

# ANNUAL REPORT 2019/20

**AUDIT, RISK AND IMPROVEMENT COMMITTEE**

MID-WESTERN REGIONAL COUNCIL



# TABLE OF CONTENTS

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Introduction.....	3
Charter.....	4
Committee members .....	5
Members and attendance .....	6
Financial Audit 2018/19.....	7
Conclusion.....	8
Attachment: ARIC Charter.....	9

## MID-WESTERN REGIONAL COUNCIL

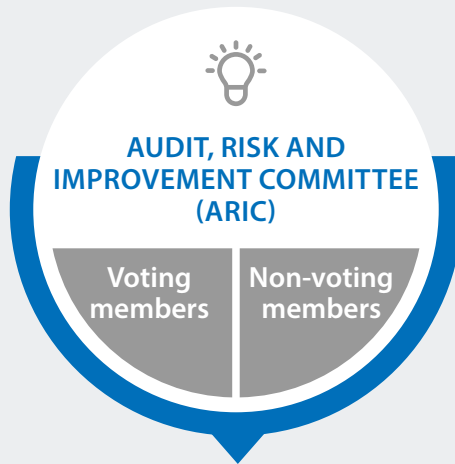
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MAYOR	Cr Des Kennedy
GENERAL MANAGER	Brad Cam



# INTRODUCTION

The Audit Risk and Improvement Committee (The Committee) met four (4) times during its first year and the meetings covered all aspects of the Committee's Charter.

## / OVERVIEW



Committee responsibilities are to advise and recommend Council on its risk profile, management controls and compliance frameworks



# CHARTER









The Charter for the Committee is included as Attachment 1.

The Charter was adopted by Council at its meeting of 19 September 2018.

At its first meeting of 3 May 2019, the Committee noted its responsibilities as outlined by the ARIC Charter and Internal Audit Policy. The Charter is used to guide the Committee's deliberations.

The Charter will be reviewed every four years by Council. The performance of the Committee will be reviewed every four years by the General Manager and the Mayor to ensure that it remains current, professional and meets legislative requirements. The first formal review is due in September 2022.

## / ROLE OF THE COMMITTEE

Report to Council	Report to Council and provide advice and recommendations on matters relevant to the Charter.	
Provide independent advice	Assist Council by providing independent advice to Council on it fulfilling its responsibilities by ensuring that management has an appropriate governance and business framework in place across Council.	
Specific advice	Specifically, the ARIC should advise Council on its Enterprise Risk Management Framework, policies, procedures and governance processes, legislative compliance and external accountability mechanisms.	
Recognise	At all times recognise that the primary responsibility for the management of Council rests with the Council and the General Manager as defined by the Local Government Act.	
Assist Council	Assist Council to ensure that the services and facilities provided by the Council are managed efficiently and effectively.	
Develop strategies	Identify strategies to assist with the continuous improvement of the provision of services and facilities to the community.	
Promote efficiencies	Promote continuous improvement across business processes with a focus on efficiencies and savings.	
Committee's focus	The focus of the Committee should only be on matters of significance and materiality.	

# COMMITTEE MEMBERS

The Committee members are appointed for the term of the Council which will be up until September 2021 (due to the September 2020 local elections being postponed as a result of the impacts of the COVID-19 pandemic). The committee members for the 19/20 period comprised the following Independent members and Councillor members: John Stuart (Chairperson) and John Bentley (the Committee members were confirmed at the 21 November 2018 Council Meeting).

## INDEPENDENT COMMITTEE MEMBERS

John Stuart (Chairperson) and John Bentley. The Committee members were confirmed at the 21 November 2018 Council Meeting.



JOHN STUART | Chairperson  
Independent ARIC  
Committee Member



JOHN BENTLEY  
Independent ARIC  
Committee Member

## COUNCILLORS

Councillor John O'Neill (appointed at the 19 September 2018 Council meeting) and Councillor Shelley (appointed as the alternate Council representative at the 21 November 2018 Council meeting).



CR JOHN O'NEILL  
ARIC Committee Member



CR PETER SHELLEY  
ARIC Committee Member

# MEMBERS AND ATTENDANCE

The Committee held four ordinary meetings during its first term. Below are the dates of meetings held:

- 3 May 2019
- 16 August 2019
- 8 November 2019
- 7 February 2020

The table below shows the number of attendance of the Committee members at the above meetings.

MEMBER NAME	MEETINGS ELIGIBLE TO ATTEND	MEETINGS ATTENDED	APOLOGY RECEIVED
John Stuart	4	4	0
John Bentley	4	4	0
Cr John O'Neill	4	4	0
Cr Peter Shelley	Not required to attend	0	0

# FINANCIAL AUDIT 2018/19

The financial audit was undertaken by the Audit Office of NSW. Regular updates of progress and issues were provided at each ARIC meeting. The Committee considered the draft audited financial statements at the 8 November 2019 meeting, congratulated the Finance Team on their hard work and recommended the statements be adopted by Council.

## INTERNAL AUDIT

Crowe Pty Ltd was appointed to provide the Mid-Western Regional Council's Internal Audit Services from 8 April 2019 to 9 April 2020 and has been engaged to provide the next year's strategic internal audit plan.

The Committee considered the reports and recommendations from the 2019/20 Internal Audit Program.

A major focus of the Committee has been tracking the completion of agreed management responses to the internal audit report recommendations, the implementation of various frameworks, risk registers and strategies across the organisation. I am pleased to report there has been significant progress made in relation to the management actions arising from the following audits:

- Procurement Framework
- Contractor Management
- Work Health Safety Management
- Asset Management

## OTHER MATTERS REVIEWED BY THE COMMITTEE

- Fraud Control Improvement
- Fraud Risk Register
- Interim Management Letter
- OLG ARIC Framework Discussion Paper
- Legislative Compliance
- ICT risks
- Draft Local Government Code of Accounting Practice and Financial Reporting

# CONCLUSION

The current ARIC completed its first full year of operation and completed activities required by its Charter in a constructive way. On behalf of ARIC, I would like to thank the Council staff for administrative support, and I would also like to extend my thanks to the Councillors, General Manager, other members of the Executive Team and Senior Management for their support throughout this term.

**JOHN STUART**  
CHAIR







# ATTACHMENT: ARIC CHARTER

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[www.midwestern.nsw.gov.au](http://www.midwestern.nsw.gov.au)

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