

City of Ryde – Action Plan – 19 July 2023

	Issue	Actions	Responsible	Timeframe	Current Status
1	<p>Compliance with s 7.3 of <i>Environmental Planning and Assessment Act 1979</i> (NSW) (EP&A Act)</p>	<ul style="list-style-type: none"> • Seek approval from Council to: <ul style="list-style-type: none"> ○ Return \$35,500,000 from Ryde Central Reserve to S7.11 Externally Restricted Reserves as follows: <ul style="list-style-type: none"> ▪ \$26,406,740 to S7.11 Open Space & Recreation Facility Reserve ▪ \$8,659,138 to S7.11 Community & Cultural Facility Reserve ▪ \$434,122 to S7.11 Stormwater Management Facility Reserve ○ Return \$1,086,451 Employee Leave Entitlements Reserve to S7.11 Externally Restricted Reserves as follows; <ul style="list-style-type: none"> ▪ \$808,159 to S7.11 Open Space & Recreation Facility Reserve ▪ \$265,006 to S7.11 Community & Cultural Facility Reserve 	CFO	27 June 2023	<p style="text-align: center;">COMPLETED</p> <p>Councillors notified of key issues in an opening statement by the CEO at its Council's Meeting on 23 May 2023.</p> <p>Council resolved to return funds at its meeting on 27 June 2023.</p> <p>Office of Local Government advised of Council resolution and provided an update on 30 June 2023.</p>

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		<ul style="list-style-type: none"> ▪ \$13,286 to S7.11 Stormwater Management Facility Reserve ○ \$ Allocate a total of \$1,140,267 from Accommodation Reserve for interest earned in prior years to S7.11 Externally Restricted Reserves as follows: <ul style="list-style-type: none"> ▪ \$848,190 to S7.11 Open Space & Recreation Facility Reserve ▪ \$278,133 to S7.11 Community & Cultural Facility Reserve ▪ \$13,944 to S7.11 Stormwater Management Facilities Reserve ○ Return \$3,381,645 from Accommodation Reserve to Voluntary Planning Agreement Reserve ○ Return \$361,249 from Accommodation Reserve to Voluntary Planning Agreement Reserve 			

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		<ul style="list-style-type: none"> ○ Return the amount of \$1,006,700 from Accommodation Reserve to Domestic Waste Reserve due to a COVID-19 Rates Rebate.” 			
		(A) Implement accounting and financial controls that do not permit the movement of funds out of restricted reserves unless in accordance with legislation.	CFO	27 June 2023	<p>COMPLETED</p> <p>New Cash Reserves Policy was drafted by Council staff and adopted by Council on 27 June 2023. A copy of the Cash Reserves Policy is published on the CoR website. Cash Reserves Policy noted by ARIC on 17 July 2023.</p>
		(B) Finance Staff be instructed that no transfers of restricted funds into unrestricted reserves can occur without CFO consent.	CFO	Within 1 month	<p>COMPLETED</p> <p>Finance staff have been advised of their responsibility in regards to transfers of restricted funds. In addition, New Cash Reserves policy was drafted and adopted by Council on 27 June 2023. A copy of the Cash Reserves Policy is published on the CoR website. Cash Reserves Policy noted by ARIC on 17 July 2023.</p>
		(C) Notify Councillors of key issues	CEO	As soon as possible	<p>COMPLETED</p> <p>Councillors notified of key issues at in an opening statement at its</p>

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					Council's Meeting on 23 May 2023. A Confidential Report to Council detailing return of funds was provided to Council in a confidential session on 27 June 2023 and the transfer of funds in accordance with item 1 was resolved by Council.
		(D) Convene a special Audit and Risk Committee meeting with a report on the outcomes of this investigation.	Manager Business Assurance & Governance /CFO	Within 1 month	COMPLETED Independent ARIC members briefed 18 April 2023 and on 16 June 2023. ARIC independent members received an update from NRF and CEO on 16 June 2023. Further briefing occurred with ARIC members at 17 July 2023 meeting.
		(E) Regular updates be provided to ARIC on the progress of this Action Plan	Manager Business Assurance & Governance /Internal Auditor	As per meeting schedule	See (E) above
2	Ensuring ongoing compliance with section 7.3 of EP&A Act	Finance function is to establish processes to ensure all funds collected under the 2020 Contributions Plan for the purposes identified in each development consent are clearly allocated in the accounts for those purposes.	CFO	Within 1 month	COMPLETED Cash reserves policy prepared by Council staff and was adopted by Council at 27 June Council meeting. New Novoplan software implemented which will record and track contributions paid to

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		<p>This would involve creating documents that:</p> <ul style="list-style-type: none"> - identify the amount collected pursuant to each development consent; - the purpose for each amount collected under the development consent; - the allocation of the funds within the relevant account for the identified purpose - a record of the receipt and expenditure from the developer contributions fund that shows the expenditure for the purpose for which the funds were collected. 			Council. This software is integrated with Council's Technology One finance system
		<p>An annual external audit (independent from the Audit Office) should be undertaken for the specific purpose of ensuring compliance with s 7.3 of the EP&A Act. The audit should then be provided to the Audit Office for consideration</p>	<p>Manager Business Assurance & Governance/Internal Auditor</p>	<p>First audit within 3 months, annually thereafter</p>	<p>To be actioned.</p>

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		<p>A policy on the management of section 7.11/7.12 Contributions and VPA funds should be prepared and supplement the Cash Reserves Policy. This policy document should set out the legislation, the requirements for the management of funds, the roles and responsibilities of key staff in complying with the policy and how the policy will be implemented and reviewed over time.</p> <p>This policy should be made available to all relevant staff.</p> <p>A training program be developed and rolled out for all staff associated with the collection and management of developer contributions. This program will supplement the policy recommended above.</p>	Executive Officer City Places/General Manager City Shaping	Within 3 months	To be actioned following completion of VPA audit
		A review and update of section 7.11/section 7.12 plans	Executive Officer City Places/General Manager City Shaping	Within 6 to 9 months	To be actioned
		This review should consider whether the 2020 plans should be amended to include provisions similar to those adopted by other	CFO	Within 6 to 9 months	To be actioned

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		councils in managing unspent contributions that have been collected via repealed section 7.11/section 7.12 plans.			
		External review of Voluntary Planning Agreements and the financial implications and liabilities for Council.	Nexia	Within 3 to 6 months	IN PROGRESS Nexia has been engaged and Council has been providing them with necessary information to commence the audit.
3	Ryde Central	Prepare a report to Council examining options available to Council in relation to the Ryde Central Project. CEO & Executive Team to prepare feasibility of available options	CEO/CFO/Manager Business Assurance and Governance	Within 6 months	To be actioned
		Ryde Central project to be placed on hold, pending the feasibility study of available options. However, Council to reevaluate all risks associated with the relocation from the site of the Sydney Water main and develop a new strategy for Council consideration moving forward.	CEO	1-2 weeks	COMPLETED Project placed on hold except for certain contracts to place site in care and maintenance.

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		Further independent investigation into procurement and contract management processes of consultants and advisors on Ryde Central.	CFO	Within 1 to 2 months	IN PROGRESS Material provided to ICAC on 16 June 2023. Further investigations are continuing.
4	Future major projects	Additional major project reforms (for projects > \$5 mill): <ul style="list-style-type: none"> - All major projects to be a standing ARIC agenda item - ARIC reporting to include an update on all major project risks with an inherent or residual rating of 'high' or above, including implementation of risk mitigation strategies and role responsibilities - Procurement strategies to be developed by new Project Director (under the stewardship of the CFO) for all major projects and endorsed by Executive Leadership Team, General Counsel, and provided to ARIC 	Manager Business Assurance & Governance /Internal Auditor	Within 3 to 6 months	To be actioned

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		<ul style="list-style-type: none"> - Major project reviews to be included in the Internal Audit Plan on an ongoing basis - All major project risk registers and probity plans to be kept up to date - Major project funding strategies and cost/benefit analyses to be completed and externally reviewed - All major project reports to Council dealing with funding and procurement issues to be endorsed by Project Director, CFO and General Counsel - General Counsel and Manager Business Assurance & Governance to be included in Project Control Groups for major projects - Recruitment of Project Director and Senior Project Manager positions to oversee major projects - Clear assignment of all project roles and responsibilities 			

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5	Financial Reporting and Legislative Requirements	Council to amend its financial records and annual statements to restore the status of the development contribution reserves and the movement of funds to and from those reserves.	CFO	27 June 2023	<p>IN PROGRESS</p> <p>Report to Council detailing return of funds was adopted by Council on 27 June 2023.</p> <p>Council awaiting a response from NSW Audit Office regarding prior year corrections to Statutory Financial Statements.</p>
		<p>In future years, further reporting on compliance with Cash Reserves Policy should be provided to support annual financial statements. These supplementary reports should be provided to the ARIC, external auditors, and the Mayor and CEO so the annual statements can be signed off with confidence that developer contributions are being managed in accordance with all relevant legislation.</p> <p>Legislative requirements are in EP&A Act which requires Council to comply with sections 217, 218, 218A, 219 & 220 of the EP&A Regulation. Roles and responsibilities are across Finance and City Places team.</p>	CFO & Executive Officer City Places	At Financial Year End and annually thereafter	A Cash Reserves Policy was drafted and adopted by Council on 27 June 2023. This Policy along with other Council policies will support the preparation of annual financial statements.

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		Advise the NSW Audit Office of the progress of the investigation.	CEO	25 May 2023	COMPLETED Council wrote to NSW Audit Office on 25 May 2023. Council has not yet received a response from the Audit Office.
6	Policies	Cash Reserves Policy to be prepared.	CFO	27 June 2023	COMPLETED New Cash Reserves policy was drafted by Council staff and adopted by Council on 27 June 2023
7	Financial /Property Strategy	Develop a financial/property strategy with available options for action identified with external review.	CEO/General Manager City Shaping/CFO/Executive Officer City Property	Within 3 to 6 months	IN PROGRESS
8	Training	Roll out training for relevant staff – governance and probity with respect to procurement and project management. Conflict of Interest training to be made mandatory. Conflict of Interest policy to be developed.	Manager Business Assurance & Governance	Within 3 to 6 months	To be actioned
9	Internal audit and Governance – capability review.	Undertake a capability review of the systems, processes and function of the internal audit and Governance function. Consult with ARIC.	Manager Business Assurance & Governance	Within 2 to 3 months	IN PROGRESS Initial scoping underway. Preliminary discussions undertaken with CEO and ARIC.