



WAVERLEY
COUNCIL

**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD AT THE BOOT FACTORY, SPRING STREET, BONDI JUNCTION ON
THURSDAY, 20 MARCH 2025**

Members Present:

John Gordon (Chair)	Independent Member
Sheridan Dudley	Independent Member
Elizabeth Gavey	Independent Member
Cr Joshua Spicer	Councillor Member (non-voting)

In Attendance:

Emily Scott	General Manager
Sharon Cassidy	Director, Assets and Operations
Tara Czinner	Director, Corporate Services
Fletcher Rayner	Director, Planning, Sustainability and Compliance
Ben Thompson	Director, Community, Culture and Customer Experience
Manuel Moncada	Director, Financial Audit, Audit Office of NSW (item 5.2)
Jarrold Lean	Internal Auditor (Partner, Risk Consulting, Grant Thornton Australia)
Richard Coelho	Executive Manager, Governance
Rodhan Haughton	Acting Executive Manager, Major Projects (item 5.5)
Shelby Lee	Acting Executive Manager, People and Culture (item 5.9)
Teena Su	Executive Manager, Finance
Kevin Trinh	Acting Chief Information Officer (item 5.6)
Carol Jones	Manager, Work Health and Safety (item 5.9)
Sneha Sabu	Corporate Planning and Reporting Coordinator (item 5.4)
Lucinda Webb	Committee Secretary

Prior to the commencement of the meeting, the Manager, Information Services, gave a presentation to the ARIC members on records and privacy.

At the commencement of proceedings at 9.00 am, those present were as listed above.

ACKNOWLEDGEMENT OF INDIGENOUS HERITAGE

The Chair read the following Acknowledgement of Indigenous Heritage:

The Waverley Audit, Risk and Improvement Committee respectfully acknowledges the Indigenous heritage and recognises the ongoing Aboriginal traditional custodianship of the land which forms the Waverley local government area.

1. Apologies

There were no apologies.

2. Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and the following were received:

- 2.1 Elizabeth Gavey advised the Committee that she has been appointed as chair of the Audit and Risk Committee of the Audit Office of NSW.
- 2.2 Elizabeth Gavey advised the Committee that she has retired from the Audit, Risk and Improvement Committee of Camden Council.
- 2.3 John Gordon reminded members that he is a member of the Audit and Risk Committee for the NSW Department of Education which acts as a regulator for early childhood education in NSW.

3. Confirmation of Minutes

**ARIC/3.1/25.03 Confirmation of Minutes - Audit, Risk and Improvement Committee Meeting
- 21 November 2024 (A25/0077)**

DECISION

That the Committee confirms the minutes of the Audit, Risk and Improvement Committee meeting held on 21 November 2024 as a true record of the proceedings of that meeting.

DISCUSSION

The Committee thanked the former chair, Elizabeth Gavey, for her work as chair over the past five years. The Committee welcomed the new chair, John Gordon.

4. Actions from Previous Meetings

ARIC/4.1/25.03 Actions from Previous Meetings (SF25/660)

DECISION

That the Committee:

1. Notes the status of the actions from previous meetings as at 20 March 2025 attached to the report.
2. Requests that:
 - (a) A time frame and comments be added to action items marked as 'on track.'
 - (b) Reports to the Committee consider improvements in strategic planning, service delivery and performance.

DISCUSSION

The Committee discussed the following matters:

- Action items marked as 'on track' in the table attached to the report should have a time frame and comments provided alongside them where possible.
- The timing of items 3 and 9 in the table is to be specified as 'next meeting' and the 'last meeting of the year' respectively.
- Item 10 can be closed and taken off the table.
- The difference between the Committee noting matters (no action), requesting Council to consider something (suggestion only) and requesting Council to take action (expectation that it is done) was clarified for future recording against action items.
- Reports to the Committee should consider referencing improvements in strategic planning, service delivery and performance, as per the ARIC Terms of Reference.

5. Reports

ARIC/5.1/25.03 General Manager's Update (SF25/658)

DECISION

That the Committee notes the General Manager's verbal update provided at the meeting.

DISCUSSION

The General Manager provided a verbal update to the Committee. The key topics discussed were as follows:

Risk Appetite Statement (RAS)

- RAS endorsed by the Executive Leadership Team (ELT) and ARIC presented to a Councillor workshop in February 2025 with Grant Thornton.
- Circulated for feedback and comment following workshop.
- Endorsed by Council on 17 March 2025.
- Next steps: undertake a review of the Strategic Risk Register and Operational Risk Registers.

Eastern Beaches Security Review update

- Council resolution CM/6.2/24.10 (29 October 2024):
 - In conjunction with the police and other agencies, Council undertakes an immediate security assessment that includes but is not limited to:
 - Identifying locations of vulnerability.
 - Examining the suitability of installing additional and/or higher specification CCTV cameras in specific locations.
 - Other security measures as identified within the security assessment.
- Previous work:
 - Federal Government Strategy for Protecting Crowded Places (2017).
 - Hostile Vehicle Assessment completed by Council in 2018-19.
 - Hostile Vehicle Mitigation Protection Framework: engineering design for public safety measures.
 - Safety by Design in Public Places – Completed projects:
 - Bondi Beach.
 - Bondi Park.
 - Oxford Street Mall.
- Objective:
 - Develop a regional approach to public space crowd safety across the Eastern Suburbs of Sydney.
 - Support community with base-level resources.
- Scope of works:
 - Engage with key stakeholders to review existing risk assessments and confirm if any gaps can be addressed by a Council-run project.
 - Independent threat, vulnerability and risk assessment.
 - Assess areas of the public realm in the vicinity of nominated sites.
 - Review plans and measures in place.
 - Report on detailing findings and recommended control measures to mitigate any identified risks.
 - Staged roll out
 - Starting with community areas being disproportionately affected.
 - Review of key crowded spaces to follow.
- Regional partnership with Waverley, Randwick, and Woollahra confirmed.
- General Managers have engaged with Multicultural NSW to discuss partnership and funding opportunities.
- Engagement with NSW Police - Assistant Commissioner Mark Walton.
- Preliminary engagement with NSW Police – Eastern Suburbs Police Area Command (PAC).
- Request for quotation for public space crowd safety review completed.
- Associated projects:
 - CCTV Review.
 - Mayor’s Roundtable on Social Cohesion.
 - Mayoral Antisemitism Consultation Roundtable.
- Next steps:
 - General Managers from Waverley, Randwick and Woollahra to engage and consult with NSW Police Eastern Beaches and Eastern Suburbs PAC to confirm the need and/or

- scope for risk assessments – February 2025.
- Councils to meet with the Jewish Board of Deputies and Community Security Group NSW to discuss existing risk assessments and confirm any gaps that could be addressed by a Council-run project – March 2025.
- Continue to work with NSW State Government including Multicultural NSW to discuss funding opportunities.
- Scope and develop an Eastern Suburbs engagement program in partnership with Multicultural NSW, to promote social cohesion and multi-faith dialogue.

Community Strategic Plan

- Objective is to engage our community on issues and priorities for the future of our local government area.
- Integrated Planning and Reporting Framework (IP&R).
- Community engagement to support preparation of:
 - Community Strategic Plan (10 years).
 - Delivery Program (4 years).
 - Operational Plan (1 year).
 - Resourcing Strategies – Strategic Asset Management Plan (10 years) and Long Term Financial Plan (10 years).
 - Other strategies – Environment Action Plan (four years).
- Issues:
 - Affordable housing.
 - Local economy, tourism, night-time economy, local business.
 - Maintenance of public infrastructure.
 - Managing impacts of development.
 - Recreation and open spaces.
 - Sustainable environment.
 - Supporting community wellbeing and strengthening social inclusion, diversity and inclusion.
 - Transport, pedestrians and parking.
- Status and next steps
 - Phase 6: public exhibition - April-May 2025.
 - Phase 7: adoption and publication of documents - June 2025.

AEC Group Councillor briefing – Financial Sustainability Review Stage 2 – 25 February 2025

- Project update:
 - Financial Sustainability Review Stage 1 - Financial Sustainability Assessment completed in September 2024, which included benchmarking, historical performance, cash and restrictions, socioeconomic profile and initial asset management assessment.
 - Financial Sustainability Review Stage 2 – Draft Financial Sustainability Review submitted, including recommended strategies and a projected Financial Plan to improve the long-term sustainability, applying the outcomes of other project components: asset management strategy and waste full cost pricing review.
 - Service Mix/Efficiency Review – Completed analysis and embedded in Financial Sustainability Review. Council to complete recommended Service Profiles and Service Catalogue in near future.
 - Rates modelling – Current structure modelled with further scenario modelling based on potential impact on rates to achieve financial sustainability targets, daily work management full cost position and asset management strategy outcomes.
 - Waste Service Full Cost and Pricing Review – Draft report completed and provided for

- feedback.
- Asset Management Strategy – Completed. AEC finalised the Draft Asset Management Strategy for Council’s consideration.
- Sustainability assessment:
 - Test 1 – Maintaining fiscal capital.
 - Test 2 – Maintaining infrastructure capital.
- Financial sustainability targets:
 - Achieve and maintain an operating surplus of 0.5-1.0%.
 - Maintain a minimum unrestricted cash balance of \$10m-\$15m.
 - Infrastructure renewal ratio of 120% (based on current depreciation expense).
 - Council’s infrastructure backlog is reduced and maintain below 1.0%.
 - Commercial service will provide a minimum return on assets equal to weighted average cost of capital (WACC).

ARIC/5.2/25.03 Audit Office of NSW - Annual Engagement Plan for 2024-25 Financial Year (A24/0933)

DECISION

That the Committee:

1. Notes the Annual Engagement Plan attached to the report for the audit of the 2024-25 financial statements.
2. Receives a report on Council’s assessment of the amendments to Accounting Standard AASB 13 - Fair Value Measurement.

DISCUSSION

The Committee discussed the following matters:

- The key areas of issues and risks for Council were outlined in section 2 of the attachment.
- Council’s infrastructure, property, plant and equipment (IPPE) in relation to stormwater drainage will be revalued this year. Management is confident in the data that will be used for this evaluation, as it is real data based on review of network hotspots.
- There has been an amendment to the Accounting Standard AASB 13 - Fair Value Measurement. Management must perform an impact assessment to assess whether the amendments have any material impact on Council’s current valuation assumptions and processes, as well as assets. The Committee would like to review this assessment.
- There was a change to the timetable in section 6 of the attachment, where Council’s approval of financial statement of lodgement has been revised from 16 September 2025 to 16 October 2025. There will be a slight adjustment to the Audit Clearance meeting date as it is currently scheduled for a public holiday. The rest of the timetable is as planned and agreed.
- The importance of stormwater management methodologies. The Director, Assets and Operations, provided a positive update on the data Council has.

ARIC/5.3/25.03 Quarterly Budget Review (Q2) (SF24/4957)**DECISION**

That the Committee notes that the Q2 budget review was presented to the Council meeting on 18 February 2025.

DISCUSSION

The Committee discussed the following matters:

- Council has increased its reserves by \$300,000.
- The Operating Performance Ratio has improved as part of Q2.
- Management is confident that all the Office of the Local Government (OLG) benchmarks will be met, subject to no unforeseen issues.
- OLG is expected to release a new quarterly budget review statement, likely in the next financial year, which focuses on transparency and accountability.
- Budget reviews should be accessible so that Councillors and the community are well informed. Cr Spicer confirmed that this is the case for Councillors, with management providing helpful snapshots of the information.
- Management is focused on minimising carry over of the budget into the next financial year and has made huge improvements over the last five years.
- A report reviewing the Reserves Strategy is due at the next Committee meeting.

ARIC/5.4/25.03 Delivery Program 2022-26 - Six-Monthly Progress Report (A23/0573)**DECISION**

That the Committee:

1. Notes the six-monthly progress report on the Delivery Program 2022–2026, as set out in the report.
2. Requests Council to consider undertaking an internal audit of the six-monthly progress report process.

DISCUSSION

The Committee discussed the following matters:

- The report has been improved by explaining the documents, making it easier to read.
- The Delivery Program is on track at 12% completion, with no red flags in terms of progress and performance.

- The report notes that 84% of activities are in progress, but this figure is now 87%.
- Without an independent audit, management has been holding each other honest and accountable through peer review and explicitly mentioning any reasons for delay for each relevant activity when tracking progress. The Executive Leadership Team reviews the progress each quarter to enable course correction. The Committee suggested that an internal audit of the process be considered in the future to ensure the rigour of the review process and consistency between departments.

ARIC/5.5/25.03 Capital Works Program - Update (A21/0532)

DECISION

That the Committee:

1. Notes the progress on the Capital Works Program and the update on key projects and Strategic Asset Management Plan programs, as set out in the report.
2. Requests that:
 - (a) The Contract Management Independent Review report be circulated to the independent members.
 - (b) The terms of reference and minutes of the Capital Works Strategic Coordination Group be circulated to the Committee.
 - (c) The terms of reference of the Strategic Property Review Committee and the Capital Works Review Committee be circulated to the Committee.

DISCUSSION

The Committee discussed the following matters:

- The report included two new project status reports, the Strategic Asset Management Plan (SAMP) Road Infrastructure Renewal and the SAMP Building Renewal Program, following the recommendation from the Capital Works Strategic Coordination Group meeting held in February 2025.
- Three key projects are finishing up at the end of the year, namely, the Boot Factory/Mill Hill Community Centre Upgrade, Bondi Park Stage 2 Upgrades and the Clifftop Walkway Upgrade at Diamond Bay.
- In January and February 2025, Grant Thornton performed a Contract Management Independent Review of four subset projects, which showed positive results overall. Improvements to further strengthen compliance were recommended.
- Alongside the Capital Works Strategic Coordination Group, two internal committees with Councillor representation have been established: the Strategic Property Review Committee and the Capital Works Review Committee.
- A wrap-up report on the final position on the Bronte Surf Life Saving Club project is set for April

2025, noting that the project involves a significant public domain element.

- There have been many changes to the Bondi Surf Life Saving Club project, most notably the Club has a completely new board.
- Costs of construction and demand for tradespeople have significantly increased. Management confirmed that there are mechanisms in place to have more certainty around the projected quotes.

ARIC/5.6/25.03 Information Management and Technology - Cyber and Work Program Update (A18/0665)

DECISION

That the Committee:

1. Notes the progress on Council's Cyber Program and ICT Modernisation Program, as set out in the report.
2. Requests Council to consider undertaking an independent review of the ICT Modernisation Program.

DISCUSSION

The Committee discussed the following matters:

- The Office of Local Government's (OLG) Cyber Security Guidelines for Councils were released in January 2025. These guidelines essentially reframe the focus to 'crown jewels' and cyber security standards and controls. Management confirmed that they were aware of these changes since early 2024, so the program deliverables have already been geared to meet the new guidelines.
- The outcomes from the email phishing campaign were noted as positive, with Council establishing a baseline click-rate that was on average below other councils that were using the platform. Management is confident in its cyber security monitoring system, noting that Council has had no significant cyber attacks.
- Cyber will continue to be a standing talking point in this item at Committee meetings.
- The successful delivery of the ICT Modernisation Program to Council's property and rates system, Pathway UX. It was also noted that the Enterprise Resources Planning Project is on track.
- The Committee suggested that an independent review of the ICT Modernisation Program be conducted. Grant Thornton advised that they will take this into consideration when planning the audits for the next financial year.

ARIC/5.7/25.03 Enterprise Risk Management - Update (A17/0245)**DECISION**

That the Committee:

1. Endorses the Principal Business Continuity Plan attached to the report (Attachment 1).
2. Notes that a review of site-specific Business Continuity Plans will be carried out as an ongoing program to address risks associated with critical or disruptive incidents.

DISCUSSION

The Committee discussed the following matters:

- The Principal Business Continuity Plan (BCP) was created to identify and bridge together gaps in Council's process. A crucial amendment is that the Principal BCP now distinguishes between major and minor incidents and the respective decision-makers and processes that follow.
- Now that the framework has been established, the next step is to test it. The Committee raised a concern that the Principal BCP may not adequately consider some incidents such as extreme weather events where contact via phone or the internet might be difficult or completely cut off.

ARIC/5.8/25.03 Governance Report (SF25/662)**DECISION**

That the Committee:

1. Notes the Governance Report.
2. Requests that the delegations register be circulated to the independent members.

DISCUSSION

The Committee discussed the following matters:

- The work on the data breach register is to be commended, noting how it will encourage a culture of reporting.
- The delegations register and the legislative compliance database are separate but related. Directors and Executive Managers who are sub-delegated functions under an Act will also generally be assigned responsibility for that Act in the compliance database.
- Directors and Executive Managers receive automated email updates to the legislation to which they have been assigned via the legislative compliance database. They are responsible for ensuring that they understand the legislation relevant to their delegations and respond to legislative changes, as required. The Governance team does not audit legislative compliance, as this function is performed by internal and external audit, as well as other audit

mechanisms.

ARIC/5.9/25.03 Work Health and Safety Report (A25/0200)

DECISION

That the Committee notes:

1. The Work Health and Safety Report for November 2024 to January 2025.
2. The Psychosocial Action Plan attached to the report (Attachment 1).
3. The Gap Analysis against SafeWork Australia's Model Code of Practice attached to the report (Attachment 2).

DISCUSSION

The Committee discussed the following matters:

- The Work Health and Safety report has significantly improved. It has been refined and provides more data-trend analysis, taking on the recommendations of the Committee.
- The draft Psychosocial Action Plan was created through a process of stakeholder consultation to base the actions on the needs of Council.
- As included in the Psychosocial Action Plan, management must be trained in how to deal with difficult situations. Council is currently in the research stages of procuring external providers to conduct psychosocial training to improve the psychosocial culture within Council. Management noted that in 2022 Council ran performance conversation training for all supervisors and managers across the organisation, which showed positive results. However, there is still work to do to ensure sufficient training, as most psychosocial claims arise out of performance conversations.

ARIC/5.10/25.03 Complaints and Compliments - Quarterly Report (A25/0121)

DECISION

That the Committee notes the quarterly customer experience dashboard for October 2024–December 2024 attached to the report.

DISCUSSION

The Committee discussed the following matters:

- There has been an approximately 20% decrease in complaints logged in Q2 compared to Q1. Compliments logged in Merit also almost doubled over this period.
- There are thorough processes in place to ensure complaints received through different channels are captured, including good communication between the Councillor services team

and Customer Service. Management is therefore confident that all complaints are being captured.

- Night works were a common subject of complaints. The complaints showed that there was no issue of residents not being notified; rather, residents complained because they were upset with the nightworks.

ARIC/5.11/25.03 Annual Internal Audit Plan Status Update 2024-25 and Four-Year Plan (SF25/771)

DECISION

That the Committee:

1. Notes the status of the Internal Audit Plan 2024-25 attached to the report (Attachment 1).
2. Notes the Four-Year Internal Audit Plan attached to the report (Attachment 1).
3. Receives a report on Council's compliance with Transport for NSW's Driver Vehicle System (DRIVES) Terms of Access Agreement, and that this report be presented to the Committee annually.
4. Requests Council to consider undertaking a separate internal audit of compliance with the DRIVES Terms of Access Agreement.

DISCUSSION

The Committee discussed the following matters:

- The accounts receivable audit has been put on hold to recommence by April.
- The next Four-Year Plan will come back to the Committee for approval in June.
- Councils are required to prepare a quarterly compliance declaration to Transport for NSW on their access to the Driver Vehicle System (DRIVES) system, which manages driver licences and vehicle registrations. The Committee requested that Council's compliance with the DRIVES Terms of Access Agreement be reported to the Committee annually and recommended that a separate internal audit be undertaken on DRIVES controls and reporting.
- Once Council has appointed a Manager, Audit and Risk, the Committee suggested that an assurance map be created.

ARIC/5.12/25.03 Internal Audit Report - Fraud and Corruption Control (SF25/371)

DECISION

That the Committee:

1. Notes the internal audit report on fraud and corruption control attached to the report.

2. Requests that:

- (a) Staff awareness of fraud and corruption controls be recorded in the covering report for any future internal audits of fraud and corruption.
- (b) Target dates for management actions be revised where applicable.

DISCUSSION

The Committee discussed the following matters:

- The audit showed great improvements made to Council's fraud and corruption control since the last review in 2020. Notably, there seems to be a strong awareness of fraud risk across Council and the audit did not identify any incidents of fraud.
- The next step for Council is to operationalise the framework and ensure that training is mobilised, monitored and reported. Management should focus on low-level fraud as much as high-level fraud.
- The Committee raised concerns about the target dates for some of the management actions. Management confirmed that work has begun even for some items with long-term due dates, but agreed that target dates should be revised where applicable to show this progress.

ARIC/5.13/25.03 Outstanding Audit Recommendations - March 2025 Status Update (SF25/709)

DECISION

That the Committee:

1. Notes the outstanding audit recommendations as at March 2025 attached to the report.
2. Requests that there be a clean-up of the outstanding audit recommendations for the next Committee meeting, including target dates.

DISCUSSION

The Committee discussed the outstanding audit recommendations attached to the report and made suggestions to improve the report.

ARIC/5.14/25.03 ARIC Work Program 2025 - Review (SF25/661)

DECISION

That the Committee:

1. Reviews the ARIC Work Program 2025 attached to the report.
2. Notes that ARIC's Strategic Four-Year Work Plan is under development.

3. Requests that the items in the ARIC Work Program be shaded green once completed to enable the Committee to better track its progress.

DISCUSSION

The Committee reviewed the ARIC Work Program 2025 attached to the report and requested that the items in the ARIC Work Program be shaded green once completed to enable to Committee to better track its progress.

6. Other Business

ARIC/6.1/25.03 ARIC Meeting Dates 2025

The remaining Committee meeting dates for 2025 are as follows:

- 9 am Thursday, 12 June 2025.
- 9 am Thursday 28 August 2025 (Financial Statements).
- 9 am Thursday 16 October 2025.
- 9 am Thursday 11 December 2025.

ARIC/6.2/25.03 General Matters

DISCUSSION

The Committee discussed the following matters:

- An offline meeting will be held with the Executive Manager, Finance, and the independent members on 7 October 2025 to review the final version of the Financial Statements.
- At the Council meeting on 18 February 2025, a Councillor noted the delay in reporting confirmed Committee meeting minutes to Council. No change to the process is required, as Councillors receive the chair-endorsed minutes by email at the same time as Committee members and observers, and this version rarely differs from the version subsequently reported to Council.
- The ARIC Annual Report 2024 was noted by Council at its meeting on 18 March 2025.

7. Meeting Closure

THE MEETING CLOSED AT 12.35 PM.

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SIGNED AND CONFIRMED

CHAIR

12 JUNE 2025