



**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD AT THE BOOT FACTORY, SPRING STREET, BONDI JUNCTION ON
THURSDAY, 16 OCTOBER 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
Kenny Tan	Associate Director, Financial Audit, Audit Office of NSW (item 5.2 and 5.5)
Hany Kamel	Manager, Audit and Risk
Richard Coelho	Executive Manager, Governance
Rita D'Arcy	Executive Manager, People and Culture
Teena Su	Executive Manager, Finance
Sneha Sabu	Corporate Planning and Reporting Coordinator (item 5.7)
Fernando Carrillo	Procurement Manager (item 5.8)
Kevin Trinh	Chief Information Officer (item 5.10)
Carol Jones	Manager, Work Health and Safety (item 5.12)
Cr Keri Spooner	Waverley Council
Vina Xiao	Governance Officer
Al Johnston	Committee Secretary

Prior to the commencement of the meeting, the General Manager gave a presentation to the ARIC members on a review of payroll and introduced the new Executive Manager, People and Culture.

At the commencement of proceedings at 9.02 am, those present were as listed above, with the exception of the Executive Manager, Governance, who arrived at 10.55 am during item 5.7.

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

Apologies were received from Manuel Moncada, Director, Financial Audit, Audit Office of NSW.

2. Declarations of Pecuniary and Non-Pecuniary Interests

The Chair called for declarations of interest and none were received.

3. Confirmation of Minutes

**ARIC/3.1/25.10 Confirmation of Minutes - Audit, Risk and Improvement Committee Meeting
- 28 August 2025 (A25/0077)**

DECISION

That the Committee confirms the minutes of the Audit, Risk and Improvement Committee meeting held on 28 August 2025 as a true record of the proceedings of that meeting.

4. Actions from Previous Meetings

ARIC/4.1/25.10 Actions from Previous Meetings (SF25/660)

DECISION

That the Committee:

1. Notes the status of the actions from previous meetings as at 16 October 2025 attached to the report.
2. Requests that the independent external review of the internal audit function and Audit, Risk and Improvement Committee be conducted together, once every Council term, and for this Council term, in late 2026.

DISCUSSION

The Committee discussed the timing of the independent external review of the internal audit function and the Audit, Risk and Improvement Committee and requested they be conducted at the same time, once every Council term, and for this Council term, in late 2026.

5. Reports

ARIC/5.1/25.10 General Manager's Update (SF25/658)

DECISION

That the Committee:

1. Notes the General Manager's verbal update provided at the meeting.
2. Receives a report providing a high-level review of the proposed changes under the Environmental Planning and Assessment Amendment (Planning System Reforms) Bill 2025 and what the changes mean for Waverley.
3. Recommends that the proposed changes under the Planning System Reforms Bill 2025 be added to the Strategic Risk Register.

DISCUSSION

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

People and Culture team update

- Welcome our new Executive Manager, People and Culture, Rita D'Arcy.
- Welcome our new Payroll Manager, Anthony Gale.
- Welcome our new Payroll Officer, Lara Correa Rocha.

Skills and Performance Assessment (SAPA) update

SAPA annualisation implemented

- Council successfully implemented the first round of annualised skills and performance assessment for all employees.
- In July and August, over 800 employees completed a performance conversation.
- Management completed the first annual reward and recognition program evaluation.
- New SAPA form and guidelines.
- 15 facilitated drop-in sessions run by the People and Culture team.

SAPA – Post-consultation change

- Decision to decouple performance progression from salary progression.
- Made in response to employee and union concerns post consultation to remove disadvantage and simplify pay progression.
- Introduces a fairer, simpler, and more transparent pay progression.
- Focus shifts towards development, coaching and career growth.

SAPA – Decoupling

- What does 'decoupling' mean?
 - Annual step increase happens automatically on position anniversary date, separate from the SAPA review.

- SAPA reviews will continue every year in July/August with focus on development, career goals and performance improvement.

Enterprise Agreement negotiations

- Received formal request from the United Services Union (USU) on 12 September 2025 to commence negotiations on the Waverley Enterprise Agreement 2010.
- Meeting scheduled with unions in the week of 12 November 2025 to agree on negotiations terms and conditions.
- Commence meeting with union and staff delegates in the week of 19 November 2025.

Coastal instability

Rockfalls along coastline

- Rodney Reserve landslip – Request for quotation (RFQ) process has closed. Discussions are underway with the preferred contractor. Timing not finalised.
- Bronte Rockfall remediation – RFQ ongoing giving consideration to the Surf Club construction zone.
- Marks Park Coastal Walk – Walkway reconstruction works now in progress. Due to access and safety constraints, construction will pause during the Sculpture by the Sea event. Installation of the new stainless steel balustrade and walkway is expected to be completed by November 2025.

The Committee further discussed the following matters:

- The Committee was briefed on the new arrangements for Skills and Performance Assessments.
- The Skills and Performance Assessment process, consistency of performance reviews and performance management communication training for managers.
- Bronte rockfall remediation and the cost of public domain works.
- Coastal risk mitigation and methods of determining high-risk locations. The Committee also discussed funding options for Council's coastal risk mitigation program.
- The proposed changes under the State Government's Planning System Reforms Bill 2025, how the changes will affect Waverley and their impact on Council's resources. Officers are in the process of preparing a Bondi Junction Master Plan, which involves a comprehensive review of all the planning controls and will take into account feedback from the community. The Committee requested it receive a high-level review of the proposed planning changes and what they mean for Waverley. The Committee also recommended that the proposed planning changes be added to the Strategic Risk Register.

ARIC/5.2/25.10 Audit Office of NSW - Audit Update (A24/0933)

DECISION

That the Committee notes:

1. The Engagement Closing Report for the year ended 30 June 2025 circulated before the meeting.

2. That the final Financial Statements were presented to the Committee on 7 October 2025.

DISCUSSION

The Committee discussed the following matters:

- The Engagement Closing Report for the year ended 30 June 2025. The report was circulated to members after the agenda was issued and tabled at the meeting. The Committee expressed its satisfaction with the report, noting the audit was on-time and the audit findings categorised as low-risk.
- The Committee noted the final Financial Statements were reviewed by members at a meeting on 7 October 2025 prior to their presentation to Council on 21 October 2025.

ARIC/5.3/25.10 Financial Sustainability - Action Plan Update (A24/0365)

DECISION

That the Committee:

1. Notes the progress update on the Financial Sustainability Action Plan, as set out in the report.
2. Requests that the next action plan update report include a high-level summary of the results and objectives achieved.

DISCUSSION

The Committee discussed outputs and outcomes of the action plan and their effect on the financial position Council is working towards, and requested that the next update include a high-level summary of the results and objectives achieved.

ARIC/5.4/25.10 2026-27 Budget and Long Term Financial Plan 7.1 - Preparation Considerations (A25/1975)

DECISION

That the Committee notes:

1. The challenges to meet the financial sustainability objectives in the current income and expenditure structure.
2. Management's approach to the preparation of the 2026–27 Pricing Policy, Budget and Long Term Financial Plan, including strategic objectives and key assumptions, as set out in the report.

DISCUSSION

The Committee discussed the following matters:

- The considerations for the preparation of the 2026–27 Budget and Long Term Financial Plan 7.1 have been developed in response to the recommendations of AEC’s financial sustainability report. Management acknowledged there are further improvements to be made.
- Whether Council’s policy makers are committed to management’s financial sustainability objectives and conscious of reducing expenditure on capital works where possible.
- Reviewing strategic property assets to maximise Council’s returns.
- The comprehensive Pricing Policy, the inclusion in the Long Term Financial Plan of a dollar figure for the benefit realisation of the ICT Modernisation Program and an explanation of how the graphs work on page 42 of the report.
- The importance of qualitative outputs and outcomes for the community.

ARIC/5.5/25.10 Financial Statements in Annual Report - Executive Summary (A24/0933)

DECISION

That the Committee requests:

1. Feedback from the Audit Office of NSW on the draft executive summary attached to the report.
2. That management review the language used in the draft executive summary so it reflects a finely balanced budget.
3. That once the language has been reviewed and feedback has been received from the Audit Office of NSW, a revised executive summary be circulated to members for comment.

DISCUSSION

The Committee discussed the following matters:

- The Committee requested the language in the draft executive summary be reviewed to more accurately reflect Council’s finely balanced budget, particularly in relation to the performance ratios and Office of Local Government (OLG) benchmarks.
- OLG’s removal of some of its benchmarking requirements from the financial statements, such as key performance indicators, increases reliance on the Annual Report to explain Council’s financial position.
- The executive summary should include Council’s performance over time because it is important for context and assists the community’s understanding of Council’s financial position.
- Feedback on the executive summary was requested from the Audit Office of NSW, given its aim is to ensure the executive summary is consistent with the audited Financial Statements and a more useful tool for the community.
- The Committee requested that once the language has been reviewed and feedback has been received from the Audit Office of NSW, a revised executive summary be circulated to members for comment.

ARIC/5.6/25.10 Internal Audit Plans 2024-25 and 2025-26 - Status Update (SF25/771)**DECISION**

That the Committee:

1. Notes the status of the Internal Audit Plans for 2024–25 and 2025–26 attached to the report.
2. Receives a report at the December 2025 meeting summarising the Procurement team’s review of its fraud and corruption controls and risk mitigation strategies.

DISCUSSION

The Committee discussed the following matters:

- The scope of the Procurement review and the team’s planned improvement activities around fraud and corruption processes and controls.
- The Committee requested that it receive a report at the December 2025 meeting summarising the Procurement team’s review of its fraud and corruption controls and risk mitigation strategies.

ARIC/5.7/25.10 Internal Audit and Risk Management Attestation Statement 2024-25 (A23/0573)**DECISION**

That the Committee:

1. Notes the draft Internal Audit and Risk Management Attestation Statement 2024–25 attached to the report (Attachment 1) to be signed by the General Manager for inclusion in the Annual Report 2024–25, and has no further comment.
2. Notes the summary of audit and probity activities in 2024-25 attached to the report (Attachment 2).
3. Receives an assurance map on how assurances from the various sources are captured.

DISCUSSION

The Committee discussed the following matters:

- The four-year strategic plan and the review of the internal audit function each Council term can be marked compliant even though the tasks have not been completed because they are not yet due. This is based on the Committee’s interpretation that ‘not yet due’ does not equate to non-compliance.
- Errors in the ‘ARIC version with detailed comments’ table where the ARIC Annual Report has been mistaken for the End of Term Report or other strategic assessment reviews.

- An assurance map as a tracking tool for the Committee to show how assurances from the various other sources of assurance activity are captured.
- Under the guidelines, the Committee is not required to endorse the statement because the attestation is by the General Manager. The Committee may choose to comment on the statement if it thinks necessary.

ARIC/5.8/25.10 Modern Slavery - Update (A18/0557)**DECISION**

That the Committee:

1. Notes the update on Council's compliance with modern slavery requirements, as set out in the report.
2. Receives a copy of the consultant's report and the actions management is taking in response before the next meeting.
3. Recommends that modern slavery be added to the Strategic Risk Register.

DISCUSSION

The Committee discussed the following matters:

- Council's engagement of a consultant to conduct a review of procurement processes and suppliers was an initiative of the South Sydney Regional Organisation of Councils, of which Council is a member.
- The consultant's report and the actions management is taking in response to it. The Committee requested it receive a copy of the report and management's responses before the next meeting.
- Management's satisfaction with its procurement controls.
- The Committee's recommendation that modern slavery be added to the Strategic Risk Register.

ARIC/5.9/25.10 Capital Works Program - Update (A21/0532)**DECISION**

That the Committee notes:

1. 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. The actions proposed to improve controls around capital project and program management, as set out in the report.

DISCUSSION

The Committee discussed the following matters:

- The Bondi Surf Life Saving Club Upgrade Project, the Charing Cross Streetscape Upgrade Project and the Seven Ways Flood Mitigation Project.
- The status of the asbestos register and the escalation process if asbestos is found.
- The importance of identifying and communicating outputs and outcomes achieved, particularly for the community.
- The Committee expressed its satisfaction with the report, noting improvements in the management of project variations, and the report's informative and easy-to-understand style. Management confirmed that the reports are also used by the Executive Leadership Team and provided to Councillors.

ARIC/5.10/25.10 Information Management and Technology - Cyber and Work Program Update (A18/0665)

DECISION

That the Committee:

1. Notes the update on the information management and technology program, as set out in the report.
2. Receives a summary report on Council's most valuable assets ('crown jewels') in the context of the Audit Office of NSW's *Cyber Security Insights 2025* report.

DISCUSSION

The Committee discussed the following matters:

- There were no surprises in the report from management's perspective.
- The 25 mandatory requirements have increased to 31 mandatory requirements. The Committee requested that it receives a summary report on Council's most valuable assets ('crown jewels') in the context of the *Cyber Security Insights 2025* report and the 31 mandatory requirements.
- Developments in multi-factor authentication and management's response to increased risks.
- Third party vendor controls and risk mitigation.
- Enforcement of privacy clauses in contracts.

ARIC/5.11/25.10 Governance Report (SF25/662)**DECISION**

That the Committee:

1. Notes the Governance Report.
2. Receives a verbal update at the next meeting on the litigation matter concerning asbestos.
3. Receives a summary of the matter concerning the Office of Children's Guardian once resolved.

DISCUSSION

The Committee discussed some of the complaints and referrals received since the August Governance Report, as well as internal reporting changes concerning the legislative compliance database.

ARIC/5.12/25.10 Work Health and Safety Report (A25/0200)**DECISION**

That the Committee notes:

1. The Work Health and Safety report for May 2025 to July 2025.
2. The Q4 Employee Assistance Program (Converge) utilisation for April to June 2025, previously reported to the Committee.
3. The Q1 Employee Assistance Program (Converge) utilisation report for July to September 2025 attached to the report, with the industry utilisation rate comparison.

DISCUSSION

The Committee discussed the following matters:

- The large amount of information provided to the Committee in the report and ways to improve and refine analysis in future reports.
- Outputs and outcomes and how they are supporting the reduction in work health and safety issues.
- The StateCover workers compensation premium for 2024-25 is missing from the report so there is no comparison for the 2025-26 premiums.

ARIC/5.13/25.10 Complaints and Compliments - Quarterly Report (A25/0121)**DECISION**

That the Committee notes the quarterly customer experience dashboard for April 2025–June 2025 attached to the report.

DISCUSSION

The Committee discussed the following matters:

- The actions taken in response to complaints and whether compliments are considered in Skills and Performance Assessments.
- A greater focus on complaints and investigation outcomes by management. Outcomes should be considered as service improvements.

ARIC/5.14/25.10 Audit, Risk and Improvement Committee - Terms of Reference - Review (SF19/5469)**DECISION**

That the Committee notes the annual review of the Audit, Risk and Improvement Committee Terms of Reference and confirms that no changes are required.

ARIC/5.15/25.10 Internal Audit Charter - Review (SF20/3005)**DECISION**

That the Committee notes the annual review of the Internal Audit Charter and confirms that no changes are required.

ARIC/5.16/25.10 ARIC Work Program 2025 - Review (SF25/661)**DECISION**

That the Committee:

1. Notes the ARIC Work Program 2025 attached to the report, subject to the following amendments:
 - (a) A line item be added for service reviews completed by management.
 - (b) Defer the October 2025 item on the ICT Strategy to December 2025.
2. Requests the in-camera sessions scheduled for November 2025 with the Manager, Audit and Risk, and the Audit Office of NSW be rescheduled for the December 2025 pre-meeting.

DISCUSSION

The Committee discussed the following matters:

- Adding a line item for service reviews completed by management.
- Deferring the item on the ICT Strategy to December 2025
- Noting the Committee's in-camera sessions to be held in November 2025 with the Manager, Audit and Risk, and the Audit Office of NSW be scheduled for the December 2025 pre-meeting.

6. Other Business**ARIC/6.1/25.10 ARIC Meeting Dates 2026****DECISION**

That the Committee confirms its meeting dates for 2026 as follows:

- 9.00 am Thursday 26 March 2026.
- 9.00 am Thursday 14 May 2026.
- 9.00 am Thursday 27 August 2026.
- 9.00 am Thursday 15 October 2026.
- 9.00 am Thursday 10 December 2026.

ARIC/6.2/25.10 ARIC Meeting Dates 2025

The remaining Committee meeting dates for 2025 are as follows:

- 9.00 am Thursday 11 December 2025.

7. Meeting Closure

THE MEETING CLOSED AT 12.34 PM.

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SIGNED AND CONFIRMED
CHAIR
11 DECEMBER 2025