

9.2. Audit, Risk and Improvement Committee Minutes - 13 October 2023

AUTHOR	Ian Curry, Manager Council & Committee Services
ENDORSED BY	Emma FitzRoy, Acting Director Corporate Support
ATTACHMENTS	1. 13 October ARIC Minutes [9.2.1 - 4 pages]
CSP LINK	5. Our Civic Leadership 5.2 Strong civic leadership and customer focussed services

PURPOSE:

The purpose of this report is to enable Council to consider the Minutes of this Committee as required under the Audit, Risk, and Improvement Committee Charter.

EXECUTIVE SUMMARY:

- This report presents the recommendations of the meeting of the Audit, Risk and Improvement Committee held on 13 October 2023 for Council adoption. The minutes are attached for information.
- There are no items from the meeting for Council determination.

RECOMMENDATION:

1. THAT the Minutes of the Audit, Risk and Improvement Committee meeting held on 13 October 2023 be adopted in accordance with the Audit, Risk and Improvement Committee Charter.

Background

In accordance with the Audit, Risk & Improvement Committee Charter:

7. REPORTING The endorsed Minutes of the Committee Meetings will be submitted to the next available Council meeting for adoption subject to any confidentiality requirements of specific items.

Report

The minutes of the 13 October 2023 meeting have been endorsed by the Chair and were reported to the Committee meeting on 10 November 2023. These minutes are attached and provided to Council in accordance with the Audit, Risk and Improvement Committee Charter.

Consultation requirements

Community engagement is not required.

Financial/Resource Implications

There are no financial implications to this report.

Legislation

Under section 428A of the *Local Government Act 1993*, all councils (including county councils) and joint organisations are required to have an ARIC or to have entered into an arrangement with another council or joint organisation to share an ARIC from 4 June 2022. Council is compliant with this requirement.



MINUTES

The Minutes of the **Audit, Risk & Improvement Committee Meeting** held in the Supper Room of North Sydney Council Chambers, 200 Miller Street, North Sydney at 10.00am Friday 13 October 2023.



1. Opening Meeting

At the commencement of business 10.00am, those present were:

Chair and Independent Member Brian Hrnjak
Councillors Beregi and Welch
Independent Member Rhonda Wheatley (remotely)

Karen Taylor, Director - Financial Audit – Audit Office of NSW

Alex Hardy, Prosperity Audit Services (remotely)

Staff members: Therese Manns (General Manager), Luke Harvey (Director Corporate Support), Christian Menday (Manager Financial Services) and Ian Curry (Manager Council and Committee Services).

The meeting was opened by the Chair.

The Chair welcomed Cr Welch to her first meeting of the Committee

Cr Welch gave the Acknowledgement of Country

2. Apologies

The Chair advised that Ron Switzer had indicated his inability to attend the Committee meeting on 13 October 2023

3. Disclosures of Interest

There were no declarations of interest

4. Confirmation of Minutes

The Minutes of the previous meeting held 28 July 2023 were taken as read and confirmed.

The Motion was moved by Brian Hrnjak and seconded by Rhonda Wheatley.

Voting was as follows:

For/Against 4 / 0

For: Councillor Beregi, Brian Hrnjak, Councillor Welch, and Rhonda Wheatley

Against: Nil

Absent: Nil

5. Reports

5.1. Draft Financial Statements for the Year Ended 30 June 2023

AUTHOR	Christian Munday, Manager Financial Services
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PURPOSE:

To present the draft Financial Statements for the Year Ended 30 June 2023 to the Committee for independent assessment and feedback.

CHARTER

This report is provided to the Committee in accordance with the following requirement under the Committee Charter:

Provision 6.6 of The North Sydney Council Audit, Risk and Improvement Committee Charter sets out the roles and responsibilities of the Committee in relation to external audit and requires an independent assessment and feedback of the Financial Statements.

The External Auditor's report will be incorporated into the Financial Statements when they are presented to Council on 23 October 2023.

EXECUTIVE SUMMARY:

- The Income Statement discloses a net operating surplus of \$24.5 million. This was \$14.5 million more than the \$8.0 million surplus forecast in the original budget.
- The net operating surplus before Capital Grants and Contributions is a deficit of \$2.3 million compared to a balanced result in the original budget. This was impacted by a reduction in value of \$2.7m for Council's Investment Properties.
- The Operating Performance Ratio (which excludes the non-cash item reduction in value of Investment Properties and Loss on Disposal of Assets) is positive, indicating Council controlled expenses within its income.
- The effects of a trend to higher depreciation expenses was offset by increased parking related income and interest income. Increased depreciation will need to be addressed in Council's future strategic documents.
- Council's financial position as at 30 June 2023 is sound.

RECOMMENDATION:

1. THAT the Financial Statements for the Year Ended 30 June 2023 be considered by the Committee.

A Motion was moved by Councillor Welch and seconded by Rhonda Wheatley.

1. THAT the Financial Statements for the Year Ended 30 June 2023 be endorsed by the Committee and recommended to Council.

The Motion was put and **carried**

Resolved to Recommend:

1. THAT the Financial Statements for the Year Ended 30 June 2023 be endorsed by the Committee and recommended to Council.

Voting was as follows:

For/Against 4 / 0

For: Councillor Beregi, Brian Hrnjak, Councillor Welch, and Rhonda Wheatley

Against: Nil

Absent: Nil

GENERAL BUSINESS

Draft Engagement Closing Report for the year ended 30 June 2023

Karen Taylor and Alex Hardy gave the Committee members a run through of the Draft Engagement Closing Report and answered questions on matters raised.

The Committee noted the verbal updated on the Draft Engagement Closing Report.

Next Meeting

As Rhonda Wheatley is not available to attend the next scheduled meeting of the Committee on Friday 3 November 2023, it was agreed that this meeting would now be held on Friday 10 November 2023.

6. Closure

The Meeting concluded at 11.00am.

At the conclusion of the meeting, the ARIC members moved into an in camera session with the external auditors, as part of the Committee's annual task list.