

8.2. Audit, Risk, and Improvement Committee Minutes - 21 November 2025

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ATTACHMENTS	1. 21 November 2025 ARIC Minutes [8.2.1 - 9 pages]
CSP LINK	Outcome 8 – An effective, accountable and sustainable Council that serves the community 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 21 November 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 21 November 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 21 November 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 21 November 2025.



1. Opening Meeting

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

- Chair and Independent Member, Carl Millington
- Independent Members, Russel Burton (remotely) and Rhonda Wheatley
- Councillor Beregi
- Head of Internal Audit, Internal Audit Shared Services Northern Sydney Regional Organisation of Councils, Mohua Mukherjee, Stephen Calder (Centium), Monique Bartley (Audit Office of NSW)
- Staff members: Therese Cole (CEO, remotely), Olena Tulubinska (Director Corporate Services), Aigul Utegenova (CFO), Ian Robertson (SUM Corporate Governance) and Ian Curry (Minutes), Gary Parsons (Director Open Space & Infrastructure), Jessica Choy (SUM Public Presentation), Gina Pianta (Organisational Performance Specialist), Ruby Kaur (WHS Manager, remotely)

2. Apologies

Karen Taylor, Director Financial Audit, Audit Office of NSW

3. Disclosures of Interest

Nil

4. Confirmation of Minutes

AGREED: that the Minutes of the Audit, Risk and Improvement Committee meeting held on Friday 19 September 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.

(Note: The Committee agreed to consider the following items before 5.1:

- 5.5. Internal Audit Report
- 5.6. WHS Update Report
- 5.2. North Sydney Council Annual Report 2024/25 Compliance Update
- 5.3. 2025 Final Audit Management Letter
- 5.1. Draft Long Term Financial Plan including Special Rate Variation options
- 5.4. Update on financial positions for financial year 2025-26 (September QBRS and October YTD Results)

5. Reports

5.1. Draft Long-Term Financial Plan including Special Rate Variation options

The Committee noted the CEO's comments regarding the Draft Long-Term Financial Plan:

- The CEO outlined the key differences between Options 1, 2 and 3 for the proposed rates increase.
- Under Option 3, the projected reserve levels over the next four years will remain modest, lower than those of some comparable councils. The CEO noted that any significant financial shock would require responsive adjustments.
- The capital works program will remain relatively modest. Option 3, however, would enable initial planning for the property portfolio and provide an additional \$17 million over ten years to meet growing infrastructure demands, including the replacement of bus shelters, building repairs, public risk mitigation, and addressing potential facility closures.
- Building and stormwater assets will be a particular focus, informed by recent revaluation outcomes and condition assessments.
- Asset Management Plans will be updated following the survey results.
- The CEO highlighted the comprehensive community consultation undertaken, noting the high level of transparency and the effort invested in explaining complex matters.
- The CEO acknowledged the CFO's significant contribution in developing the SRV modelling while concurrently managing financial statements.
- A Performance Improvement Plan outlines all improvement initiatives implemented across Council and demonstrates the collective effort undertaken by staff to achieve meaningful organisational improvements.
- The CEO also noted the adoption of a new Restricted Reserves Policy and the ongoing application of financial controls, including holding certain staff positions vacant and using agency staff to maintain operational flexibility.

The CEO updated on the Committee on other matters:

- The CEO noted the recent appointment of a Coordinator, Fleet and Building Assets, who has now commenced in the role.

- The CEO also advised that the new HR team is fully established and recently held a team workshop attended by the CEO. The HR team will lead improvements in workplace culture and performance management through initiatives such as the Personal Best Framework and training.
- The current position of the North Sydney Olympic Pool project was provided.

The CEO expressed his appreciation to the Committee and acknowledged their support, diverse expertise and their contribution over the past 12 months.

AGREED:

1.THAT the Audit, Risk and Improvement Committee receive and note the contents of this report.

2.THAT the CEO invite the NSW Auditor-General to attend a future meeting of the Committee.

5.2. North Sydney Council Annual Report 2024/25 Compliance Update

The SUM Corporate Governance addressed this item.

Key discussion points:

- The Committee commented favourably on the content of the report.

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note the contents of this report.

5.3. 2025 Final Audit Management Letter

The Associate Director - Financial Audit, Audit Office of NSW addressed this item.

Key discussion points:

- The Committee noted the following in relation to the Management Letter:
 - Nine key council points were cleared, with some areas still needing further attention, particularly in information technology.
 - Productive discussions were held with Chief Information Officer clarifying expectations regarding privileged user activity reviews.
 - In capital works, despite a challenging year marked by revaluations and finance team changes, the Audit Office has confidence that outstanding work in progress matters will be resolved without issue.
- Questions regarding privileged user access, policies and procedures were addressed.

AGREED:

1. THAT the NSW Audit Office final management letter be received and noted.

5.4. Update on financial positions for financial year 2025-26 (September QBRS and October YTD Results)

The Chief Financial Officer addressed this item.

Key discussion points:

- The Committee advised that, with respect to the application for an SRV, Council should highlight the improvements to policies and procedures that show ratepayers are getting better value for money, as well as strengthening the things Council is doing well and the things it is planning to improve on

AGREED:

1. **THAT** the Audit, Risk and Improvement Committee receive and note the report.

5.5. Internal Audit Report

The Head of Internal Audit introduced Stephen Calder (Centium) who spoke to the Audit report,

Key discussion points:

- The Committee noted the significant challenges faced in maintaining stability within the work, health, and safety (WHS) function at NSC since the departure of the previous WHS manager in September 2024.
- It highlights the reliance on a single individual, the subsequent turnover in both WHS and HR teams, and the impact on overall workforce stability.
- Despite these difficulties, recent improvements have been made with the recruitment of a new WHS manager and a revitalised HR team, fostering a more robust safety culture and better engagement with managers.
- However, the need for improved documentation and systematic processes remains a priority for ongoing development in the council's WHS practices.

AGREED:

1. **THAT** the Audit, Risk and Improvement Committee receive and note the internal audit report of Work Health and Safety Management System.

5.6. WHS Update Report

The WHS Manager presented this item to the Committee, summarising WHS matters from internal audit that were addressed to date.

Key discussion points:

- Following on from Item 5.5, the Committee noted that a three-stage risk review of the WHS process will be implemented across all Council departments, involving employees, managers, and team leaders.
- The process includes intensive hazard identification, risk assessment, and control measures, with results to be presented to the ELT.
- The review is scheduled to begin by December and conclude by March, after which continuous improvement in risk management will be maintained to ensure robust work health and safety systems.

Committee discussed importance of WHS and reporting on the progress of WHS audit. Agreed it will be included in the regular internal audit report.

AGREED:

1. THAT the Audit Risk and Improvement Committee receive and note the report, which includes progress made to date in addressing the issues identified in the Internal Audit of Council's Work Health and Safety (WHS) Management System and planned actions by Council.

5.7. Internal Audit Plan and Status Report - November 2025

The Head of Internal Audit presented this item.

Key discussion points:

- The Committee enquired about the finding of the internal audit survey and the performance of the current providers. The survey results will be analysed by the Head of Internal Audit and will inform the program of works going forward.

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note this report.

5.8. Open Audit Recommendations Status Report - November 2025

The Head of Internal Audit presented this item.

Key discussion points:

- The Committee noted the strong progress made by management in closing outstanding recommendations and looked forward to a continuation of improvements in the future

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note the status of open internal and external audit recommendations.

2.THAT the Committee acknowledge the efforts of management in reducing the number.

5.9. Service Review Implementation Status and Process Update

The Organisational Performance Specialist presented this item, with a video of the Street Cleaning team talking about the service improvements.

Key discussion points:

- The Committee recommended that the video be added to Council's SRV application as an example of its commitment to productivity savings.

AGREED:

1.THAT the Audit Risk and Improvement Committee receive and note improvements to the service review process and acknowledge improvements to the status of the Street Cleaning implementation plan.

5.10. Service Unit operational environment and risk areas - Public Presentation

The Director Open Space & Infrastructure and SUM Public Presentation presented this item

Key discussion points:

- The Committee thanked the Director and Service Unit Manager for a very comprehensive presentation

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note this report.

5.11. Report on Legal Matters

The SUM Corporate Governance presented this item,

Key discussion points:

- In response to a question about the number of Land and Environment Court matters being handled by Council, the Director Corporate Services advised that the increased turnover of applications has led to more matters being referred to the Court.

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note the report and monitor risk implications.

5.12. Adequacy and coverage of insurances

The SUM Corporate Governance presented this item,

Key discussion points:

- The Committee recommended that Council contact the Art Gallery of NSW to assist with the valuation of Council's art collection for insurance purposes

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note this report.

5.13. North Sydney Olympic Pool Redevelopment - Asset Handover

The Director Open Space & Infrastructure presented this item.

Key discussion points:

- The Committee noted that key challenges for the project include ongoing asset maintenance and defect management post-completion and an active defects register currently in use
- The Committee highlighted the complexity of managing numerous asset management plans and the need to consolidate them into a master document

AGREED:

1. THAT the Audit, Risk and Improvement Committee receive and note the contents of this report regarding the handover and asset management processes associated with the North Sydney Olympic Pool.

5.14. ARIC Work Plan Progress Update

The SUM Corporate Governance presented this item,

Key discussion points:

- The Committee noted that the Work Plan should align with its core section 428A obligations and that improvement should be the key focus of all areas of Council's operations.

AGREED:

1. **THAT** the Audit, Risk and Improvement Committee receive and note the report.
2. **THAT** all reports to the Committee include address the requirements of section 428A and how they relate to the Terms of Reference.

5.15. Agenda and Meeting dates for 2026

Key discussion points:

- The Committee discussed their availability to meet in March 2026.

AGREED:

1. **THAT** the Audit, Risk and Improvement Committee meets on 13 March 2026* and a further report be submitted to that meeting to confirm the meeting dates for the rest of 2026.

*(*NB: this was later changed to 20 March 2026, by consensus)*

6. Closure

The Chair formally closed the meeting at 1.21pm.