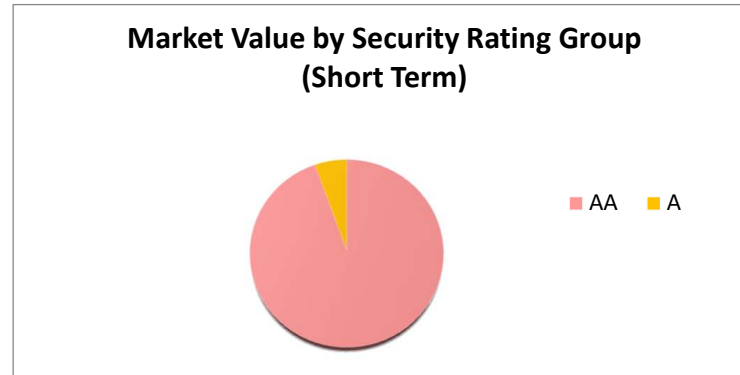
WBC 0.80 09 Sep 2024 1098DAY TD	4,000,000.00	4,000,000.00	1.68%
NAB 0.82 06 Sep 2024 1095DAY TD	3,000,000.00	3,000,000.00	1.26%
WBC 0.88 08 Oct 2024 1099DAY TD	4,000,000.00	4,000,000.00	1.68%
WBC 3.29 02 May 2024 731DAY TD	6,000,000.00	6,000,000.00	2.52%
ING 3.40 02 May 2024 731DAY TD	2,000,000.00	2,000,000.00	0.84%
ING 3.90 08 Aug 2025 1096DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 4.67 30 Aug 2027 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
CBA 4.36 05 Sep 2025 1096DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 5.00 05 Oct 2027 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 4.76 05 Oct 2027 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.08 18 Oct 2027 1826DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.15 10 Nov 2027 1826DAY TD	10,000,000.00	10,000,000.00	4.19%
ING 4.65 14 Dec 2027 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 5.13 06 Mar 2028 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 4.85 14 Mar 2028 1827DAY TD	5,000,000.00	5,000,000.00	2.10%
NAB 5.30 7 Jun 2024 365DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 5.20 15 Jun 2028 1827DAY TD	4,000,000.00	4,000,000.00	1.68%
ING 5.41 19 Jun 2025 731DAY TD	4,000,000.00	4,000,000.00	1.68%
WBC 5.41 7 Jul 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.26%
NAB 5.45 16 Jul 2024 365DAY TD	10,000,000.00	10,000,000.00	4.19%
NAB 5.40 17 Jul 2024 365DAY TD	5,000,000.00	5,000,000.00	2.10%
WBC 5.06 20 Jul 2026 1098DAY TD	2,200,000.00	2,200,000.00	0.92%
WBC 5.12 24 Jul 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.26%
ING 5.37 18 Aug 2025 731DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 5.01 24 Aug 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.26%
NAB 5.20 27 Aug 2024 365DAY TD	3,000,000.00	3,000,000.00	1.26%
ING 5.00 4 Sep 2026 1096DAY TD	5,000,000.00	5,000,000.00	2.10%
NAB 5.20 9 Sep 2024 367DAY TD	5,000,000.00	5,000,000.00	2.10%
NAB 5.20 10 Sep 2024 365DAY TD	5,000,000.00	5,000,000.00	2.10%
ING 5.30 3 Oct 2025 730DAY TD	2,500,000.00	2,500,000.00	1.05%
ING 5.20 16 Oct 2024 366DAY TD	2,000,000.00	2,000,000.00	0.84%
ING 5.19 19 Feb 2029 1827DAY TD	1,000,000.00	1,000,000.00	0.42%
Rabo 5.15 26 Feb 2029 1827DAY TD	3,000,000.00	3,000,000.00	1.26%
Rabo 5.06 5 Mar 2029 1827DAY TD	3,000,000.00	3,000,000.00	1.26%
WBC 5.29 29 Apr 2025 365DAY TD	3,000,000.00	3,000,000.00	1.26%
	165,700,000.00	165,700,000.00	69.46%
Portfolio Total		238,549,789.49	100%



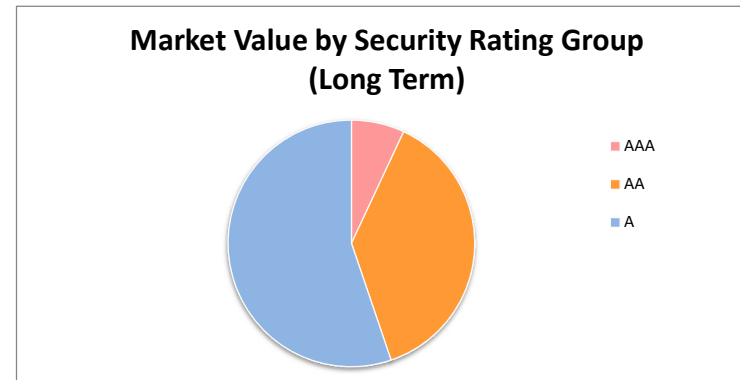
Investment Report
Georges River Council
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2. Portfolio Valuation By Categories As At 30 April 2024

Short Term Issuer/Security Rating Group	Market Value	% Total Value
AA	68,969,752	28.91%
A	4,000,000	1.68%
Portfolio Total	72,969,752	30.59%



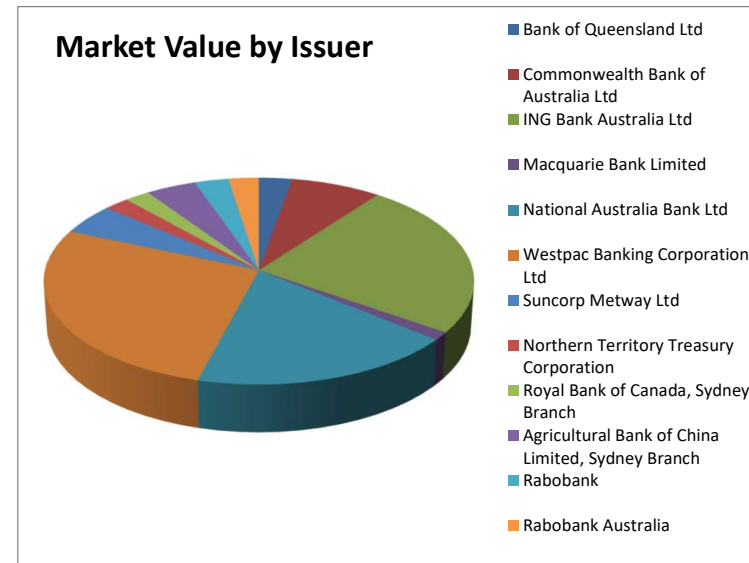
Long Term Issuer/Security Rating Group	Market Value	% Total Value
AAA	11,529,380	4.83%
AA	62,600,000	26.24%
A	91,450,658	38.34%
Portfolio Total	165,580,038	69.41%





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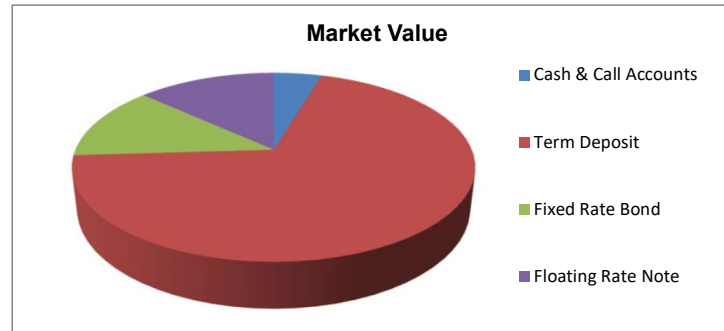
Issuer	Market Value	% Total Value
Bank of Queensland Ltd	6,529,380	2.74%
Commonwealth Bank of Australia Ltd	17,969,752	7.53%
ING Bank Australia Ltd	58,250,000	24.42%
Macquarie Bank Limited	2,975,280	1.25%
National Australia Bank Ltd	43,400,000	18.19%
Westpac Banking Corporation Ltd	65,200,000	27.33%
Suncorp Metway Ltd	11,475,378	4.81%
Northern Territory Treasury Corporation	5,000,000	2.10%
Royal Bank of Canada, Sydney Branch	5,000,000	2.10%
Agricultural Bank of China Limited, Sydney Branch	10,000,000	4.19%
Rabobank	6,750,000	2.83%
Rabobank Australia	6,000,000	2.52%
Portfolio Total	238,549,789	100.00%





Investment Report
Georges River Council
as at 30 April 2024

Security Type	Market Value	% Total Value
Cash & Call Accounts	10,969,752	4.60%
Term Deposit	165,700,000	69.46%
Fixed Rate Bond	30,300,000	12.70%
Floating Rate Note	31,580,038	13.24%
Portfolio Total	238,549,789	100.00%

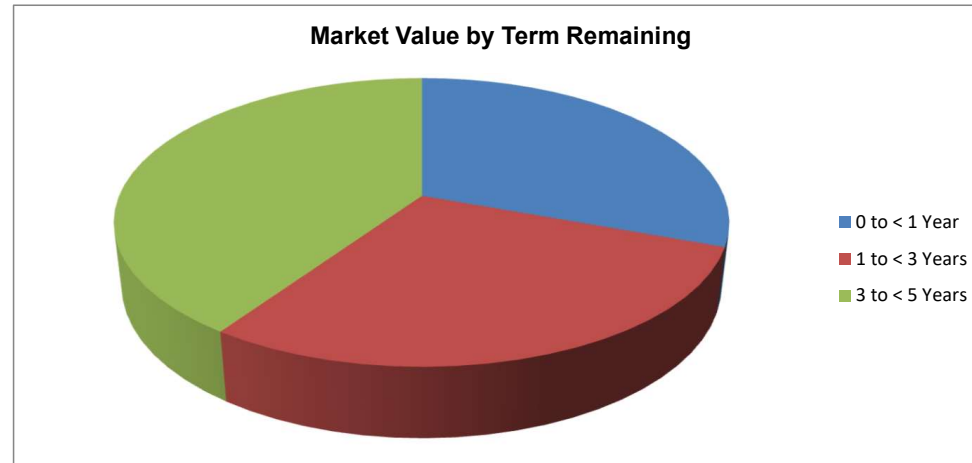




Investment Report
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Term Remaining	Market Value	% Total Value	Policy Limits %
0 to < 1 Year	72,969,752	31.0%	100%
1 to < 3 Years	69,030,038	29.0%	60%
3 to < 5 Years	96,550,000	40.0%	40%
Portfolio Total	238,549,789	100.0%	

Note: Term Remaining is calculated using a weighted average life date (WAL) where appropriate and available otherwise the interim (initial) maturity date is used.



CONFIDENTIAL ITEMS (CLOSED MEETING)

Council's Code of Meeting Practice allows members of the public present to indicate whether they wish to make representations to the meeting, before it is closed to the public, as to whether that part of the meeting dealing with any or all of the matters listed should or should not be considered in closed session.

RECOMMENDATION

That in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act 1993, the following matters be considered in closed Meeting at which the press and public are excluded.

FIN021A-24 Property Matter - 6 Dora Street, Hurstville (Report by Senior Property Officer)

THAT in accordance with the provisions of Part 1 of Chapter 4 of the Local Government Act 1993, the matters dealt with in this report be considered in closed Council Meeting at which the press and public are excluded. In accordance with Section 10A(2) (c) it is considered the matter information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

THAT in accordance with Section 10D it is considered that if the matter were discussed in an open Council Meeting, it would on balance, be contrary to the public interest as it information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

That in accordance with the provisions of Section 11(2) of the Act, the reports and correspondence relating to these matters be withheld from the press and public.