

	Issue	Actions	Responsible	Timeframe	Current Status
1	<p>Address advice from Office of Local Government concerning compliance with s 7.3 of <i>Environmental Planning and Assessment Act 1979 (NSW) (EP&A Act)</i></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 ▪ \$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 	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> <p>Councillor Confidential Workshop – (31 October 2023) presentation by Norton Rose Fulbright around 2016 legal advice and subsequent advice which Council relied upon. A copy of this advice provided to ARIC members.</p> <p>An update of the <u>Action Plan</u> was provided to Councillors on 22 November 2023. The December 2023 plan will be provided to Councillors, ARIC members, OLG and publicly available on the website.</p>

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		<ul style="list-style-type: none"> ▪ \$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 ○ 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 style="text-align: center;">COMPLETED</p> <p>New Cash Reserves Policy was drafted by Council staff and adopted by Council on 27 June 2023.</p>
		(B) Finance Staff be instructed that no transfers of restricted funds into unrestricted reserves can occur without CFO consent.	CFO	June 2023	<p style="text-align: center;">COMPLETED</p> <p>Finance staff have been advised of their responsibility regarding transfers of restricted funds. In addition, New Cash Reserves policy was drafted and adopted by Council on 27 June 2023</p>
		(C) Notify Councillors of key issues	CEO	Ongoing	<p style="text-align: center;">COMPLETED</p>

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					<p>Councillors notified of key issues at an opening statement at its 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.</p> <p>A Councillor workshop was held on 31 October 2023 to discuss legal advice from 2016 in context with subsequent legal advice. (Session facilitated by Norton Rose Fulbright)</p>
		(D) Convene a special Audit and Risk Committee meeting with a report on the outcomes of this investigation.	Manager Business Assurance & Governance /CFO	May 2023	<p>COMPLETED</p> <p>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.</p> <p>Further detailed briefing occurred with all ARIC members 17 July 2023 meeting.</p> <p>ARIC meeting held on 13 November 2023 – update provided.</p> <p>CEO/ CFO and Business Assurance and Governance provide verbal updates to ARIC periodically.</p>
		(E) Regular updates be provided to ARIC on the progress of this Action Plan	Manager Business Assurance &	As per meeting schedule	<p>See (D) above</p> <p>December 2023 version of the Action plan to be provided to ARIC.</p>

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			Governance /Internal Auditor		
2	Ensuring ongoing compliance with section 7.3 of EP&A Act	<p>(A) 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.</p> <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. 	CFO	June 2023	<p>COMPLETED</p> <p>Cash reserves policy prepared by Council staff and was adopted by Council at 27 June Council meeting.</p> <p>New Novoplan software implemented which will record and track contributions paid to Council. This software is integrated with Council's Technology One finance system</p>
		<p>(B) 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>RECONSIDERED (Deleted).</p> <p>This action item has been removed because events and actions have now made it unnecessary. The next external audit will be undertaken by the NSW Audit Office, a revised ARIC membership will more closely examine Council's financial statements and major</p>

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		<p>(C) 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>	<p>Executive Officer City Places/General Manager City Shaping</p>	<p>April 2024</p>	<p>projects. Council staff have implemented various financial controls and processes to ensure compliance with S7.3 of the EP&A Act. In addition a Cash Reserves Policy has also been adopted by Council which provides a framework for the establishment and management of Council's Cash Reserves.</p> <p>To be actioned following completion of VPA audit.</p> <p>A workplace reform process has commenced to create a new senior management position of Chief Property Officer within the Office of the CEO. This position will entail responsibility for the leadership and management of Voluntary Planning Agreements through the entirety of relevant processes, for all matters pertaining to development contributions, for strategic property, for land economics and valuations, and lead a multi-disciplinary internal working group comprised of technical experts across relevant areas of expertise including legal, finance, assets, infrastructure, and commercial. The Chief Property Officer will create and/or refresh and enhance all relevant Council strategies and policies across these key areas of Council operations. Recruitment of the position is underway and due for completed by the end of Q1 2024.</p>

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	Issue	Actions	Responsible	Timeframe	Current Status
		(D) 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	See (C) above
		(E) This review should consider whether the 2020 plans should be amended to include provisions similar to those adopted by other councils in managing unspent contributions that have been collected via repealed section 7.11/section 7.12 plans.	CFO	Within 6 to 9 months	See (C) above
		(F) External review of Voluntary Planning Agreements and the financial implications and liabilities for Council.	Nexia	Within 3 to 6 months	COMPLETED Nexia Australia have completed the review. The Councillors were briefed by Nexia on 20 August with the findings. A report to Council with the Nexia Review Report was presented to Council on 26 September 2023 with the necessary actions to be taken.
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	In Progress Councillors were briefed on 20 August 2023 with the options for Ryde Central. Staff have engaged a suitable qualified external valuer to provide valuations for the Ryde Central site. Councillors were briefed about these valuations at the 17 October 2023 workshop. A report was

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					<p>presented to Council at it's 28 November 2023 meeting which considered the future of Ryde Central and other Major Projects and the financial implications arising. Council resolved to defer the building of any new civic building at the Ryde Central site until sufficient funding can be identified. Council also resolved to retain public ownership of the site. Details of this Council Report and Council Resolution can be found on Council's website under Council Meetings/Agendas, Minutes and Recorded Meetings/28 November 2023.</p> <p>A recission motion was considered at Council meeting of 12 December. The motion was lost.</p>
		<p>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.</p>	<p>CEO</p>	<p>1-2 weeks</p>	<p>COMPLETED</p> <p>Project placed on hold except for certain contracts to place site in care and maintenance.</p>
		<p>Further independent investigation into procurement and contract management processes of consultants and advisors on Ryde Central.</p>	<p>CFO</p>	<p>Within 1 to 2 months</p>	<p>IN PROGRESS</p> <p>Material provided to ICAC on 16 June 2023. Further investigations are continuing.</p> <p>No correspondence has been received from ICAC to date.</p>

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4	Future major projects	<p>Additional major project reforms (for projects > \$5 mill):</p> <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 - 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 	Manager Business Assurance & Governance /Internal Auditor	Within 3 to 6 months	<p>In Progress.</p> <p>A major projects report has been prepared by finance and will be provided to the ARIC as a standing agenda item.</p> <p>Procurement is being reviewed externally by O'Connor Marsden consultants who were engaged in September 2023. O'Connor Marsden have assumed the role as consultant internal auditor from 13 December 2023.</p> <p>Recruitment of the Project Director to oversee major projects is complete. The incumbent has started in June 2023 and the Senior Project Manager commenced in October 2023. The Project Director and CFO are working with the ARIC to clarify reporting of major projects design preferences and expectations.</p>

	Issue	Actions	Responsible	Timeframe	Current Status
		- Clear assignment of all project roles and responsibilities			
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>COMPLETED</p> <p>Report to Council detailing return of funds was adopted by Council on 27 June 2023.</p> <p>Meeting held with the NSW Audit Office on 21 July 2023. As per verbal advice given, no prior period corrections needed to be made to the financial statements. The transactions that occurred during that time is what should be reflected in the accounts. The NSW Audit Office stated that disclosure notes were required in the FY 22/23 statements and these disclosure notes have been incorporated where relevant.</p>
		<p>(b) 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</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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		responsibilities are across Finance and City Places team.			
		Advise the NSW Audit Office of the progress of the investigation.	CEO	25 May 2023	<p>COMPLETED</p> <p>Council wrote to NSW Audit Office on 25 May 2023. Council has not yet received a response from the Audit Office.</p> <p>Council wrote to the NSW Audit Office on 7 August 2023, requesting a meeting with the Auditor General of NSW (Ms Crawford) following the initial meeting with her staff on 21 July 2023.</p> <p>The NEXIA report on VPA and Restricted Reserves was finalised with management comments and sent to Audit Office on 23 October 2023.</p> <p>CoR Executive to meet with AO on 20.12.2023.</p>
6	Policies	Cash Reserves Policy to be prepared.	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</p>
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, Chief Property Officer	Within 3 to 6 months	<p>IN PROGRESS</p> <p>A report was presented to Council at the 28 November 2023 meeting which considered the Major Projects and their financial implications. Council resolved to defer the building of any new civic building at the Ryde Central site until sufficient funding can be identified. Council also resolved to retain public ownership of the site. Details of this</p>

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					Council Report and Council Resolution can be found on Council's website under Council Meetings/Agendas, Minutes and Recorded Meetings/28 November 2023
8	Training	<p>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.</p> <p>Conflict of interest policy developed endorsed by Council on 12 December 2023.</p>	Manager Business Assurance & Governance	December 2023	<p>Partially completed Professional development and bespoke training around procurement and contract management is ongoing.</p> <p>Action revised. Following consultation with ARIC chair and CEO it has been determined to arrange for a “external review” of Council’s procurement function, OCM have been engaged as part of Action item 9. The procurement audit relates to items 8 and 9. Conflict of Interest policy (new) adopted by Council on 12 December 2023.</p>
9	Internal audit and Governance – capability review.	Undertake a capability review of the systems, processes and function of the internal audit, Risk Management and Governance function. Consult with ARIC.	Manager Business Assurance & Governance	<p>OCM reports received Dec 2023.</p> <p>Implementation mid 2024.</p>	<p>Advanced Ongoing discussions with ARIC around the scope and nature of the review.</p> <p>OCM internal Audit and Risk consultants engaged in September 2023.</p> <p>Preliminary draft report received on Internal Audit and Risk Management and Governance received. Management are considering the recommendations.</p>

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					<p>O'Connor Marsden appointed as Council's external provider internal auditor, while workplace reforms to advance the recommendations are progressed. A revised audit plan is being developed.</p> <p>ARIC planning day scheduled for February 2023 to develop 2023/2024 internal audit action plan.</p> <p>Recommendations to be presented by the Executive and ARIC in Q1 2024.</p>