



**Minutes of the Finance, Risk and Audit Committee
held on Tuesday, 16 May 2023 at 2.00 pm
Council Chamber, Council Administration Centre
245 Sturt Road, Sturt**

PRESENT

Ms Emma Hinchey (Chair)
Ms Nicole Rantanen
Mr Josh Hubbard (from 2.07pm)
Councillor Jason Veliskou
Councillor Jayne Hoffmann

In Attendance

Acting Chief Executive Officer - Ben Keen
Acting General Manager City Services - Merran Fyfe
General Manager Corporate Services - Angela Allison
General Manager City Development - Tony Lines
Manager Office of the CEO - Kate McKenzie
Unit Manager Governance and Council Support - Victoria Moritz
Chief Financial Officer - Ray Barnwell
Unit Manager Strategy and Risk - Maddie Frew
Manager Operations – Brian Green
Unit Manager Asset Solutions – Brendon Lyons
Eric Beer (KPMG)
Kylie Netherwood (KPMG)

1 Open Meeting

The Chair opened the meeting at 2.01pm.

2 Kaurna Acknowledgement

We acknowledge the Kaurna people, the traditional custodians of this land and pay our respects to their elders past and present.

3 Declaration of Interest (if any)

The Chair asked if any member wished to disclose an interest in relation to any item being considered at the meeting

- Nil interests were disclosed.

4 Confirmation of Minutes

4.1 Confirmation of Minutes of the Finance, Risk and Audit Committee Meeting held on 21 February 2023

Report Reference FRAC230516R4.1

Moved Ms Rantanen

Seconded Councillor Hoffmann

That the minutes of the Finance, Risk and Audit Committee Meeting held on 21 February 2023 be taken as read and confirmed.

Carried Unanimously

5 Business Arising

5.1 Business Arising Statement - Action Items

Report Reference FRAC230516R5.1

The Committee reviewed and noted the Business Arising Statement and made the following comments:

- The Committee noted the reference to the introduction of lean six sigma across the organisation and queried what the plan for the roll out of this entailed. Management provided a summary of the training program noting the proposal had been considered at a recent ELT / SLT training day with the plan to commence from mid-June. ELT and SLT would be trained first to a yellow belt standard. Following this, the program will be rolled out across the organisation with the intent that each group going through the training would comprise a mix of different business units. Management will ensure there is appropriate governance backing the program to ensure it is embedded into business-as-usual practices with a focus on service improvements.

Moved Ms Rantanen

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Notes the business arising statement, meeting schedule and upcoming items.

Carried Unanimously

6 Reports for Discussion

6.1 Council Member Report

Report Reference FRAC230516R6.1

2.07pm Mr Hubbard entered the meeting

The Committee noted the Council Member Report commenting on the report relating to the Council Member Training and Development Requests. They acknowledged the benefits Councillors Hoffmann and Taylor would receive by completing the Australian Company Directors Course in August 2023, noting this was a good investment. The Committee also queried the concept of the 4-Year Plan with Management noting this is the second 4-year plan Council have produced. The plan expires six months after the Council term, allowing the new term of Council to have input into the next 4-Year Plan, the first year of which is aligned to the next Annual Business Plan. Both plans are currently out for public consultation and will be brought back to Council in June.

Moved Ms Rantanen

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Notes this report.

Carried Unanimously

6.2 Quarterly Corporate Risk Report

Report Reference FRAC230516R6.2

The Committee noted the Corporate Risk Register Report and provided the following feedback on the review outcomes:

- It was interesting to see the trend towards flexible working arrangements.
- Noted that the appointment of a talent acquisition advisor had made a significant difference in the attraction strategy with most vacancies now being filled.
- The Committee questioned what the real impact of the ESCOSA Review of Councils Asset Management Plans and Long-Term Financial Plan will be. Management commented that ESCOSA will review Council endorsed strategic plans including Council's Asset Management Plans, Long Term Financial Plans and recently endorsed Annual Business Plans which have just gone out for public consultation. ESCOSA will review Council's plans and how they are funded, the key underlying assumptions that drive the plans and whether Council is setting rates appropriately and in accordance with legislative requirements. It will provide oversight to Council on those Strategic Plans and provide their advice as to whether they are done appropriately and the plans are properly aligned. The Committee commented other Councils had been disappointed with the outcomes of the review, noting it was important that there is no duplication in our internal audit plan of what ESCOSA are planning to audit.
- The Committee questioned whether Management had looked at the learnings from other Councils to prepare for its review. Management noted they are involved in several opportunities to review learnings including sessions provided by the LGA with previous Councils and engaging them to discuss key issues, their perspective and lessons learnt.
- The Committee referenced the risk relating to poor data quality and data governance not supporting informed decision making and whether there was an organisational change process. Management advised of the introduction of the Business Intelligence Team who are focussing on data governance, collection, and storage of data, collaborating with the records management unit to review performance across the organisation. This data is especially useful for the development of corporate KPI's which will be developed by 1 July 2023. The challenge is around systems; however, the Business Intelligence team is working closely with Information Services to ensure the data is set up correctly. It is anticipated this risk may reduce in the next 12 months; however, data maturity needs to increase before this can occur.

- The Committee noted it was good to see the opportunities register called out and was interested in how people can input into this. Management commented that the framework includes the risks and opportunities management. It was noted this was still under development and noted on the future work plan.
- The Committee discussed the risk through the Long-Term Financial Plan in relation to rising energy costs and were interested in what opportunities Council are looking for emerging technologies and models. Management confirmed the current energy contract is 100% renewable. Council is also working with LGA procurement on a new contract which may deliver a 40% reduction in usage cost with usage costs being 40% of the overall expenditure. Council also has solar panels on several of its facilities and will continue with 100% renewable energy. The committee commented it was important this was also flowing through to capital delivery.
- The risk relating to the difficulty attracting, recruiting, and retaining talent was discussed by the committee commenting that it was important to also look at culture and what it feels like to work at the organisation. There are lots of tactical ways to attract staff, however it is important to capture culture and staff retention.
- The Committee suggested re-framing risk descriptions to include an explanation of what's driving the probability and consequences. This will give a better understanding of the risk rating and enable more beneficial recommendations on reducing the risk.
- The Committee discussed the risks currently rated as High (or above) commenting they expected to see a risk from a general perspective in relation to environmental risk, around the ability for rate payers to pay their rates. Management acknowledged this was being monitored continuously, however there was no evidence to suggest any movement in this space. This will continue to be monitored and will be included if circumstances change.

ACTION: Re-frame the risk descriptions relating to the *High-Risk Plan-on-a-Page* items to include an explanation of what is driving the probability and consequences.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the Corporate Risk Register Report (Attachment 1) and provides their feedback on the review outcomes.

Carried Unanimously

6.3 Draft Internal Audit Plan 2023-25

Report Reference FRAC230516R6.3

Mr Eric Beere from KMPG was present for the item. The Committee took the report as read and provided the following comments:

- The Committee discussed the priorities for the City of Marion and how much this was reflected in the proposed plan and were seeking assurance this had been considered from a holistic approach. Mr Beere commented that City of Marion were definitive in their priorities and were able to separate these from Port Adelaide Enfield and Charles Sturt Councils based on their needs. It is very much fit for Marion's needs based on discussions.
- The Committee referenced the Cloud Vendor/Third Party Cyber Risk Assessment scheduled for 2023/24 and queried whether there was a BCP exercise or similar session planned in this

space. Management noted there is a BCP exercise schedule for June this year, however, given there has been a significant turnover in ELT and STL this would be focussed on the basics and bringing everyone up to speed. Management acknowledged the importance of a cyber related scenario and suggested this may be scheduled for a future exercise.

- The Committee also discussed the Cyber Risk Assessment with concerns this may be more of an advisory approach. Mr Beere noted the Assessment was a holistic review of the data held on the network and the processes and practices in place to verify and satisfy councils expectations that cyber risk has been addressed. Management commented the audit would focus on the City of Marion's oversight over cyber security, the control environment and how this is managed by vendors. The Committee was not convinced that processes are embedded and tested enough to lend itself to an audit and requested KMPG review the scope to determine whether an internal audit is warranted at this stage.
- The Committee commented on the recovery strategies from a ransomware attack and whether policies, procedures and communications have been established for when this may occur. Management noted there are practices in place should this occur and well-established data backup and recovery procedures within relevant teams and insurances in place for rectification work and payment of ransom where it may be appropriate and legal.
- The timing of the community safety audit was discussed, and the timing of the Audit was queried and whether it could be brought forward given there have been some concerns around service levels. Management commented the timing of this audit was based on the prioritisation of the other reviews. Management will review the timing and see if this can be brought forward from year 2 of the plan. It was also noted the purpose of the audit is to verify practices and processes are compliant and that issues or service improvements should be addressed as they arise.
- The Committee commented that they struggled to see the alignment with the assurance mapping work that was previously done. Mr Beere noted that the assurance mapping is only one input used and is not agile enough to align with the maturity of the organisation on its own, however there is a need to look practically of what lends itself to an internal audit. KPMG will take this feedback on board and look to integrating this further in the second iteration of the assurance mapping.
- The Committee suggested if there is going to be an updated assurance map included, the ideal timing for this would be prior to setting the next plan and be used to identify any gaps.
- The Committee commented that they would like to see the risk register and controls audit included in the internal audit program if possible..

ACTION: Management to review elements in the Risk register and core controls testing audit to determine if this would be beneficial and to review the elements within the Cloud Vendor/Third Party Cyber Risk Assessment to determine if an audit is warranted.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance Risk and Audit Committee:

1. Endorses the Internal Audit Plan for 2023-2025

Carried Unanimously

6.4 Internal Audit Program 2022 - 2023

Report Reference FRAC221213R6.4

2.52pm Councillor Veliskou left the meeting

2.53pm Councillor Veliskou re-entered the meeting

Mr Eric Beere and Ms Kylie Netherwood from KMPG were present for the item.

Mr Beere introduced the item and provided a summary of the final reports for Customer Experience and Cyber Security. The objective of the Cyber Security internal audit was to assess the maturity of Council Information technology controls area against the Local Government Information Technology South Australia's (LAITSA) Local Government Securities Framework (LGSF) and supporting tool kit. The objective of the Customer Experience internal audit was to perform a review of the City of Marion's customer management strategies, planning and operations, and recommendation arising from the 2019 internal audit of CX (including complaints). The following discussion on the Customer Experience Report was noted:

- It was pleasing to see a lot of the recommendations already planned for or in train.
- The maturity assessment relating to tools and technology was rated as high. It was understood the City of Marion is going through a transition period through the deployment of the CRM, however it was noted the importance of investing in the processes to support the technology.
- The Committee queried the SLAs within the CRM especially the 17% that had no SLAs and the 19% that exceeded the timeframe and questioned whether there were any specific observations in relation to this.
- The Committee noted it was good to see the emphasis on communication across the organisation and the collective effort around this.
- Mr Beere commented that the SLAs vary, some had an incorrect closure date, others were not closed out at all. It showed there was inconsistency with how the system was being used and how the cases were being triaged.
- The Committee noted the assessment reads well and questioned what the benchmark is compared to others. Mr Beere commented the maturity assessment is global across all industries. Compared to other Local Governments, City of Marion is mid-tier. There is still a lot of work to be achieved, however it was acknowledged much of this is already recognised and in progress.
- Feedback was provided on customer management and the channels used and whether we are going to look at different people communicate differently, i.e., what is effective, who it is best suited to, who would benefit. It was noted that all the different communication channels had been looked at. A suggestion was integrating marketing tools such as social media and technology concepts to capture feedback from these various channels.
- The Committee discussed the tools and technologies element noting this is a function that crosses all business unity in the organisation and is included in the draft strategy to be rolled out.
- Concerns were raised by the Committee in relation to the target dates for the tools and technology element and whether they were realistic. Management commented the approach to be taken included the following elements:
 - finalising the customer experience strategy, with deployment and implementation to take time after the approval of the strategy
 - integrating the road map looking at how the data is captured and then made available for reporting. Several dashboards have already progressed to look at the different elements of the data. A review of categories within CRM has already taken place to simplify the data and ensure this is being captured accurately and the cases are allocated to the right team at inception.. This will allow the team to review SLA data more extensively.

- Reviewing how this is reported back to the customer and having a clear system to provide current and accurate information.
- The Committee queried the process for applying fairness i.e., in the event an error is found, what is the process for determining other similar instances and correcting this.
- Mr Beere commented that management are reviewing the complaints framework and escalation process to incorporate this element. Further upgrades to the CRM system will look to rectify any anomalies and the Customer Systems Partner will continue to look at individual circumstances to ensure events are not systemic.
- The Committee commented on the importance of embedding the customer service ethos across the organisation.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes the completion of the Internal Audit Program for 2022/23.
2. Considers and provides feedback on the:
 - a. Customer Experience (Attachment 1)

Carried Unanimously

The Chair sought and was granted Leave of the Meeting to vary the order of agenda items and bring forward item 7.1 to be considered next in the meeting.

7.1 Internal Audit Program - Implementation of Recommendations

Report Reference FRAC230516R7.1

Manager Office of the CEO introduced the item and provided a summary of the status of implementation of recommendations to date. It was noted that ELT had undertaken a thorough review of all recommendations. As part of this review, the ELT determined to amend how the implementation of recommendations are being reported. The significant difference is that the 'not on track' is any item not completed within the original due date tracking and therefore tracking as red. An additional column has been added which is a 'forecasted action completion date'. This change to the reporting is to increase awareness and accountability for those actions that are overdue, and ELT are focusing on reducing the number each quarter.

It was also noted several actions relating to the Digital Transformation Program are now being rolled into the new Information Systems Strategic Plan due for completion 30 June 2023. Project timing will be subject to budget prioritisation within that plan.

The Committee noted the status of the Internal Audit Program and provided the following feedback:

- Suggested that it may be useful to include the month and year of the audit to enable visibility of extensions to timeframes.
- The Committee commented on the number of overdue items, however acknowledged this was a result of the ELT review and change in reporting method. The item not on track in the Stakeholder Management item resulted from pressures in the business and the work has

recently been relaunched with it expected to be completed within the next few months. The resourcing challenges were noted.

- The Committee commented it would be good to see the recommendations from Project Management on track soon. Management commented that the Manager Project Management Office would be commencing within the next month with an additional two positions in this team yet to be filled. The Project Management Framework has now been endorsed by Council and will come into effect from 1 July 2023.
- The Committee raised concerns regarding some of the completed items, and whether they were in fact completed. The final comments didn't appear to align with the original recommendation. It was also noted there needs to be enough detail in the recommendation to be able to complete findings appropriately. The Committee suggested a thorough review of completed items to ensure they had met the intent of the findings.
- The Committee noted Action 1.1 on the Collaborative Model Health Check has the same recommendation as agreed management action. It was requested this be updated prior to the next meeting. Management advised that the 3 councils did meet on 12 May to discuss the way forward for this audit.
- Mr Beere acknowledged this is the first year a formal review has been undertaken of the tracking of internal audits with any process improvements incorporated into following plans.

ACTION: Review comments of completed items to ensure they align to the original recommendations and intent of the findings. Re-open any that are not actually complete e.g:

- 9.1 in ITT Governance
- 5.1 in Asset Inspection Schedule
- 1.1 Project Management (check that the intent of the finding in relation to CAMMS has been completed)

ACTION: 1.1 on the Collaborative Model Health Check has the same recommendation as agreed management action. It was requested this be updated prior to the next meeting.

ACTION: The Committee requested in future this report be listed under reports for decision and not reports for noting.

Moved Councillor Hoffmann

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Notes the status of the Internal Audit Program (Attachment 1).

Carried Unanimously

The Chair sought and was granted leave of the meeting to vary the order of the agenda and consider the following items next on the agenda:

- Item 9.2 *Cyber Security Internal Audit*
- Item 9.1 *Quarterly Cyber Security Update*

9.2 Cover Report - Cyber Security Internal Audit

Report Reference FRAC220516F9.2

Moved Councillor Veliskou

Seconded Ms Rantanen

That pursuant to Section 90(2) and (3)(e) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Eric Beer (KPMG), Heather Martins (KPMG), Chief Executive Officer, General Manager City Development, General Manager Corporate Services, General Manager City Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support, Manager IT Operations and IT Governance & Cybersecurity Lead, be excluded from the meeting as the Committee receives and considers information relating to Cyber security of CoM, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the security of the City of Marion.

Carried Unanimously

3.33pm the meeting went into confidence.

Moved Councillor Veliskou

Seconded Mr Hubbard

In accordance with Section 91(7) and (9) of the Local Government Act 1999, orders that the report, attachments and minutes arising from this report 'Cyber Security Internal Audit Report', having been considered in confidence under Section 90(2) and (3)(e) of the Act be kept confidential and not available for public inspection upon the basis that the information contains details of security risks to the Council. This order is to remain in force until such time as it is reviewed, at which time a further order of confidentiality may be made. This confidentiality order will be reviewed at the General Council Meeting in December 2023.

Carried Unanimously

3.52pm the meeting came out of confidence

9 Confidential Items

9.1 Cover Report - Quarterly Cyber Security Update

Report Reference FRAC230516F9.1

Moved Councillor Veliskou

Seconded Ms Rantanen

That pursuant to Section 90(2) and (3)(e) and of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager Corporate Services, General Manager City Services, Manager Office of the CEO, Chief Financial Officer, Unit Manager Governance, Manager IT Operations and IT Governance & Cybersecurity Lead be excluded from the meeting as the Committee receives and considers information relating to Cyber security of CoM, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the current status of the CoM Cyber Security and the impact on contractual expectations.

Carried Unanimously

3.52pm the meeting went into confidence

Moved Mr Hubbard

Seconded Ms Rantanen

In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Committee orders that this report, Cybersecurity – Quarterly Update, any appendices and the minutes arising from this report, having been considered in confidence under Section 90(2) and (3)(e) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2023.

Carried Unanimously

4.04pm the meeting came out of confidence

4.04pm Ms Rantanen left the meeting

4.04pm Mr Hubbard left the meeting

6.5 Tree Asset Management Plan

Report Reference FRAC230516R6.5

4.05pm Mr Hubbard re-entered the meeting

4.06pm Ms Rantanen re-entered the meeting

Acting Chief Executive Officer provided the Committee with an update on urban tree management and a summary of the draft Tree Asset Management Plan noting this as a leading industry approach to managing trees through data management and Forestree.

The Committee provided the following feedback:

- The Committee acknowledged the good progressive work that had been done in this space and given it is the first management strategy of its kind, queried what other opportunities may arise. Management noted they have been actively working with Forestree with regards to how it's being used and will promote and work collaboratively with other Councils as improvements are made.
- The Committee queried the resourcing levels required and encouraged staff to drive the conversation around this before the final document is endorsed. It was suggested that a best practice approach be adopted with the resources allocated to achieve this outcome. The Committee also suggested it would be important to include the modelling of various scenarios versus the experience and financial considerations to ensure it has been designed to be as effective and efficient as possible and meet the needs and expectations of the community. Management confirmed that budget considerations would come through the annual business plan process.

Moved Councillor Hoffmann

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Reviews and provides feedback on the Draft Tree Asset Management Plan (Attachment 1).

Carried Unanimously

6.6 Draft Annual Business Plan 2023-24 and Long-Term Financial update

Report Reference FRAC230516R6.6

The Committee noted the Draft Annual Business Plan 2023-24 and Long-Term Financial Plan and provided the following comments and feedback:

- The Committee discussed the borrowings beyond 2023-24 forecast to peak at \$55.3m in the 2031-32 year of the LTFP, noting that the borrowings in the Long-Term Financial Plan incorporated funding required for the recently endorsed CoMBAS with most projects supported through borrowing over 10-years. This is in line with the Committees previous suggestions and aims to change the cycle of borrowings and enable residents to share the intergenerational equity.
- The Committee queried the capital program and realistic ability to deliver this given the current economic environment. Management commented with the implementation of the Project Management Office to track and monitor projects there would be greater oversight on this, noting that some of the projects also have contingencies built in. It was also noted some of the projects are already heading into the construction phase and have already gone through the planning phase. It was acknowledged there is a lot of pressure on Council to find the resources to manage projects appropriately.
- The proposed rate increase of 5.2% was discussed with the Committee raising concerns this may be too low to accomplish the deliverables outlined in the plan. Management noted considerable work has been undertaken to set a rate increase that balances the impact on our community without compromising on operational service or capital project delivery while also maintaining a long term financially sustainable position for the City of Marion. The Committee reiterated the importance of communicating this message to the community and the amount of work that had gone into determining this rate rise and associated Annual Business Plan.
- The Committee commended the staff working on the Draft Annual Business Plan resulting in a high-quality document being produced.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Provides feedback on the current iteration of the Draft ABP 2023-24 and Draft LTFP released for public consultation (Attachment 1).

Carried Unanimously

6.7 Finance, Risk and Audit Committee - Effectiveness Survey

Report Reference FRAC230516R6.7

Moved Councillor Hoffmann

Seconded Councillor Veliskou

That the Finance, Risk and Audit Committee:

1. Endorse the survey components and statements included in Attachment 1 to be used for the Bi-Annual Effectiveness Survey.

Carried Unanimously

7 Reports for Noting

7.2 Sam Willoughby International BMX Claim Update

Report Reference FRAC230516R7.2

Moved Councillor Veliskou

Seconded Ms Rantanen

That pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Committee orders that all persons present, with the exception of the following persons: Chief Executive Officer, General Manager City Development, General Manager City Services, General Manager Corporate Services, Manager of the Office of the CEO, Chief Financial Officer, Unit Manager Governance and Council Support, Unit Manager Strategy and Risk and Risk Business Partner, be excluded from the meeting as the Committee receives and considers information relating to Sam Willoughby BMX Track Claim Progress Update, upon the basis that the Committee is satisfied that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to commercial and financial information.

Carried Unanimously

4.40pm the meeting went into confidence

The Committee went into confidence and discussed some of the financial and commercial details around the matter that remain confidential and requested additional information be provided in due course.

ACTION: Management to provide Committee Members with additional information out of session.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Notes the LGA Asset Mutual Fund letter dated 16 March 2023.
2. Notes that no further action on this matter will be undertaken, and that repairs to the Sam Willoughby International BMX track are underway.

Carried Unanimously

7.3 Digital Transformation Program - Quarterly Status Update

Report Reference FRAC230516R7.3

The Committee noted the update on the Digital Transformation Program and the DTP – Benefit Realisation Table and provided the following feedback and comments:

- It was noted that 78.25% of the benefits had been realised, however, the Committee questioned what was missing and what the risk of not actually achieving 100% close out on all items. Management noted that some benefits won't be realised for example the HRIS System, given the modules do not exist in the selected solutions.

- A key learning noted was around the description of benefits when going to market and the importance of engaging with key stakeholders to develop the benefits realisation piece, specifically noting the difference between realisation and financial savings.
- Management further commented that as of the 30th of June, the Digital Transformation Program will no longer exist as all projects are completed, except for the upgrade of the Property and Rates module to a Cloud version that will be implemented in February 2024 to accommodate business needs and reduce IT security risk and phase 2 of the Assetic implementation. Ongoing enhancements to the Financial Force system will continue with anticipated completion by the end of September 2023. It was noted that work had commenced on the overarching Information Services (IS) Strategic Plan and the planning required for its implementation which will include any remaining projects or elements embedded.
- The Committee discussed the importance of the close out review and ensuring applied lessons were incorporated into the new strategy. Management confirmed this was a key piece of work with much of the information already provided through the DTP health check and is reflective of the findings in the KPMG Report.

Moved Mr Hubbard

Seconded Ms Rantanen

That the Finance, Risk and Audit Committee:

1. Note the update on the Digital Transformation Program
2. Note the DTP – Benefit Realisation Table

Carried Unanimously

7.4 2nd Budget Review 2022/2023

Report Reference FRAC230516R7.4

The Committee noted the 2nd Budget Review for 2022/2023 with the following queries:

- The Committee queried the Asset Consumption Ratio, noting this seems incredibly high and queried whether the target needed to be moved. Management acknowledged this could be re-assessed for the next financial year.
- The Committee also questioned the main driver for the forecast deficit relating to operations. Management commented that the DTP projects are being driven through operations, noting the net funding position was fine, this was more a result of where the costs sit from an accounting perspective in Council's funding statement.

Moved Ms Rantanen

Seconded Mr Hubbard

That the Finance, Risk and Audit Committee:

1. Note the 2nd Budget Review position and revised budgeted statements including the Income Statement, Balance Sheet, Statement of Changes in Equity and Statement of Cash Flows.

Carried Unanimously

8 Workshop / Presentation Items

Nil

10 Other Business

Nil

11 Meeting Closure

The meeting was declared closed at 5.00pm.

CONFIRMED THIS 15 DAY OF AUGUST 2023

CHAIRPERSON