

MINUTES

Meeting Name	Audit Risk & Improvement Committee	
Date	Thursday, 6 October 2022	Time: 5:00pm
Venue	Level 12 Boardroom MS Teams (remote/person)	
Attendees	<u>Committee Members:</u> Chairperson - Dr Col Gellatly Independents - David Pendleton & Jesse Jo <u>Council Staff:</u> Bryan Hynes (Acting CEO) John Angilley (ED Finance and Information) Bruce Ferguson (Manager Risk & Audit) Amit Sharma (Financial Planning & Analysis Manager) Aigul Utegenova (Financial Accounting & Treasury Manager) Steven Unkovic (Coordinator Audit & Risk) <u>NSW Audit Office:</u> Nirupama Mani, Director Ali Amjad (Audit Manager)	
Minute taker	Vandana Saini	
Apologies	DLM Councillor Sameer Pandey Councillor Michelle Garrard Mark Griffiths, BDO Partner Robert Malcomson, BDO Senior Manager	

1. Acknowledgment of Traditional LandOwners

The Chair acknowledged the traditional owners of the land of Parramatta.

2. Meeting Opening and Apologies

The Chairperson welcomed everyone to the meeting.

Apologies were received and noted for Deputy Lord Mayor Clr Pandey and Clr Garrard.

3. Declarations of Interest

There were no conflicts of interest declared at this meeting.

4. Presentation of Draft 2021-22 Annual Financial Reports

ADDITIONAL INFORMATION TO THE ACCOUNTS

John Angilley distributed a hard copy of additional information to the accounts.

The additional information included responses to queries submitted by the Committee as well as a reconciliation between final and management accounts, a year-on-year analysis and variance to budget (over 10% tolerance) and issues which had major impacts on the accounts.

Major impacts included car parking and fines, the flow on effects of COVID, interest income and the Parramatta Light Rail including the Horwood Place acquisition. There was also a significant reduction in employee leave provisions due to directorate restructures and payouts on terminations.

PRESENTATION OF ANNUAL ACCOUNTS BY JOHN ANGILLEY

John Angilley presented the accounts on a page-by-page basis answering any questions from the Committee. Matters raised included:

- The Basis of Preparation statement will be updated for indexation in the final copy of the accounts to be distributed to the Committee.
- There was a query asking the last time Grants received had been audited. Steve Unkovic responded that this had not been audited in the last 6 years and Bruce Ferguson added that only Grants given have been subject to regular audit.
- The chair requested a reconciliation between developer contributions per note B2-4 (p26) and note g4-1 (p80).
- John Angilley indicated that further work going forward was required to determine what part of the \$113M shown on note C1-3 as Unrestricted and Unallocated Cash was actually “free cash”.
- There was discussion regarding the current / non-current classification of the receivables from the sales of 6 and 8 Parramatta Place.
- The decrease in employee leave provisions was noted as due to due to restructures and payouts on terminations.
- There was a query regarding the provision for asbestos remediation and why there appeared to little reduction on the provision. Bruce Ferguson indicated that the responsible officer would be asked to attend the next ARIC meeting.
- There was discussion regarding the rates moratorium and efforts to collected longer outstanding rates debts.

The Committee expressed thanks to John and his team for the excellent work in the preparation of the accounts and follow up of queries raised.

ACTIONS:

1. Chair to be provided a reconciliation between developer contributions per note B2-4 (p26) and note g4-1 (p80).
2. Officer responsible for monitoring asbestos remediation to attend the next ARIC meeting.

5. Report from the Audit Office

ENGAGEMENT REPORT

We have audited the General Purpose Financial Statements, Special Purpose Financial Statements, Special Schedule the Roads to Recovery program. We are pleased to inform that we will issue an unqualified opinion on all the engagements.

We have noted a high-risk issue relating to the lack of review of privileged user activity across key business applications. And this is something we will we plan to report in the report on conduct of the audit. This is an issue which has been in the management letter for over three years and is quite significant. This will be included in the report on conduct of the audit.

The Audit Office indicated they were comfortable with the accounting treatment of the Horwood Place acquisition.

As the report had only been sent to the Chair, the report was emailed to the remaining ARIC members during the meeting.

INTERIM MANAGEMENT LETTER

It was highlighted there were no high-risk matters reported in the letter. There were no new issues identified during the interim planning and interim phase of the audit. All the issues reported are repeat issues with three assigned as moderate risk matters. These related to no formal policy around developer contribution, reconciliation between Tech one GIS online and pathways for land assets and asset management system for bridges

The Chair thanked Nirupama Mani for the presentation and the reports.

UPDATE AND ENDORSEMENT OF THE ACCOUNTS BY ARIC

John Angilley indicated that the required changes to the account would be made and circulated to the Committee on Monday 10 October to endorse out of session.

The Chairperson thanked all Committee members and staff for attendance.

Meeting closed at 6:00pm.

Next meeting: 17 November 2022