

AGENDA

Finance and Governance Committee

Monday, 14 April 2025

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)

FIN013A-25	Property Matter - Open Space Land Acquisition of 15 Keith Street Peakhurst	
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(Report by Senior Property Officer)

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Item: FIN009-25 Confirmation of the Minutes of the Finance and Governance Committee Meeting held on 10 March 2025

Author: Executive Services Officer

Directorate: Office of the General Manager

Matter Type: Previous Minutes

RECOMMENDATION:

That the Minutes of the Finance and Governance Committee Meeting held on 10 March 2025, be confirmed.

ATTACHMENTS

Attachment [↓](#)1 Minutes of the Finance and Governance Committee Meeting held on 10 March 2025



MINUTES

Finance and Governance Committee

Monday, 10 March 2025

6:00 PM

Waratah Room

Georges River Civic Centre
Hurstville



GEORGES RIVER COUNCIL

PRESENT

COUNCIL MEMBERS

Councillor Christina Jamieson (Chairperson), Councillor Ashvini Ambihaipahar, Councillor Leon Pun, Councillor Peter Mahoney, and Councillor Sam Stratikopoulos.

COUNCIL STAFF

Director Business and Corporate Services - Danielle Parker, Chief Finance Officer – Scott Henwood, Head of Strategic Property – Bernie Morabito, Chief Audit Executive – Steven Baker, Executive Services Officer – Nickie Paraskevopoulos, Acting Executive Assistant to Director Business and Corporate Services - Ally Chand(Minutes), Chief Information Officer - Brendan Scott, Team Leader Technology Business Support – Mark Tadros

OPENING

The Chairperson, Councillor Jamieson, opened the meeting at 6.01pm.

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.

APOLOGIES/LEAVE OF ABSENCE

There were no apologies or requests for leave of absence.

REQUEST TO ATTEND VIA AUDIO VISUAL LINK

There were no requests to attend via Audio Visual Link.

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

FIN006-25 Confirmation of the Minutes of the Finance and Governance Committee Meeting held on 10 February 2025

(Report by Manager Office of the General Manager)

RECOMMENDATION: Councillor Ambihaipahar, Councillor Mahoney

That the Minutes of the Finance and Governance Committee Meeting held on 10 February 2025, be confirmed.

Record of Voting

For the Motion: Councillor Jamieson, Councillor Ambihaipahar, Councillor Mahoney, Councillor Pun, Councillor Stratikopoulos

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

COMMITTEE REPORTS

FIN007-25 Investment Report as at 31 January 2025

(Report by Senior Financial Accountant - Reporting)

RECOMMENDATION: Councillor Ambihaipahar, Councillor Pun

That the Investment Report as at 31 January 2025 be received and noted by Council.

Record of Voting

For the Motion: Councillor Jamieson, Councillor Ambihaipahar, Councillor Mahoney, Councillor Pun, Councillor Stratikopoulos

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

FIN008-25 Mobile Phone Blackspots

(Report by Strategic Property Officer)

RECOMMENDATION: Councillor Stratikopoulos, Councillor Mahoney

That the Council receive and note the contents of this report and acknowledges that Council may, where landowner's consent is required, withhold landowner's consent to the installation of any telecommunications facilities within the Local Government Area, such as Oatley Park and Lime Kiln Bay Wetlands.

Record of Voting

For the Motion: Councillor Jamieson, Councillor Ambihaipahar, Councillor Mahoney, Councillor Pun, Councillor Stratikopoulos

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

CONCLUSION

The Meeting was closed at 6.11pm.

Chairperson

COMMITTEE REPORTS

Item: FIN010-25 **Investment Report as at 28 February 2025**

Author: Senior Financial Accountant - Reporting

Directorate: Business and Corporate Services

Matter Type: Committee Reports

RECOMMENDATION:

That the Investment Report as at 28 February 2025 be received and noted by Council.

EXECUTIVE SUMMARY

1. This report details Council's performance of its investment portfolio as at 28 February 2025 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 28 February 2025 is 4.92% which is 0.44% above benchmark with income from interest on investments totalling \$8,350,000 which is \$529,000 higher than the year-to-date adopted budget of \$7,821,000.

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 February 2025, are as follows:

	1 Month	3 Month	12 Month
Portfolio Performance	0.384%	1.237%	4.92%
Performance Index	0.339%	1.102%	4.48%
Excess Performance	0.045%	0.135%	0.44%

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.

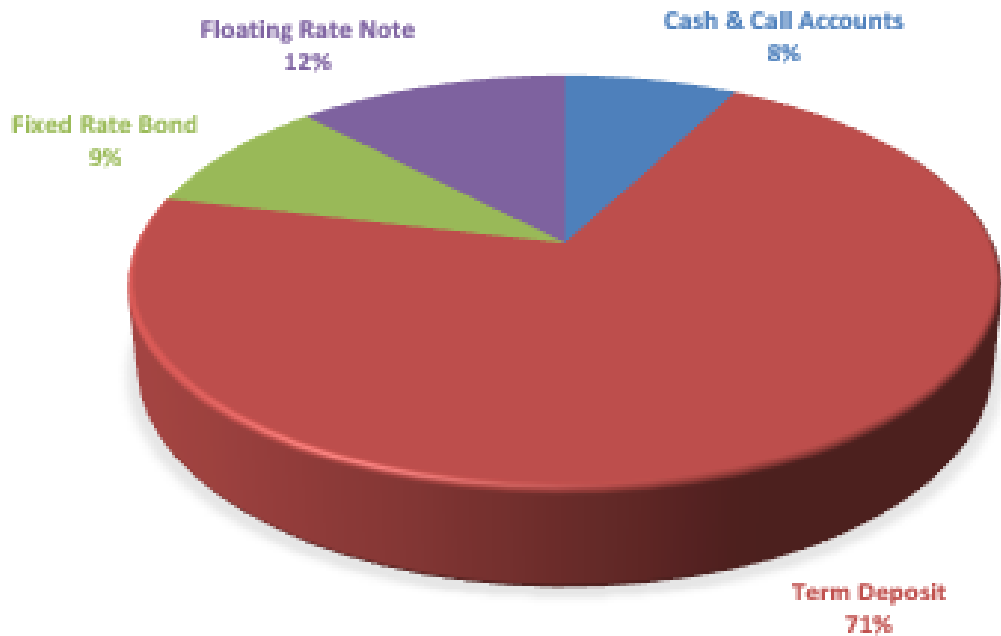
6. Council's investment portfolio as at the end of February 2025 was as follows:

Security Type	Market Value \$000's	% Total Value
At Call Deposit	9,597	3.50%
Consolidated Cash Fund	11,428	4.17%
Term Deposit	194,700	71.05%
Fixed Rate Bond	25,300	9.23%
Floating Rate Note	32,994	12.04%

Portfolio Total	274,019	100%
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- 7. At the end of February 2025, total cash and investments were \$274 million, which was a \$12 million increase from the previous month (January 2025: \$262 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).

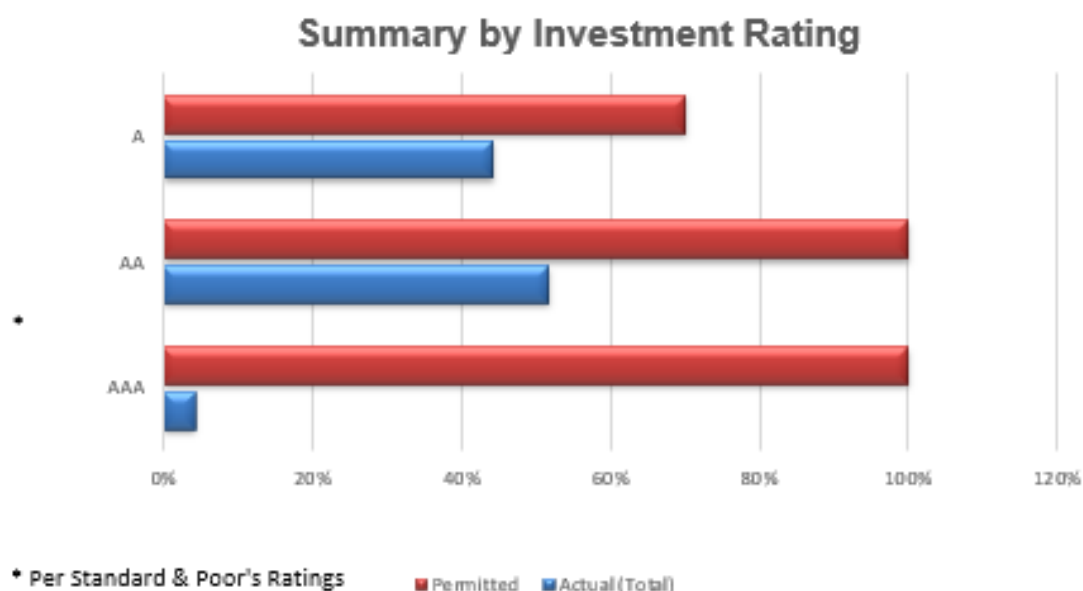
TYPE OF INVESTMENTS



- 9. The majority of Council’s investment portfolio is made up of term deposits, which account for approximately 71% 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.



INVESTMENT INCOME

13. Income from interest on investments totals \$8,350,000 which is \$529,000 higher than the year-to-date adopted budget of \$7,821,000.
14. Investments have been made in accordance with the Local Government Act 1993, Minister's Guidelines, Regulations and Council's Investment Policy.

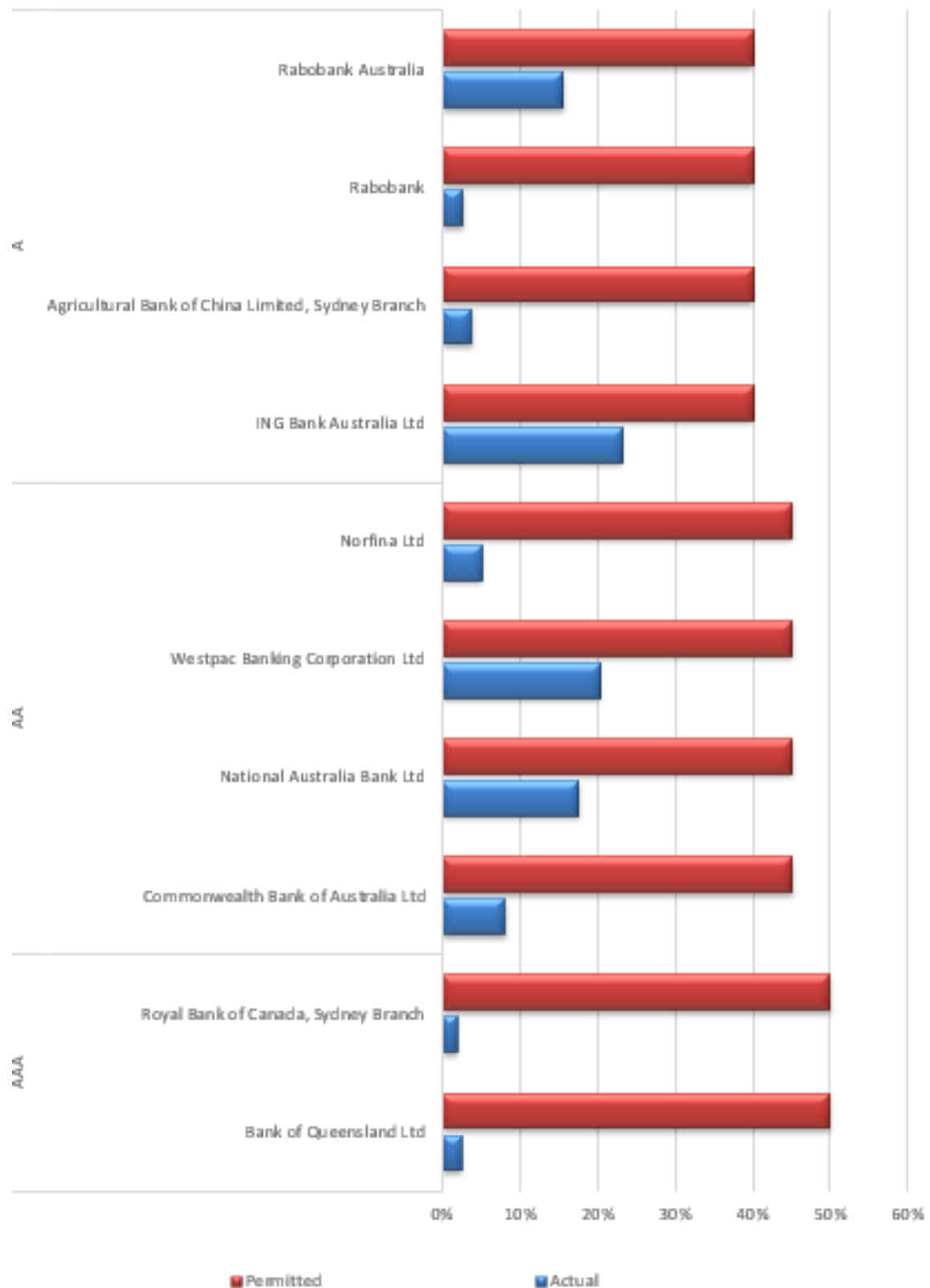
ANALYSIS OF INVESTMENTS

15. Investment Duration

Investment Term	Market Value \$000's	% Total Value	Policy Limits %
0 to < 1 Year	118,804	43.36%	100%
1 to < 3 Years	95,828	34.97%	60%
3 to < 5 Years	59,387	21.67%	40%
Portfolio Total	274,019	100%	

16. Council's portfolio is moderately liquid, with 43% of assets maturing within 12 months. FRNs, At-Call Funds and Fixed Rate Bonds also provide additional liquidity in an emergency.
17. The following graph shows the analysis of the total cash investment by institution as at 28 February 2025.

Investment by Institution



CREDIT RATING

18. 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.
19. 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.
20. The credit quality of Council's portfolio is high with 100% of assets rated 'A' or higher.

COUNCIL'S INVESTMENT POWERS

21. 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.
22. 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

23. Since January 2019 Georges River Council has been participating in a Group Class Action 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.

24. 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 quarterly correspondence on this matter was in early March 2025. On 7 February 2025, the respondents requested dismissal of certain claims, citing the age of misleading and deceptive conduct claims and the inapplicability of unconscionable conduct claims. Banton responded on 7 March 2025, opposing the dismissal and considering amendments to strengthen the unconscionable conduct claim, and updates will be provided in due course.

FINANCIAL IMPLICATIONS

25. Income from interest on investments totals \$8,350,000 which is \$529,000 higher than the year-to-date adopted budget of \$7,821,000.
26. The majority of Council's cash is restricted for specific purposes. Externally restricted cash is bound by legislation or formal agreements, mainly involving developer contributions, domestic waste, and unspent grants. Internally restricted cash are reserved for financially sustainability purposes to support liabilities and asset management.

RISK IMPLICATIONS

27. Financial Sustainability is Council's number one strategic risk, which is Council's failure to implement appropriate financial strategies and controls to ensure financial sustainability. This requirement may be impacted by Council's failure to deliver the Long-Term Financial Plan and inability to meet emerging risks and delivery of Council's Community Strategic Plan as well as absorbing additional financial obligations without adequate resourcing.
28. 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. To further minimise the risk, Council is progressively moving towards the placement of investments only in investments rated A or above.

COMMUNITY ENGAGEMENT

29. No community consultation is required.

FILE REFERENCE

D25/65287

ATTACHMENTS

Attachment [1](#) P08. Investment Portfolio as at 28 February 2025





INVESTMENT REPORT

As at 28 Feb 2025



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2. Portfolio Valuation by Categories as at 28 Feb 2025



Investment Report
Georges River Council
as at 28 Feb 2025

1. Portfolio Valuation As At 28 Feb 2025

	Fixed Interest Security	ISIN	Face Value Original	Market Value	% Total Value
Cash at Bank					
	CBA Consolidated operating 70 & 18		11,428,208.50	11,428,208.50	4.17%
			11,428,208.50	11,428,208.50	4.17%
At Call Account					
	CBA Cash deposit 167242		35.95	35.95	0.00%
	CBA Online saver 7676		9,596,765.55	9,596,765.55	3.50%
			9,596,801.50	9,596,801.50	3.50%
Fixed rate bond					
	NAB 4.95 25 Nov 2027 1826DAY Fixed	AU3CB0294502	7,400,000.00	7,400,000.00	2.70%
	ING 4.70 8 Dec 2025 1096DAY Fixed	AU3CB0294759	3,750,000.00	3,750,000.00	1.37%
	Norfin 4.80 14 Dec 2027 1826DAY Fixed	AU3CB0294957	5,200,000.00	5,200,000.00	1.90%
	Rabobank 5.71 21 Nov 2028 1827DAY Fixed	AU3CB0304525	6,750,000.00	6,750,000.00	2.46%
	Norfin 4.75 19 Mar 2029 1826DAY Fixed	AU3CB0307809	1,200,000.00	1,200,000.00	0.44%
	ING 4.84 22 Mar 2027 1095DAY Fixed	AU3CB0307908	1,000,000.00	1,000,000.00	0.36%
			25,300,000.00	25,300,000.00	9.23%
Floating rate note					
	BOQ 1.07 14 May 2025 FRN	AU3FN0054086	6,500,000.00	6,529,835.00	2.38%
	RBCSyd 0.73 30 Jun 2026 FRN	AU3FN0079133	5,000,000.00	5,019,200.00	1.83%
	Norfin 1.05 12 Jul 2028 FRN	AU3FN0079406	3,000,000.00	3,023,370.00	1.10%
	CBA 0.95 17 Aug 2028 FRN	AU3FN0080396	2,000,000.00	2,013,160.00	0.73%
	ABOCSyd 0.90 4 Sep 2026 FRN	AU3FN0080859	10,000,000.00	10,008,800.00	3.65%
	Norfin 0.92 27 Sep 2029 FRN	AU3FN0091906	4,000,000.00	4,000,000.00	1.46%
	WBC 0.84 21 Jan 2030 FRN	AU3FN0094843	2,400,000.00	2,400,000.00	0.88%
			32,900,000.00	32,994,365.00	12.04%



Investment Report
Georges River Council
as at 28 Feb 2025

Term Deposit

ING 3.90 08 Aug 2025 1096DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 4.67 30 Aug 2027 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
CBA 4.36 05 Sep 2025 1096DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 5.10 27 Sep 2027 1826DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 5.00 05 Oct 2027 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 4.76 05 Oct 2027 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 5.08 18 Oct 2027 1826DAY TD	5,000,000.00	5,000,000.00	1.82%
WBC 5.15 10 Nov 2027 1826DAY TD	10,000,000.00	10,000,000.00	3.65%
ING 4.65 14 Dec 2027 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 5.13 06 Mar 2028 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 4.85 14 Mar 2028 1827DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 5.20 15 Jun 2028 1827DAY TD	4,000,000.00	4,000,000.00	1.46%
ING 5.41 19 Jun 2025 731DAY TD	4,000,000.00	4,000,000.00	1.46%
WBC 5.41 07 Jul 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.09%
WBC 5.06 20 Jul 2026 1098DAY TD	2,200,000.00	2,200,000.00	0.80%
WBC 5.12 24 Jul 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.09%
ING 5.37 18 Aug 2025 731DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 5.01 24 Aug 2026 1096DAY TD	3,000,000.00	3,000,000.00	1.09%
ING 5.00 04 Sep 2026 1096DAY TD	5,000,000.00	5,000,000.00	1.82%
ING 5.30 03 Oct 2025 730DAY TD	2,500,000.00	2,500,000.00	0.91%
ING 5.19 19 Feb 2029 1827DAY TD	1,000,000.00	1,000,000.00	0.36%
Rabo 5.15 26 Feb 2029 1827DAY TD	3,000,000.00	3,000,000.00	1.09%
Rabo 5.06 5 Mar 2029 1827DAY TD	3,000,000.00	3,000,000.00	1.09%
WBC 5.29 29 Apr 2025 365DAY TD	3,000,000.00	3,000,000.00	1.09%
NAB 5.30 06 May 2025 365DAY TD	2,000,000.00	2,000,000.00	0.73%
Rabo 5.30 15 May 2025 365DAY TD	2,000,000.00	2,000,000.00	0.73%
Rabo 5.23 17 Jun 2025 365DAY TD	3,000,000.00	3,000,000.00	1.09%
NAB 5.40 09 Jul 2025 365DAY TD	3,000,000.00	3,000,000.00	1.09%
Rabo 5.36 15 Jul 2025 365DAY TD	6,000,000.00	6,000,000.00	2.19%
ING 5.33 18 Jul 2025 365DAY TD	4,000,000.00	4,000,000.00	1.46%
NAB 5.10 12 Aug 2025 365DAY TD	5,000,000.00	5,000,000.00	1.82%
NAB 5.00 26 Aug 2025 365DAYTD	5,000,000.00	5,000,000.00	1.82%
NAB 5.00 27 Aug 2025 365DAY TD	5,000,000.00	5,000,000.00	1.82%
Rabo 4.95 02 Sep 2025 365DAY TD	5,000,000.00	5,000,000.00	1.82%
NAB 5.00 04 Mar 2025 180DAY TD	5,000,000.00	5,000,000.00	1.82%
Rabo 5.00 06 Jun 2025 270DAY TD	4,000,000.00	4,000,000.00	1.46%
NAB 4.95 10 Jun 2025 365DAY TD	4,000,000.00	4,000,000.00	1.46%
Rabo 4.83 11 Sep 2029 1825DAY TD	4,000,000.00	4,000,000.00	1.46%
NAB 4.90 16 Sep 2025 365DAY TD	4,000,000.00	4,000,000.00	1.46%
NAB 4.90 23 Sep 2025 365DAY TD	4,000,000.00	4,000,000.00	1.46%
Rabo 4.95 15 Oct 2029 1827DAY TD	2,000,000.00	2,000,000.00	0.73%
ING 5.05 18 Nov 2027 1095DAY TD	1,000,000.00	1,000,000.00	0.36%
Rabo 5.10 03 Dec 2029 1827DAY TD	2,000,000.00	2,000,000.00	0.73%
NAB 5.00 09 Dec 2025 365DAY TD	2,000,000.00	2,000,000.00	0.73%
Rabo 4.95 17 Dec 2029 1827DAY TD	3,000,000.00	3,000,000.00	1.09%
Rabo 4.96 07 Jan 2030 1827DAY TD	1,000,000.00	1,000,000.00	0.36%
ING 5.08 16 Jan 2030 1826DAY TD	1,000,000.00	1,000,000.00	0.36%
ING 5.02 21 Jan 2030 1826DAY TD	1,000,000.00	1,000,000.00	0.36%
Rabo 4.97 05 Feb 2030 1827DAY TD	2,000,000.00	2,000,000.00	0.73%
Rabo 5.07 19 Feb 2030 1827DAY TD	1,000,000.00	1,000,000.00	0.36%
Rabo 5.10 25 Feb 2030 1826DAY TD	2,000,000.00	2,000,000.00	0.73%
	194,700,000.00	194,700,000.00	71.05%
Portfolio Total		274,019,375.00	100%

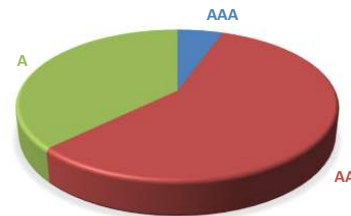


Investment Report
Georges River Council
as at 28 Feb 2025

2. Portfolio Valuation By Categories As At 28 Feb 2025

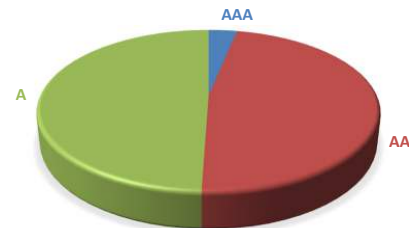
Short Term Issuer/Security Rating Group	Market Value	% Total Value
AAA	6,529,835	2.38%
AA	68,025,010	24.82%
A	44,250,000	16.15%
Portfolio Total	118,804,845	43.36%

MARKET VALUE BY SECURITY RATING GROUP
(SHORT TERM)



Long Term Issuer/Security Rating Group	Market Value	% Total Value
AAA	5,019,200	1.83%
AA	73,436,530	26.80%
A	76,758,800	28.01%
Portfolio Total	155,214,530	56.64%

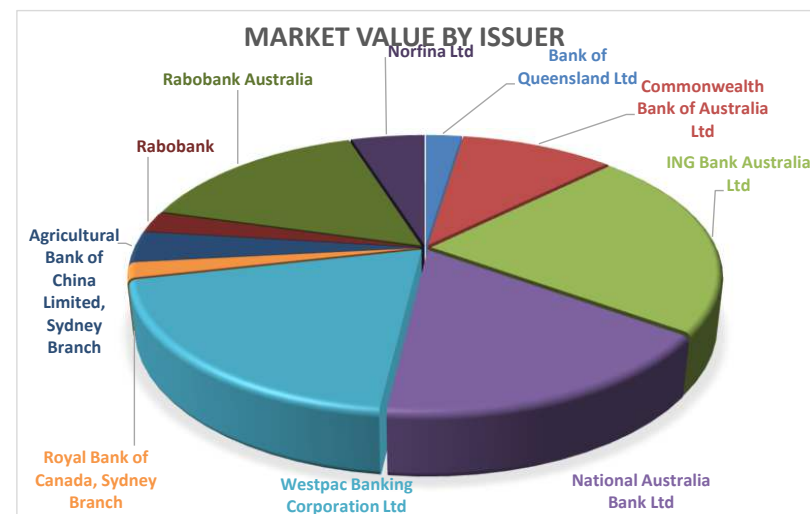
MARKET VALUE BY SECURITY RATING GROUP
(LONG TERM)





Investment Report
Georges River Council
as at 28 Feb 2025

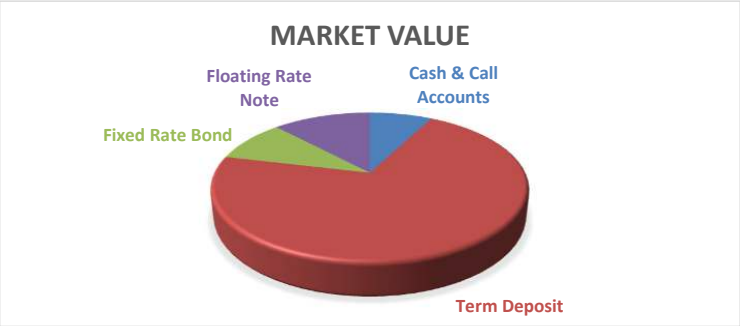
Issuer	Market Value	% Total Value
Bank of Queensland Ltd	6,529,835	2.38%
Commonwealth Bank of Australia Ltd	28,038,170	10.23%
ING Bank Australia Ltd	61,250,000	22.35%
National Australia Bank Ltd	46,400,000	16.93%
Westpac Banking Corporation Ltd	53,600,000	19.56%
Royal Bank of Canada, Sydney Branch	5,019,200	1.83%
Agricultural Bank of China Limited, Sydney Branch	10,008,800	3.65%
Rabobank	6,750,000	2.46%
Rabobank Australia	43,000,000	15.69%
Norfin Ltd	13,423,370	4.90%
Portfolio Total	274,019,375	100.00%





Investment Re
Georges River Cou
as at 28 Feb 2

Security Type	Market Value	% Total Value
Cash & Call Accounts	21,025,010	7.67%
Term Deposit	194,700,000	71.05%
Fixed Rate Bond	25,300,000	9.23%
Floating Rate Note	32,994,365	12.04%
Portfolio Total	274,019,375	100.00%



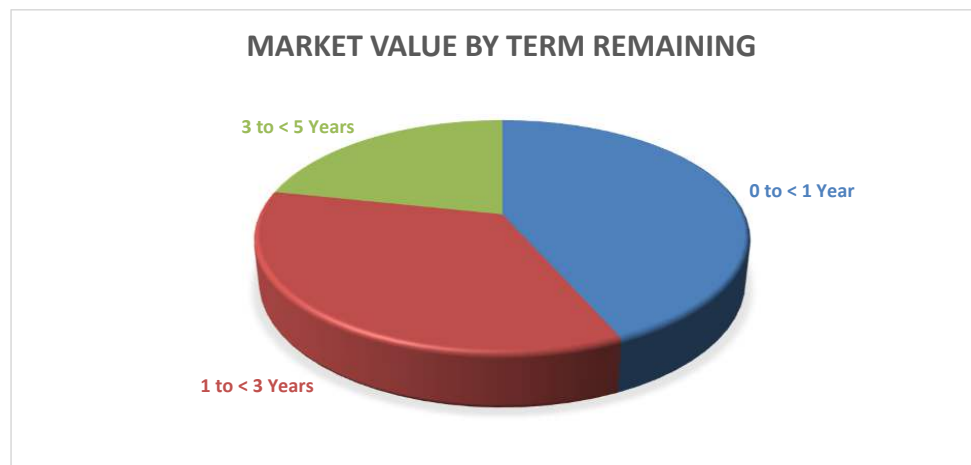
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Investment Report
Georges River Council
as at 28 Feb 2025

Term Remaining	Market Value	% Total Value	Policy Limits %
0 to < 1 Year	118,804,845	43.36%	100%
1 to < 3 Years	95,828,000	34.97%	60%
3 to < 5 Years	59,386,530	21.67%	40%
Portfolio Total	274,019,375	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.



Item: FIN011-25 Audit, Risk and Improvement Committee - Minutes of Meetings held 14 November 2024 (Confirmed) and 13 March 2025 (Unconfirmed)

Author: Chief Audit Executive

Directorate: Office of the General Manager

Matter Type: Committee Reports

RECOMMENDATION:

- (a) That the confirmed Minutes of the Audit, Risk and Improvement Committee meeting held on 14 November 2024 be received and noted by Council.
- (b) That the unconfirmed Minutes of the Audit, Risk and Improvement Committee meeting held on 13 March 2025 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, as per the assurance reporting requirements, section 5.
2. The Minutes of the ARIC meeting held on the 14 November 2024 were confirmed by the ARIC at its 13 March 2025 meeting and are now submitted for Council's information.
3. The Minutes of the ARIC meeting held on the 13 March 2025 are unconfirmed. They will be confirmed at the next normal ARIC meeting to be held in June 2025.

BACKGROUND

4. The attached minutes relate to the ARIC meetings held on 14 November 2024 and 13 March 2025 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. Ineffective Governance - Strategic Risk 7: Failure of Council's Governance and Compliance Frameworks to ensure compliance with relevant legislative, statutory, regulatory and policies and procedures and which are not being monitored across the organisation. In NSW, the Office of Local Government mandates all councils establish an Audit, Risk, and Improvement Committee (ARIC) and establish an internal audit function.

COMMUNITY ENGAGEMENT

8. Community engagement was not required for this report.

FILE REFERENCE

D25/80064

ATTACHMENTS

Attachment [1](#) ARIC Meeting Minutes 14 November 2024 Confirmed



Attachment [↓](#)2 ARIC Meeting Minutes 13 March 2025 Unconfirmed



MINUTES

Audit, Risk and Improvement Committee

Thursday, 14 November 2024

10:30 AM

Dragon Room, 1st Floor, Georges River Council
Civic Centre



PRESENT

COMMITTEE MEMBERS

Cliff Haynes (Chairperson)

Hamish McNulty

Barry Husking

STAFF

David Tuxford	General Manager
Steven Baker	Chief Audit Executive
Danielle Parker	Director, Business and Corporate Services
Andrew Latta	Director, Assets & Infrastructure
Kristie Dodd	Director, Community and Culture
Joseph Hill	Director Environment and Planning
Nickie Paras	Executive Services Officer (Minutes)
Jennifer Anderson	Executive Services Officer (Minutes)

SPECIFIC AGENDA ITEMS ONLY

Renata Sala	Head of Corporate Governance & Risk
Craig Henry	Acting Chief Finance Officer
Susie Yan	Acting Coordinator Financial Management
Margaret Le	Manager City Life
Marisa Severino	Integrated Planning and Reporting Officer
Brendan Scott	Chief Information Officer
Tom Heath	Manager City Technical Services
Todd Payne	Team Leader Procurement and Contracts Governance
Sharni Watts	Chief People Officer

EXTERNAL ATTENDEES

Alison Brown	Audit Office NSW
Candy Lee	Audit Office NSW
Jo Dikkenberg	Acting Senior Business Performance Accountant
Amy Murray	Business Performance Accountant

OPENING

The Chair, Mr Cliff Haynes, opened the meeting at 10:34am

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

Councillor Sam Stratikopoulos (Councillor Member nonvoting)

DISCLOSURES OF INTEREST

Mr Cliff Haynes submitted a nil disclosure prior to the meeting

Mr Barry Husking submitted a nil disclosure prior to the meeting

Mr Hamish McNulty submitted a nil disclosure prior to the meeting

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

AUD064-24 Confirmation of the Minutes of the Extraordinary Audit, Risk and Improvement Committee Meeting held on 28 October 2024
(Report by Executive Services Officer)

RECOMMENDATION:

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

DISCUSSION: Nil Discussion

COMMITTEE RECOMMENDATION:

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

COMMITTEE REPORTS

AUD065-24 ARIC Actions Register Status Report
(Report by Chief Audit Executive)

RECOMMENDATION:

That the status of the Audit, Risk and Improvement Committee (ARIC) Actions Register report be received and noted.

DISCUSSION:

The Chief Audit Executive (CAE) provided an overview of the report to the committee.

COMMITTEE RECOMMENDATION:

That the status of the Audit, Risk and Improvement Committee (ARIC) Actions Register report be received and noted.

AUD066-24 NSW Audit Office - Audited Financial Statements, Auditor's Report and Management Letter status update for 2023/24
(Report by Chief Financial Officer)

RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the audited Financial Statements and Auditor's Report for the year ended 30 June 2024.

- (b) That the ARIC receives and notes the update on the status of the External Audit management letter issues.

DISCUSSION:

Alison Brown, Assistant Auditor General – NSW Audit Office provided an update from the previous financial statements meeting and for Council to assess values in the balance sheet, particularly with land under road assets and what their policy settings are. The Engagement Closing report, relates mainly to infrastructure and revenue recognition and is in draft at this stage, hoping to be released shortly.

Code of Conduct of the Council – overall Council has met the OLG performance measures and met the benchmarks. Overall revenue from other sources is declining, as noted across the sector, as well as an increase in the non-payment of rates. It was noted that the cost-of-living pressures are a contributor to this position. Overall is positive on both key measures and outcomes.

ARIC were provided a presentation and links provided by the Audit Office to all information about their annual work program from 2024-2026 that were relevant to Local Government.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the audited Financial Statements and Auditor's Report for the year ended 30 June 2024.
- (b) That the ARIC receives and notes the update on the status of the External Audit management letter issues.

AUD067-24 Quarterly Budget Review Report for Period Ending 30 September 2024
(Report by Senior Business Performance Accountant)

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 30 September 2024.

DISCUSSION:

The Acting Chief Finance Officer (CFO) provided a summary on the Quarterly Budget Review to the ARIC noting the change to the Operating Result (positive) and the key elements to the revenue adjustments. The main item adjusted was the recognition of an insurance payment received of around \$2.5 mil for the claim of costs associated with ICAC Operation Galley investigation.

The impact of an increase to employee costs and the strategies to manage were discussed including the effects on service delivery, staffing, retention and psychosocial management. This will be reviewed by management and adjusted as part of the Q2 budget review.

COMMITTEE RECOMMENDATION:

- (a) 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 30 September 2024.
- (b) That a report be included in the next Quarterly Budget Review on what has been done to manage employee costs.
- (c) That an updated report be provided on the long-term financial strategy at the next ARIC meeting.

AUD068-24 Capital Works Program Status Report Q1 2024/25
(Report by Senior Business Performance Accountant)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the 2024/25 Capital Works Program and the revisions done as part of the Q1 Budget Review.

DISCUSSION:

The Acting CFO provided an overview of the Capital Works Program Status Report for the first quarter of 2024/25, including the adjustments to the three (3) year program, incorporation of carry overs and highlighted the spend YTD.

The Manager City Technical Services provided information on the capital works projects, in particular the status of the Carss Park project including proposed project management, the business case from the State Government and the estimated cost of the overall project (incorporating a contribution by Council).

It was noted that at risk projects are being monitored with applicable rephasing included as part of the Q2 budget review, and 95% of remaining projects are planned to be delivered.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the 2024/25 Capital Works Program and the revisions done as part of the Q1 Budget Review.

AUD069-24 Vehicle Leaseback Arrangements - Update
(Report by Chief Financial Officer)

RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receive and note the contents of this report.
- (b) That ARIC endorses future reports on the status of Vehicle Leaseback and Fleet Management to be presented by the relevant department within the Assets and Infrastructure Directorate.

DISCUSSION:

It was noted that the Council / employee split will be reviewed in line with the logbook exercise to be conducted and presented to the Executive.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receive and note the contents of this report.
- (b) That ARIC receives future reports on the status of Vehicle Leaseback and Fleet Management to be presented by the relevant department within the Assets and Infrastructure Directorate.

AUD070-24 Budget Process Improvements

(Report by Senior Business Performance Accountant)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the changes made to elements of the budget process for the 2024/25 financial year.

DISCUSSION:

Report overview provided by the Acting CFO. The Chair queried whether the GM or Executive were involved with monthly meetings within Directorates to provide answers for budget variations.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the changes made to elements of the budget process for the 2024/25 financial year.

AUD071-24 Compliance Update

(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Compliance update.

DISCUSSION:

The Head of Corporate Governance & Risk provided an overview of the report to the ARIC. The Committee requested regular updates on matters required to be referred to government agencies, such as privacy and child protection matters. The Committee was advised that a notifiable incidents register was being developed and this can be used for regular reporting to ARIC.

There was a query in relation to the register of registers process and it was noted that previously it was system based but is currently manual to monitor and manage compliance.

Chair also queried if there was a process for the GM to be able to make and comply with the OLG guideline requirements for annual attestation of risk management.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the Compliance update.
- (b) That information on notifiable incidents be included in quarterly updates on Compliance.
- (c) That a notifiable incidents register is developed.
- (d) That Council ensure there is a process under the new guidelines for the GM to make the Annual Attestation statements to the Office of Local Government.

AUD072-24 NSW Ombudsman Public Interest Disclosures (PID) Self Audit

(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

- (a) The Audit, Risk and Improvement Committee (ARIC) receive and note the NSW Ombudsman Public Interest Disclosures (PID) Self-Audit Response Summary.
- (b) That the ARIC receive and note the areas identified for improvement:
 - (i) Mandatory training requirements to be monitored and refreshed with staff changes

- (ii) PID policy to be supplied in onboarding
- (iii) 3-year refresher training (mandatory) to be documented and planned.
- (iv) Development of PID Procedures to ensure any staff member with PID obligations has access to a process manual.

DISCUSSION:

Query from the ARIC on any feedback that was received from the Ombudsman concerning the submission and the reply was nil.

COMMITTEE RECOMMENDATION:

- a) The Audit, Risk and Improvement Committee (ARIC) receive and note the NSW Ombudsman Public Interest Disclosures (PID) Self-Audit Response Summary.
- (b) That the ARIC receive and note the areas identified for improvement:
 - (i) Mandatory training requirements to be monitored and refreshed with staff changes
 - (ii) PID policy to be supplied in onboarding
 - (iii) 3-year refresher training (mandatory) to be documented and planned.
 - (iv) Development of PID Procedures to ensure any staff member with PID obligations has access to a process manual.

AUD073-24 Enterprise Risk Management Update

(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the Annual Risk Review outcomes.
- (b) The ARIC receive and note the Risks outside of Appetite for Q4 2023/2024 Financial Year (Attachment 1).
- (c) That the ARIC receive and note the JLT Public Sector Risk Report, July 2024 (Attachment 2).
- (d) That the ARIC receive note the proposed changes to the 2024/25 Strategic Risks (Attachment 3) to be provided to Council for approval in November 2024:
 - i) Financial Sustainability
 - ii) Cyber Security
 - iii) Assets and Infrastructure
 - iv) People and Culture
 - v) Climate Change
 - vi) Reputation
 - vii) Ineffective Governance
 - viii) Social Cohesion
 - ix) Housing Infrastructure
 - x) Waste Management
 - xi) Liability Claims

xii) Business Continuity

- (e) The ARIC receive and note the Enterprise Risk Management self-audit undertaken by the Governance and Risk team, at the request of Statewide Mutual (Attachment 4).

DISCUSSION:

The Head of Corporate Governance and Risk provided an overview on the Enterprise Risk Management Update report, in particular the process for identifying, reporting and ongoing management of risks out of appetite.

The ARIC discussed the new Council's understanding and information received to date enabling them to adopt the framework. This will be detailed to the Finance & Governance Committee and then submitted at a Council Meeting for endorsement.

A request from the ARIC to include a column in future reports that indicates acceptance of the risk outside of appetite or not by management.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the Annual Risk Review outcomes.
- (b) The ARIC receive and note the Risks outside of Appetite for Q4 2023/2024 Financial Year (Attachment 1).
- (c) That the ARIC receive and note the JLT Public Sector Risk Report, July 2024 (Attachment 2).
- (d) That the ARIC receive note the proposed changes to the 2024/25 Strategic Risks (Attachment 3) to be provided to Council for approval in November 2024:
 - i) Financial Sustainability
 - ii) Cyber Security
 - iii) Assets and Infrastructure
 - iv) People and Culture
 - v) Climate Change
 - vi) Reputation
 - vii) Ineffective Governance
 - viii) Social Cohesion
 - ix) Housing Infrastructure
 - x) Waste Management
 - xi) Liability Claims
 - xii) Business Continuity
- (e) The ARIC receive and note the Enterprise Risk Management self-audit undertaken by the Governance and Risk team, at the request of Statewide Mutual (Attachment 4).

AUD074-24 Fraud and Corruption Control Update

(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Fraud and Corruption Control update.

DISCUSSION:

The Head of Corporate Governance and Risk provided an overview of the Fraud and Corruption Control Update report. It was noted that an increase on Fraud and Corruption training to the relevant staff had been actioned but that some staff didn't attend. It was noted that another training session will be offered to those who could not attend the original scheduled training.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Fraud and Corruption Control update.

AUD075-24 Governance Update

(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee receive and notes the Governance Update.

DISCUSSION:

The Head of Corporate Governance and Risk provided an overview of the Governance Update report.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee receive and notes the Governance Update.

AUD076-24 Service Reviews Update

(Report by Integrated Planning and Reporting Officer)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the progress of Council's Service Review Program.

DISCUSSION:

The Acting Integrated Planning and Reporting Officer provided an overview to the ARIC on the status of the engagement to develop the Service Review Framework. The prioritised list of service reviews is expected to be finalised in 2025 and there was an amount included to conduct at least one review externally.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the progress of Council's Service Review Program.
- (b) That the Audit, Risk and Improvement Committee (ARIC) receive an update report which includes a full list of service reviews to be undertaken and a timeframe.

AUD077-24 People and Culture Metrics Report - Q4 - FY 2023/24

(Report by Chief People Officer)

RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q4 FY2023/24.

DISCUSSION:

The Chief People Officer provided an overview of the People and Culture Metrics Report Q4 – FY 2023/24. There was an increase in injuries which included psychological claims which are difficult to manage with inadequate legislation (revolving around reasonable performance management).

Discussion on lost time relating to injuries up 45% with higher costs of the management staff included.

Long Service Leave was requested to be included in future metric reports to the ARIC.

COMMITTEE RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q4 FY2023/24.

AUD078-24 Internal Audit Plan 2024-2028 Status Update (Report by Chief Audit Executive)

RECOMMENDATION:

That the status of the Internal Audit Plan for 2024-2028 be received and noted.

DISCUSSION:

The CAE provided an overview of the Status Update of the Internal Audit Plan 2024-2028. It was noted that savings may be achieved if audits were bundled together and procured at the same time. This was done for the IT audit program for the next 2 years and will be investigated for the other external components of the audit program.

COMMITTEE RECOMMENDATION:

That the status of the Internal Audit Plan for 2024-2028 be received and noted.

AUD079-24 Status of Overdue Internal Audit Recommendations (Report by Chief Audit Executive)

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 overview of the Status of Overdue Internal Audit Recommendations report.

COMMITTEE RECOMMENDATION:

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

AUD080-24 Update on Strategic Fleet Function Review (Report by Manager City Operational Services)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee receive and note progress to date on the Strategic Fleet Function Review.

DISCUSSION:

The CAE provided an update on Strategic Fleet Function Review, in particular the status of the procurement to engage a suitable consultant and that the desktop reviews of both the Fleet Policy and Guidelines have been completed.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee receive and note progress to date on the Strategic Fleet Function Review.
- (b) An update report to be provided at the next ARIC meeting.

AUD081-24 Independent Information Security Audit - ACSC Essential Eight Maturity Assessment Audit Review.
(Report by Chief Information Officer)

RECOMMENDATION:

That the Audit Risk and Improvement Committee (ARIC) receive and note the Independent Audit Report on ACSC Essential Eight Maturity Assessment.

DISCUSSION:

The Chief Information Officer (CIO) provided a summary of the Independent Information Security Audit – ACSC Essential Eight Maturity Assessment Audit Review. It was noted that the result was positive considering the staffing levels and resources available at Council.

COMMITTEE RECOMMENDATION:

That the Audit Risk and Improvement Committee (ARIC) receive and note the Independent Audit Report on ACSC Essential Eight Maturity Assessment.

AUD082-24 Managing Cyber Security - Auditor General Local Government Performance Audit March 2024 Assessment
(Report by Chief Information Officer)

RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the review of the New South Wales Auditor General's '*Cyber Security in Local Government*' Performance Audit Report
- (b) That ARIC acknowledge the works previously undertaken and currently being undertaken to address findings from this report.

DISCUSSION:

The CIO provided an overview of the Managing Cyber Security – Auditor General Local Government Performance Audit March 2024 Assessment, highlighting the key findings. It was noted that out of the 21 recommendations contained in the performance report, Council were compliant in 10 of them, mostly compliant in 4, partly compliant in 6 and 1 that required other actions.

The importance of cyber security was noted as a strategic risk, but Council had to consider resourcing, budget limitations and priorities as well as normal operations and projects that still needed to be delivered.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the review of the New South Wales Auditor General's '*Cyber Security in Local Government*' Performance Audit Report

- (b) That ARIC acknowledge the works previously undertaken and currently being undertaken to address findings from this report.

**AUD083-24 Georges River Council's complaints and accolades for Quarter 1
2024/2025**
(Report by Manager City Life)

RECOMMENDATION:

That the Audit Risk and Improvement Committee receive and note this report outlining Georges River Council's complaints and accolades data and trends for Quarter 1 2024/2025.

DISCUSSION:

The Manager City Life provided an overview on Council's complaints and accolades for Quarter 1 2024/25, including the mediums for making complaints, training and timeframes for responses to complaints (incorporated into KPI's). Also noted a lower volume of complaints recorded.

COMMITTEE RECOMMENDATION:

That the Audit Risk and Improvement Committee receive and note this report outlining Georges River Council's complaints and accolades data and trends for Quarter 1 2024/2025.

AUD084-24 Code of Conduct Complaints Statistics 2024
(Report by Chief Audit Executive)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the Code of Conduct Complaints Statistics for the period 1 September 2023 to 31 August 2024.

DISCUSSION:

The CAE provided an overview of the Code of Conduct Complaints Statistics 2024 recorded.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the Code of Conduct Complaints Statistics for the period 1 September 2023 to 31 August 2024.

GENERAL BUSINESS

ARIC members to confirm the 2025 ARIC meeting dates and times at the end of this meeting for resourcing and drafting of the forward responsibility calendar.

CONCLUSION

The Meeting was closed at 1:22pm

Chairperson

MINUTES

Audit, Risk and Improvement Committee

Thursday, 13 March 2025

10:30 AM

Dragon Room, Georges River Council Civic Centre

UNCONFIRMED MINUTES



GEORGES RIVER COUNCIL

PRESENT

COMMITTEE MEMBERS

Cliff Haynes (Chairperson)

Hamish McNulty (Online)

Barry Husking

Councillor Sam Stratikopoulos (non-voting member)

STAFF

David Tuxford General Manager

Steven Baker Chief Audit Executive

Danielle Parker Director, Business & Corporate Services

Andrew Latta Director, Assets & Infrastructure

Joseph Hill Director Environment & Planning (Online)

Nickie Paras Executive Services Officer (Minutes)

SPECIFIC AGENDA ITEMS ONLY

Scott Henwood Chief Finance Officer

Craig Henry Senior Business Performance Accountant

Susie Yan Acting Coordinator Financial Management

Renata Sala Head of Corporate Governance & Risk

Marisa Severino Integrated Planning & Reporting Officer

Brendan Scott Chief Information Officer

Tom Heath Acting Manager City Operational Services

John Hair Senior Development Contributions Planner

Sharni Watts Chief People Officer

Catherine McMahon Manager Strategic Planning (Online)

EXTERNAL ATTENDEES

Nicky Rajani Audit Office NSW

Jo Dikkenberg Acting Senior Business Performance Accountant (Online)

Amy Murray Business Performance Accountant (Online)

Hayley Barnes Manager Strategic Placemaking (Online)

James Magee Acting Manager City Technical Services

OPENING

The Chair, Mr Cliff Haynes, opened the meeting at 10:34am.

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 was an apology received from Kristie Dodd the Director Community & Culture.

DISCLOSURES OF INTEREST

Mr Cliff Haynes submitted a disclosure of interest form prior to the meeting

Mr Barry Husking submitted a disclosure of interest form prior to the meeting

Mr Hamish McNulty submitted a disclosure of interest form prior to the meeting

CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

AUD001-25 Confirmation of the Minutes of the Audit, Risk and Improvement Committee Meeting held on 14 November 2024
(Report by Executive Services Officer)

RECOMMENDATION:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 14 November 2024, be confirmed.

DISCUSSION: Nil Discussion

COMMITTEE RECOMMENDATION:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 14 November 2024, be confirmed.

COMMITTEE REPORTS

AUD002-25 ARIC Actions Register Status Report
(Report by Chief Audit Executive)

RECOMMENDATION:

That the status of the Audit, Risk and Improvement Committee (ARIC) Actions Register report be received and noted.

DISCUSSION:

The Chief Audit Executive (CAE) provided an overview of the report to the committee. Completed items to be removed from attachment in future reports.

COMMITTEE RECOMMENDATION:

That the status of the Audit, Risk and Improvement Committee (ARIC) Actions Register report be received and noted.

Verbal Update GM

- The draft breach notice issued by the Minister of Local Government was illegal. There was no Breach. Matter tabled at Council meeting and response sent to the Minister.
- Code of Conduct – a few Councillors not abiding and breaching policy.
- Coming into an important part of the Financial Year being Budget, ensuring we still make an Operational Profit. Workshops have been organised to discuss Draft Budget with Councillors.
- Working through new Waste Contract issues. New pick up dates for residents, issues with Strata not communicating to residents in unit complexes.
- Waste Communications undertaken as summarised as below.
- The bin collection day change program has been widely communicated to the community since December 2024, ahead of the change taking effect commencing Sunday 2 March 2025. Some of the ways in which Council has communicated the change are as follows:
- Stickers on bins at every property during January and February 2025
- Letters in letterboxes at every property during January and February 2025
- Three email notifications to Strata Managers during January and February 2025
- LGA wide communications using platforms such as: media releases, social media, community newsletters and magazines, Council website etc.
- Information provided on the reverse of the Rates Account Notice issued in July/August 2024.

AUD003-25 NSW Audit Office - Final Management Letter 2023/24 with status update, and Annual Engagement Plan 2024/25.
(Report by Acting Coordinator Financial Management)

RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the NSW Audit Office Final Management Letter for 2023/24 (attachment 1).
- (b) That the ARIC receives and notes the NSW Audit Office Annual Engagement Plan for 2024/25 (attachment 2).
- (c) That the ARIC receives and notes the status update on the issues identified in the Final Management Letter for 2023/24.

DISCUSSION:

Chief Finance Officer provided an update on the status update on the Management Letter and Annual Engagement Plan 2024/25 received from the Audit Office NSW.

It included outdated procedure documentation, asset stocktakes, managing excess leave. The current year matters included timely capitalisation of capital work in progress, land classification, fully depreciated assets still in use and land under roads recognition.

Audit planning timetable bought forward to August. Aiming for June to meet the target for the majority of asset classes but it was noted that roads and footpaths need further work prior to their comprehensive valuations. Other classes (buildings, open space, stormwater and bulk earthworks) are scheduled for a desktop review as per the schedule.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the NSW Audit Office Final Management Letter for 2023/24 (attachment 1).
- (b) That the ARIC receives and notes the NSW Audit Office Annual Engagement Plan for 2024/25 (attachment 2).
- (c) That the ARIC receives and notes the status update on the issues identified in the Final Management Letter for 2023/24.
- (d) That Management consider an appropriate date for the ARIC to consider the end of year financial statements and update ARIC members accordingly.

AUD004-25 Quarterly Budget Review Report for Period Ending 31 December 2024 and Employee Cost Management Update

(Report by Senior Business Performance Accountant)

RECOMMENDATION:

That the Audit, Risk and Improvements Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review for the period ending 31 December 2024 and the Employee Cost Management Update.

DISCUSSION:

The Senior Business Performance Accountant provided an update on employee cost management. It was also noted that there was an improvement of budget surplus and is tracking quite well highlighting the main variations in the report.

Interest income was better than expected, legal costs have increased and the closure of the Ocean Street Kindergarten impacted both expenditure and revenue.

Employee costs are above budget considering the adopted natural vacancy with a view to move to a mandated vacancy (for 25/26) and tighter budget management. There was a discussion by ARIC members about getting that under control and rationale behind adjustments to the budget in line with actuals. It was indicated that this was difficult to manage given current service levels, WHS implications and staff pressures. An SRV and environmental levy was raised as a possible future consideration.

ARIC also raised a query about the lack of allowance for an estimate of asset write offs in the budget and this was not included due to the unknown nature of the value applicable this FY.

The Director Business & Corporate Services also noted that the OLG had released new guidelines for the QBRs for which they are receiving submissions on and this may change the format and information supplied in the reports moving forward.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvements Committee (ARIC) receives and notes the contents of this report in relation to the Quarterly Budget Review for the period ending 31 December 2024 and the Employee Cost Management Update.
- (b) That Management review forecasted numbers to ensure more accurate budget figures.

AUD005-25 Capital Works Program Status Report Q2 2024/25
(Report by Senior Business Performance Accountant)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the 2024/25 Capital Works Program and the revisions done as part of the Q2 Budget Review.

DISCUSSION:

The Senior Business Performance Accountant and the Acting Manager City Operational Services provided an update on the Capital Works Program Status Report as at Q2 2024/25. The variations to the current year and three (3) program were noted. There was discussion around YTD spend and the confidence to complete the current projects and programs. This will be monitored and adjusted accordingly as part of the March QBRS.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the 2024/25 Capital Works Program and the revisions done as part of the Q2 Budget Review.
- (b) Finance to provide a realistic forecast Capital Works Expenditure at the end of March in the June ARIC report.

AUD006-25 Long Term Financial Strategy
(Report by Chief Financial Officer)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the long-term Financial Strategy update.

DISCUSSION:

The Chief Finance Office provided an update on the long term financial strategy detailing the initiatives implemented when setting the annual budget.

The impacts of service reviews and the approach to employee cost management were highlighted to be included, along with the impacts of technology and the pending enterprise systems review.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the contents of this report in relation to the long-term Financial Strategy update.

AUD007-25 Compliance Update
(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit Risk and Improvement Committee (ARIC) receive and note the Compliance update and statistical data for end of Quarter 2, 2024/2025.

DISCUSSION:

The Head of Corporate Governance and Risk provided members an update of the compliance activities across Council, including a revision of obligations with relevant staff against OLG

requirements (as per the calendar of compliance). The Register of Registers with responsibilities was also noted including items that were pending updates.

The Committee requested that any other significant conduct related complaint statistics be included in future reports where applicable.

COMMITTEE RECOMMENDATION:

- a) That the Audit Risk and Improvement Committee (ARIC) receive and note the Compliance update and statistical data for end of Quarter 2, 2024/2025.
- b) That future reports include statistical information on referrals from referral agencies that have a significant impact on ARIC responsibilities.

AUD008-25 Enterprise Risk Management
(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Enterprise Risk Update Report.

DISCUSSION:

The Head of Corporate Governance and Risk provided a update on Enterprise Risk Management including the incorporation of new risk categories. It was also noted that during the annual risk review there were more risks identified and an increase in risks outside appetite. Treatment plans have been actioned and the Executive Team receives a report regularly. The maturity of risk management in the organisation was noted as a driver for the number of risks identified.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receive and note the Enterprise Risk Update Report.
- (b) That the adopted Risk appetite statement be uploaded to the ARIC HUB.

AUD009-25 Fraud and Corruption Control Update
(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Fraud and Corruption Control update.

DISCUSSION:

The Head of Corporate and Governance and Risk provided an update of Fraud and Corruption Control activities including training provided with more to be organised through the ICAC once available.

There were no notifications of potential or actual fraud in the last quarter. The Fraud and Corruption Control Action Plan was noted as a large piece of work that has been allocated resourcing to uplift and oversight compliance (so as to align to the ICAC best practices).

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receive and note the Fraud and Corruption Control update.

AUD010-25 Governance Update - Quarterly Report Q2 FY24/25
(Report by Head of Corporate Governance and Risk)

RECOMMENDATION:

That the Audit Risk and Improvement Committee (ARIC) receive and note the Governance Report for end of Quarter 2 2024/25.

DISCUSSION:

The Head of Corporate Governance and Risk provided an update on Governance and Quarterly Report for Q2 FY24/25. Of note was the increase in GIPA applications and will exceed last year's amount.

One suppression order had been received, researched and submitted to the GM for consideration. There will be one restraint order applied for after an applicant had made 31 applications to Council.

The area of conflicts of interest will be shortly receiving an uplift project to centralise declarations.

The Committee discussed the inclusion of a benefits realisation component in projects, the use of external project management resourcing and the extent of utilising a standard template approach to projects.

COMMITTEE RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee (ARIC) receive and note the Governance Report for end of Quarter 2 2024/25.
- (b) That a benefits realisation process be included in the Project Management project.
- (c) That a review date be included with each Policy.
- (d) That the ARIC regards the Project Management Guidelines as an important piece of work and commend management on its development.

AUD011-25 People and Culture Metrics Report - Q2 - FY2024/25.
(Report by Chief People Officer)

RECOMMENDATION:

That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q2 FY2024/25.

DISCUSSION:

The Chief People Office provided an update on People and Culture Metric Report for Q2 – FY2024/25.

The Committee discussed the benefit of comparative information through data based around rolling averages. A request for the current vacancy rate was taken on notice.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk, and Improvement Committee (ARIC) receives and notes the People and Culture Metrics Report Q2 FY2024/25.
- (b) That future metric reports include rolling annual average statistics in relation to staff turnover, annual vacancy rates and sick leave.

AUD012-25 Councillors' Expenses Claims Review (1 July 2024 to 31 December 2024)
(Report by Executive Assistant to General Manager)

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 2024 to 31 December 2024, 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:

No discussion.

COMMITTEE 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 2024 to 31 December 2024, 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.

AUD013-25 2023/24 Annual Report and State of Our City Report 2021-2024
(Report by Integrated Planning and Reporting Officer)

RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the 2023/24 Annual Report and State of our City Report for the 2021-2024 Council term.

DISCUSSION:

No discussion.

COMMITTEE RECOMMENDATION:

That the Audit, Risk and Improvement Committee (ARIC) receives and notes the 2023/24 Annual Report and State of our City Report for the 2021-2024 Council term.

AUD014-25 Service Review Update
(Report by Integrated Planning and Reporting Officer)

RECOMMENDATION:

- (a) That the Committee note the progress of the Service Review Program.
- (b) That the Committee note the service reviews for 2024-29 commenced in March 2025.

DISCUSSION:

The Integrated Planning and Reporting Officer provided an update on the status of Service Reviews including the framework, the review template, the prioritisation matrix, service catalogue and the list of prioritised review program adopted by the Executive, as previously requested, and contained in the attachments to the report.

The Committee raised the point of business units that operate within budget could still be reviewed. The notion of independence was highlighted to be included with panel members

reviewing any service. It was confirmed that all reviews will be presented to both the Executive and the ARIC. The recommendations include the consideration of Council that these will also be tabled at Council so the governing body can make decisions about service provision.

COMMITTEE RECOMMENDATION:

- (a) That the Committee note the progress of the Service Review Program.
- (b) That the Committee note the service reviews for 2024-29 commenced in March 2025.

AUD015-25 Internal Audit Plan 2024-2028 Status Update
(Report by Chief Audit Executive)

RECOMMENDATION:

That the status of the Internal Audit Plan for 2024-2028 be received and noted.

DISCUSSION:

The Chief Audit Executive provided an update on the status of the Internal Audit Plan 2024-2028 with highlights of completed audits (Commercial Property review), audit in progress (Asset Management Maturity review and the ELE audit) and audits yet to commence (namely the capital works procurement audit). The budget for external provided audit items will be reviewed as part of the Q3 QBRS and reported back to the ARIC in June 2025.

COMMITTEE RECOMMENDATION:

- (a) That the status of the Internal Audit Plan for 2024-2028 be received and noted.
- (b) In future the scope of internal audits be circulated to ARIC members prior to their commencement.

AUD016-25 Status of Overdue Internal Audit Recommendations
(Report by Chief Audit Executive)

RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.
- (b) That the ARIC approve the nominated extension to audit recommendation Due Date contained in the report.

DISCUSSION:

The Chief Audit Executive provided an update of the Status of Overdue Internal Audit Recommendations, including current status of the replacement programs for both light and heavy fleets, the proposed restructure and the priority to review the previous fleet reports recommendations by the new Fleet Manager.

COMMITTEE RECOMMENDATION:

- (a) That the Audit, Risk and Improvement Committee (ARIC) receives and notes the report on the status of internal audit recommendations.
- (b) That the ARIC approve the nominated extension to the outstanding audit recommendation due date contained in the report for the Sand Souci Leisure Centre review.
- (c) That the ARIC note the verbal update provided by the Director Assets & Infrastructure and the Acting Manager City Operational Services on Fleet.

AUD017-25 Independent Information Security Audit Program 24/26 Internal Network & Wireless Penetration Testing

(Report by Chief Information Officer)

RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee (ARIC) receive and note the Independent Internal Network and Wireless Penetration Testing Report.
- (b) That the ARIC acknowledges the proactive work undertaken to date, as highlighted in the audit, which shows that Georges River Council faced fewer security threats compared to Nexon's other council clients.

DISCUSSION:

Chief Information Officer provided an update on Independent Information Security Audit Program 24/26 Internal Network and Wireless Penetration Testing with results was in line with industry benchmarks. The CIO noted a focus on resolving high risk recommendations.

COMMITTEE RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee (ARIC) receive and note the Independent Internal Network and Wireless Penetration Testing Report.
- (b) That the ARIC acknowledges the proactive work undertaken to date, as highlighted in the audit, which shows that Georges River Council faced fewer security threats compared to Nexon's other council clients.
- (c) That the Audit Summary for subsequent IT reports be included as the first attachment after the Council Officer report.
- (d) That in future the results of IT audits be reported to the ARIC in summary form in a non-technical language.

AUD018-25 Update on Local Infrastructure Contributions Income, Expenditure and Contributions Plan Review

(Report by Senior Development Contributions Planner)

RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee receive and note the:
 - (i) Programmed expenditure and estimated revenue of local infrastructure contributions over the next four years,
 - (ii) Actions being investigated to facilitate an increase in expenditure, and
 - (iii) Project plan for the review of the *Georges River Council Local Infrastructure Contributions Plan 2021 (Section 7.11 and Section 7.12)* (The GRC Plan).
- (b) That an analysis of local infrastructure contributions is prepared for the Audit, Risk and Improvement Committee annually following the completion of the annual report

DISCUSSION:

The Senior Development Contribution Planner provided an update to the ARIC on the Local Infrastructure Contributions including income, expenditure and the contributions plan review. Recent information gathered after writing of the report was also highlighted to the ARIC, namely discussion with the working party and the inclusion of funding as part of the draft 2025/26 budget.

The Committee also requested the possibility of more detail in the four (4) year program financial data and the Director Business and Corporate Services noted the OLG request for submissions to the proposed changes to QBRS reporting which will cater for additional information.

COMMITTEE RECOMMENDATION:

- (a) That the Audit Risk and Improvement Committee receive and note the:
 - (i) Programmed expenditure and estimated revenue of local infrastructure contributions over the next four years,
 - (ii) Actions being investigated to facilitate an increase in expenditure, and
 - (iii) Project plan for the review of the *Georges River Council Local Infrastructure Contributions Plan 2021 (Section 7.11 and Section 7.12)* (The GRC Plan).
- (b) That an analysis of local infrastructure contributions is prepared for the Audit, Risk and Improvement Committee annually following the completion of the annual report.
- (c) That quarterly reports commence at the beginning of the 2025/26 financial year and include a 4-year summary of forecast income, expenditure and balances.

AUD019-25 Issues and Actions taken to Manage Reputational Risks associated with Development Assessment Timeframes
(Report by Manager Development and Building)

RECOMMENDATION:

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

DISCUSSION:

The Manager Development and Building and the Director Environment and Planning provided an overview of the issues and actions taken to manage reputational risks associated with development assessment timeframes. It was acknowledged that improvements will not probably take effect until the next FY. On the morning of the ARIC meeting there was a meeting with Council Officers and the State Government on process improvement and options that may be available to Council to address issues.

While there are process changes being considered there was discussion about approaching the issue of "old" DA's and "baby" DA's and addressing either will not immediately fix the problem.

The Director and Manager will work on an action plan to achieve compliance with the State Government requirements, but don't have all the information and factors at hand right now.

COMMITTEE RECOMMENDATION:

- (a) That the Committee note the report on the issues and actions taken to manage reputational risks associated with Development Assessment timeframes.
- (b) That the ARIC receive progress reports at future meetings.

AUD020-25 Update on the Review of Policy on Planning Agreements
(Report by Manager Strategic Planning)

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 December 2025.
- (c) That the review of the *GRC Planning Agreements Policy 2016* be finalised and reported to Council within 6 months of the effective date of the Department of Planning, Housing and Infrastructure's final Practice Note on Planning Agreements.
- (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 December 2025.

DISCUSSION:

The Manager Strategic Planning provided an update on the Review of Policy and Planning Agreements noting the yet to be released practice notes which will inform the draft policy. Once the notes are finalised by the department, this will allow Council to exhibit the policy and finalise the recommendations. This would also flow onto the ICAC recommendations as is the basis of the request to the Committee for an extension to the due dates of audit recommendations.

COMMITTEE 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 December 2025.
- (c) That the review of the *GRC Planning Agreements Policy 2016* be finalised and reported to Council within 6 months of the effective date of the Department of Planning, Housing and Infrastructure's final Practice Note on Planning Agreements.
- (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 December 2025.

GENERAL BUSINESS

Nil

CONCLUSION

The Meeting was closed at 1:53pm

Chairperson

Item: FIN012-25 Quarterly Commercial Property Portfolio Report for Period Ending 31 December 2024

Author: Senior Property Officer

Directorate: Business and Corporate Services

Matter Type: Committee Reports

RECOMMENDATION:

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

EXECUTIVE SUMMARY

1. This report contains information about the properties within the Commercial Property Portfolio including commercial car parking.
2. The table below outlines the performance of the portfolio for the period 1 October 2024 to 31 December 2024.

BACKGROUND

3. This report provides a summary of income performance against budget for Council's Commercial Property Portfolio.

Property Type	No. of Properties /Agreements	No. of Current Vacant Premises	YTD Net Result Actual	YTD Net Result Budget	Variance	Comments
Commercial Properties inc. retail	68	7	\$1,902,679	\$2,026,758	\$124,079 (Unfavourable)	Income is below budget due to a combination of the vacancies and timing of payments.
Commercial Car Parks	7	NA	\$401,423	\$291,467	\$109,955 (Favourable)	Gross income is exceeding the current budget, while costs are marginally over budget. The overall net result remains favourable. Note: A total of 55,454 free 1-hour tickets were issued in Pay and Display car parks.
Footway Trading	125	NA	\$73,009	\$41,200	\$31,809 (Favourable)	Income is outperforming current budget due to proactive renewal process.
Outdoor Furniture Advertising	3	0	\$93,435	\$97,000	\$3,564 (Unfavourable)	Income under budget due to the timing of rental payment
Telecoms	5	0	\$35,210	\$44,800	\$9,589 (Unfavourable)	Income under budget due to the timing of rental payment
Totals	208	7	\$2,505,757	\$2,501,226	\$4,530 (Favourable)	

FINANCIAL IMPLICATIONS

4. Budget variations are summarised in the table above. Overall, the portfolio is performing in line with the total budgeted surplus of \$2.5 million.

RISK IMPLICATIONS

5. Council's top strategic risk is financial sustainability. The commercial property portfolio offers an additional revenue stream to support community services and infrastructure. By growing the revenue from the Commercial Property Portfolio, Council can reduce its dependence on ratepayers to fund services.

COMMUNITY ENGAGEMENT

6. No community engagement is required for this report.

FILE REFERENCE

D25/96405

ATTACHMENTS

Nil

Item: FIN013-25 **Half Year Progress Report: July 2024 - December 2024**

Author: Integrated Planning and Reporting Officer

Directorate: Office of the General Manager

Matter Type: Committee Reports

RECOMMENDATION:

- (a) That Council receive and note the Half Year Progress Report July 2024 – December 2025 (Attachment 1) of performance made towards Georges River Council's Delivery Program 2022-2026 and Operational Plan 2024/25.
- (b) That a copy of the Half Year Progress Report July 2024 – December 2025 be published on Council's website and a link provided to the Office of Local Government.

EXECUTIVE SUMMARY

1. The Half Year Progress Report July 2024 – December 2025 reports on the performance made towards Georges River Council's Delivery Program 2022-2026 and Operational Plan 2024/25 is submitted for the information of Council.

BACKGROUND

2. Section 405(5) of the *Local Government Act 1993* requires the General Manager to ensure that regular progress reports are provided to the Council on its progress with respect to the principal activities detailed in its Delivery Program, at least every six months.
3. Section 203 of the *Local Government (General) Regulation 2005* requires that a Quarterly Budget Review be considered by Council that shows current estimates for income and expenditure for the year, indicates whether Council's financial position is satisfactory and makes recommendations for remedial action, if required.
4. Council's four-year Delivery Program 2022-2026 and one year 2024/25 Operational Plan sets the strategic and financial objectives of the year. These documents also detail the goals and strategies for Council's six (6) pillars which underpin Council's planning, their relevant performance measures and the projects Council plans to deliver during the four-year period.

Progress against Operational Plan and Delivery Program

5. Attachment 1 includes details for each of the six (6) pillars and the 22 goals, detailing the targets adopted by Council and the performance to date in achieving these targets by 31 December 2024.
6. Progress against Council's four-year Delivery Program 2022-2026 is tracking well with 94% of the Operational Plan items for 2024/25 were either completed or on track and 6% of actions are off track or cancelled.

FINANCIAL IMPLICATIONS

7. Financial results were reported to Council in February 2025 within the Quarterly Budget Review Report for the period ending 31 December 2024.

RISK IMPLICATIONS

8. Strategic Risk 7: Ineffective Governance identified “Failure of Council’s Governance and Compliance Frameworks to ensure compliance with relevant legislative, statutory, regulatory and policies and procedures and which is not being monitored across the organisation”.
9. This report seeks Council’s endorsement of the Progress Report which is a requirement under Section 405(5) of the *Local Government Act 1993*.


COMMUNITY ENGAGEMENT

10. No community consultation is required as a result of this report. Members of the community are able to attend and address Council in relation to this matter in accordance with Council’s Code of Meeting Practice. A copy of the Half Year Progress Report July 2024 – December 2024 will be published on Council’s website for the information of the community.

FILE REFERENCE

D25/104625

ATTACHMENTS

Attachment 1  Attachment 1 - Half Yearly Progress Reports 2024-25 - *published in separate document*

Item: FIN014-25 Reappointment of Independent Member to the Audit Risk and Improvement Committee

Author: Chief Audit Executive

Directorate: Office of the General Manager

Matter Type: Committee Reports

RECOMMENDATION:

That Council reappoint Mr Cliff Haynes as an independent member and chairperson to the Audit, Risk and Improvement Committee (ARIC) in accordance with the Audit, Risk and Improvement Committee Terms of Reference, for a four (4) year period ending to 22 March 2029.

EXECUTIVE SUMMARY

1. The NSW Local Government Internal Audit and Risk Management Framework Guidelines mandated by the Office of Local Government (OLG) requires councils to establish an Audit, Risk and Improvement Committee (ARIC) that comprises of a chairperson, at least 2 independent members and one councillor (as a non-voting member).
2. The term for Mr Cliff Haynes as an independent Audit Risk and Improvement Committee (ARIC) member and (later) chairperson commenced 22 March 2021.

BACKGROUND

3. The Audit, Risk and Improvement Committee (ARIC) of Georges River Council commenced in October 2016, replacing the former Audit and Risk Management Committee of the Hurstville Council.
4. Since 2023, the ARIC responsibilities, functions and operations have been governed by the Audit, Risk and Improvement Committee Terms of Reference (adopted by Council under CCL068-23) which replaced the existing ARIC Charter as required by the Guidelines.
5. Council acknowledges the criteria to be met under Section 216E of the Amendment to the Local Government (General) Regulation 2012 for eligibility for appointment as an independent member, being:

“A council must not appoint a person as an independent member of the councils Audit, Risk and Improvement Committee unless the council is reasonably satisfied the person—

(a) is able to read and understand financial statements, and

(b) is able to understand the ethical requirements of government, including conflicts of interest, and

(c) is able to form independent judgements, and

(d) is willing to constructively challenge and question management practices and information, and

(e) is professional and ethical in the exercise of the person’s duties, and

(f) is able to devote the necessary time and effort to the person's functions as a member of the committee, and

(g) has knowledge in one or more of the following that is relevant to the person's role on the Audit, Risk and Improvement Committee—

- (i) risk management,*
- (ii) performance management,*
- (iii) human resources management,*
- (iv) internal and external auditing,*
- (v) financial reporting,*
- (vi) accounting,*
- (vii) management control frameworks,*
- (viii) internal financial controls,*
- (ix) governance of organisations,*
- (x) business operations, and*
- (h) is independent of the council.”*

6. The following current members are appointed by Council:
 - (a) Mr Cliff Haynes
 - (b) Mr Barry Husking
 - (c) Mr Hamish McNulty
7. Initial terms for appointment are generally no more than four (4) years with a further reappointment term of four (4) years allowed but total ARIC membership is not to exceed eight (8) years in any ten (10) year period. This limitation is stated in the Guidelines.
8. Prior to approving the reappointment or extension of the chairperson or an independent member's term, the governing body of the council must undertake an assessment of the chairperson's or committee member's performance (as per the Guidelines).
9. In undertaking the assessment, the other independent members, the (non-voting) councillor member and the General Manager must be consulted to consider their views on the reappointment.
10. A question-based assessment was used to satisfy the Guideline requirements (see Attachment 1) which, amongst other factors, considers the following:
 - (a) Appropriate level of relevant skills, knowledge and experience
 - (b) Independence
 - (c) Understanding of role and responsibilities
 - (d) Understanding of Council's operating framework, mechanisms, accountabilities, and performance
 - (e) Understanding of significant financial reporting risks
 - (f) Understanding of Council's risk management framework and risk culture
 - (g) Attendance

- (h) (for the chairperson) leadership qualities, run effective meetings, monitoring and overseeing the internal audit function
 - (i) (for the chairperson) provision of the ARIC Annual Report to Council
11. The reappointment of the chairperson or an independent committee member is also subject to that person still meeting independence and eligibility requirements.
 12. The assessment was undertaken by the other two (2) independent members, the General Manager and the (non-voting) councillor member. Positive feedback from the results and the independence and eligibility requirements being met, support the recommendation to reappoint Mr Haynes for another four (4) year term until 22 March 2029.

FINANCIAL IMPLICATIONS

13. No budget impact for this report.

RISK IMPLICATIONS

14. Ineffective Governance - Strategic Risk 7: Failure of Council's Governance and Compliance Frameworks to ensure compliance with relevant legislative, statutory, regulatory and policies and procedures and which are not being monitored across the organisation. In NSW, the Office of Local Government mandates all councils establish an Audit, Risk, and Improvement Committee (ARIC) and establish an internal audit function.

COMMUNITY ENGAGEMENT

15. Community engagement was not required for this report.

FILE REFERENCE

D25/113273

ATTACHMENTS

Attachment [↓](#)1  Assessment for the Reappointment of Independent Member and Chairperson Mr Cliff Haynes to the ARIC

Assessment for the Reappointment of Independent Member / Chairperson to the ARIC

Reference	Question	Assessor 1	Assessor 2	Assessor 3	Assessor 4
		Y/N	Y/N	Y/N	Y/N
1.1	The member possesses an appropriate level of relevant skills, knowledge and experience that align to Council's requirements.	Y	Y	Y	-
1.2	The member is independent to the Council and the governing body.	Y	Y	Y	-
1.3	The member understands the role definitions, committee and other structures which support effective discharge of their responsibilities, decision reporting.	Y	Y	Y	-
1.4	The member understands their responsibilities regarding identifying, declaring and resolving conflicts of interest.	Y	Y	Y	-
1.5	The member has a clear understanding of what is expected of them in their role.	Y	Y	Y	-
1.6	The member attends committee meetings and makes valuable contributions.	Y	Y	Y	-
1.7	The member acts in an inclusive and respectful manner and provides an appropriate balance between challenge and support.	Y	Y	Y	-
1.8	The member understands the Council's operating framework, including the organisation's purpose.	Y	Y	Y	-
1.9	The member understands the mechanisms which ensure effective organisational accountability, performance and risk management.	Y	Y	Y	-
2.0	The member understands how appropriate ethics and values are promoted within the organisation.	Y	Y	Y	-
2.1	The member understands how management information is communicated to the governing body and other appropriate areas of the organisation.	Y	Y	Y	-
2.2	The member understands the organisation's strategies, operating environment and the associated risks to executing the strategies.	Y	Y	Y	-
2.3	The financial reporting expertise held by the member is relevant and appropriate to the significant financial reporting risks of the organisation – particularly in respect of any complex estimates or judgements, standards and transparency to users of financial reporting.	Y	Y	Y	-
2.4	The member understands and challenges the risk management framework and the assignment of responsibilities.	Y	Y	Y	-
2.5	The member promotes the importance of a positive risk culture in the organisation	Y	Y	Y	-
Chairperson Specific Questions					
2.6	The Chair possesses leadership qualities and leads effective committee meetings.	Y	Y	Y	-
2.7	The Chair ensures that the ARIC oversees Council's internal audit function.	Y	Y	Y	-

Reference	Question	Assessor 1	Assessor 2	Assessor 3	Assessor 4
		Y/N	Y/N	Y/N	Y/N
2.8	The Chair is clear on the type of skills and experience should be sought in any new member.	Y	Y	Y	-
2.9	If any conflicts of interest are identified, the Chair is effective in ensuring the associated risks are effectively managed and continually monitored.	Y	Y	Y	-
3.0	The Chair has an effective system for monitoring management's progress with audit recommendations.	Y	Y	Y	-
3.1	The Chair provides an Annual Report to the governing body.	Y	Y	Y	-

Overall Comments received:

> The Chair provides excellent leadership to Council's ARIC, provides valuable suggestions to Council officers and effectively monitors progress with implementation of ARIC recommendations.

> I am happy to support reappointment of the Current Chair of ARIC.

> I support the reappointment of Cliff Haynes as an independent member and chairperson to the Georges River Council ARIC, acknowledging his experience, skill and advice to Council and staff during his initial tenure.

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.

FIN013A-25 Property Matter - Open Space Land Acquisition of 15 Keith Street Peakhurst

(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.