

## 9.1. Audit, Risk, and Improvement Committee Minutes - 19 September 2025

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<b>ENDORSED BY</b>	Olena Tulubinska, Director Corporate Services
<b>ATTACHMENTS</b>	1. 19 September ARIC Minutes [9.1.1 - 4 pages]
<b>CSP LINK</b>	<b>Outcome 8 – An effective, accountable and sustainable Council that serves the community</b> G4. Manage risks and maintain independent oversight in business operations and decision-making

### 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 Terms of Reference.

### EXECUTIVE SUMMARY:

- This report presents the decisions of the last meeting of the Audit, Risk, and Improvement Committee held on 19 September 2025 for Council adoption. The minutes are attached for information.

### RECOMMENDATION:

**1.THAT** the Minutes of the Audit, Risk, and Improvement Committee meeting held on 19 September 2025 be endorsed.

## **Background**

The Audit, Risk and Improvement Committee (ARIC) is an independent advisory committee that plays a key role in supporting North Sydney Council's governance and accountability.

It consists of three independent expert members, each recruited for their specific area of expertise.

The ARIC was established in accordance with the Local Government Act 1993 and provides independent oversight and advice on Council's financial reporting, risk management, internal controls, performance, and legislative compliance.

## **Report**

The Minutes of the 19 September 2025 meeting are attached and provided to Council for information.

## **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 Ros Crichton Pavilion of North Sydney Council Chambers, 200 Miller Street, North Sydney at 10.00am Friday 19 September 2025.



## 1. Opening Meeting

At the commencement of business (10.01am) those present were:

- Chair and Independent Member, Carl Millington
- Independent Members, Russel Burton and Rhonda Wheatley (both remotely)
- Councillor Beregi
- Head of Internal Audit, Internal Audit Shared Services Northern Sydney Regional Organisation of Councils, Mohua Mukherjee,
- Staff members: Therese Cole (CEO), Olena Tulubinska (Director Corporate Services), Aigul Utegenova (CFO), Shirley Chen (Financial Controller) and Ian Curry (Minutes).

## 2. Apologies

Director Financial Audit, Audit Office of NSW, Karen Taylor

## 3. Disclosures of Interest

Nil

## 4. Confirmation of Minutes

**AGREED:** that the Minutes of the Audit, Risk and Improvement Committee meeting held on Friday 22 August 2025 be taken as read and confirmed as a true record of the meeting.

### Confidentiality and Recording of the Meeting

Attendees were advised by written signs that the meeting is being recorded for the sole purpose of reporting the official minutes of the meeting and the recording will be managed in accordance with Council's privacy and records management and will be deleted once the minutes are finalised.

There were no objections to recording of the meeting.

Attendees were also reminded by written signs of their obligation to maintain the confidentiality of the information discussed today, in accordance with the committee's terms of reference and Council's code of conduct.

## **5. Reports**

### **5.1. Draft Financial Statements for the Year Ended 30 June 2025**

The Chief Financial Officer presented this item and went through the Pre-audit Checklist with the Committee:

The purpose of the checklist is to satisfy the Committee that the draft financial statements are:

- Complete and accurate
- Compliant with accounting standards and legislation
- Free from material misstatements
- Ready for external audit

#### **A. Completeness and Accuracy**

- ✓ CFO confirmed that all material transactions and balances are included.
- ✓ CFO confirmed that all late adjustments, accruals, and provisions are captured. It was noted that revaluation of assets was captured in the current draft of financial statements.
- ✓ No known errors or omissions remain unaddressed. Audit Office is yet to finalise audit, including revaluation of assets.

#### **B. Compliance**

- ✓ CFO confirmed that Statements comply with:
  - Local Government Act and Regulations
  - Relevant Australian Accounting Standards (including any new Standards adopted during the year)
  - Local Government Code of Accounting PracticeThe need to prepare for future changes in accounting standards was acknowledged.
- ✓ CFO confirmed that required disclosures are present and clearly explained. Questions regarding bank reconciliations, debtor collectability, and asset condition assessments were addressed by the CFO and CEO.

#### **C. Significant Estimates and Judgements**

- ✓ CFO confirmed that infrastructure asset valuations, useful lives and impairments are based on reasonable assumptions.
- ✓ CFO confirmed that estimated fair values of investment properties are based on accurate and reliable information.
- ✓ CFO confirmed that provisions (e.g. employee entitlements, doubtful debts, legal and insurance claims) are consistent and supportable. The matters of employee leave provisions, the reduction of excessive leave balances, and the disclosure of a contingent liability related to a legal claim for the pool project were discussed.
- ✓ CFO confirmed that depreciation and capitalisation policies are applied consistently.

**D. Audit Readiness**

- ✓ Supporting documentation and reconciliations are complete.
- ✓ CEO and Director Corporate Services confirmed that they have reviewed the draft financial statements and approved all significant estimates and judgements.
- ✓ Based on management knowledge, no unresolved accounting or disclosure issues remain.

**Other discussion points:**

- Matters related to the North Sydney Pool project were discussed, including loan arrangements, project completion timelines, risks related to variations and staff retention, and the financial statement treatment of related events
- The Committee provided advice on the appropriate level of unrestricted cash for sustainability, methodologies for setting reserve levels, and the development of a reserves policy to be exhibited with the long-term financial plan. It was noted that cash outflows, excluding those funded by external restrictions, should be considered when determining the appropriate level of unrestricted cash.
- The ongoing development of the revised long-term financial plan, the inclusion of ratio analysis and the approach to medium-term planning considering funding constraints were raised by the Committee.
- A site visit to the North Sydney Pool will be organised for interested Committee members.

**AGREED:**

**1.THAT** in accordance with the current Audit Risk and Improvement Committee Terms of Reference, the Audit, Risk and Improvement Committee (ARIC) reviewed and advised on the completeness and accuracy of the Council's annual financial statements, including:

- a) management compliance/representations
- b) significant accounting and reporting issues
- c) the methods used by the North Sydney Council to account for significant or unusual transactions and areas of significant estimates or judgements
- d) appropriate management signoff on the statements

**6. Closure**

The Chair formally closed the meeting at 10.41am.