

ANNUAL REPORT 2023/24

**AUDIT, RISK AND IMPROVEMENT
COMMITTEE**

MID-WESTERN REGIONAL COUNCIL

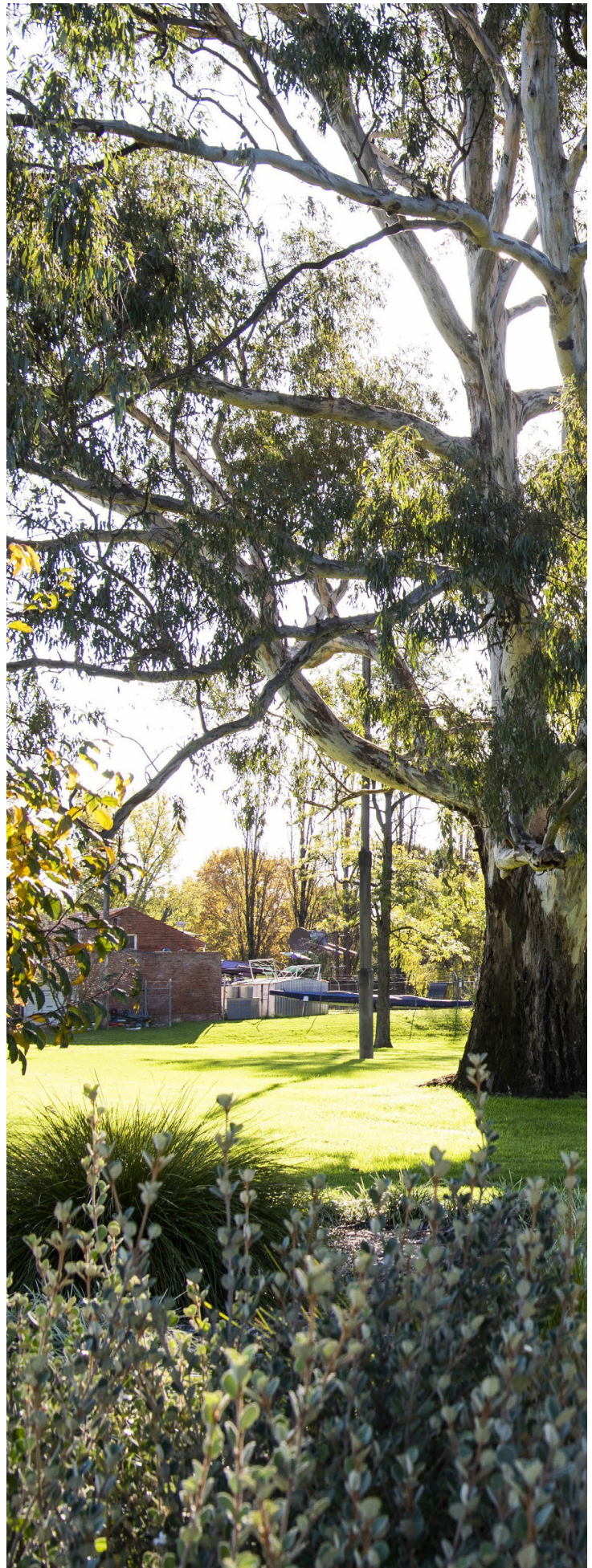


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Mid-Western Regional Council

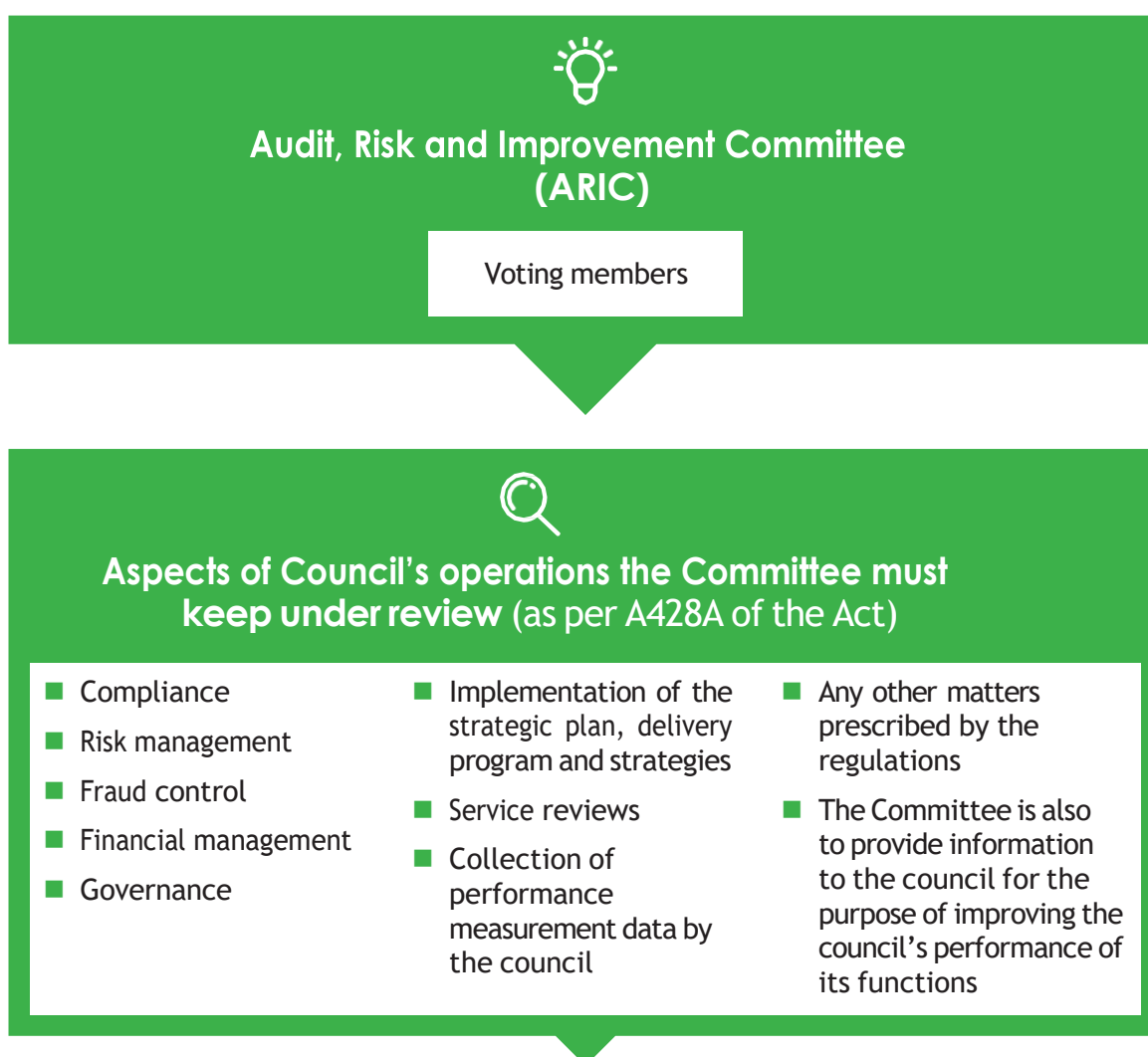
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GENERAL MANAGER	Brad Cam



Introduction

The Audit Risk & Improvement Committee provides independent assurance and advice to Mid-Western Regional Council in the effective discharge of its responsibilities relating to financial reporting, external audit, internal audit, governance, risk management, internal control, and compliance matters within Council. The Audit Risk and Improvement Committee (The Committee) met four times during its fifth year and the meetings covered all aspects of the Committee's Terms of Reference.

Overview



Terms of Reference

The Terms of Reference will be reviewed every four years by Council, and annually by the Audit Risk and Improvement Committee. The Terms of Reference were last updated and adopted by Council at its 19 June 2024 meeting.

The Terms of Reference for the Committee are included as Attachment I.

Role of the Committee



Report to Council

Report to Council and provide advice and recommendations on matters relevant to the Terms of Reference



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.



Identify 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

For the 2023/2024 period the Committee membership is as follows:

- **Independent Committee Members:**
John Stuart, Chairperson and John Bentley, Deputy Chair
- **Councillor Committee Members:**
Councillor Katie Dicker and Councillor Shelley, alternate Council Member

Disclosures of Interest

Disclosures are recorded at the start of each meeting. Annual Declarations of Interest are provided by ARIC members.

Independent Committee Members



Councillors



Members and attendance

The Committee held four ordinary meetings since the 2022/23 annual report. Meetings were held on the following dates:

- 25 August 2023
- 24 November 2023
- 23 February 2023
- 24 May 2024

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 Katie Dicker	4	4	0
Cr Peter Shelley (alternate member)	0	1	0

Regular attendees to ARIC meeting include:

- General Manager
- Internal Audit Coordinator, Director Community
- Director Corporate Services
- Chief Financial Officer
- Manager IT
- Manager, People and Performance
- Work Health Safety & Risk Coordinator
- Business Improvement Officer
- Governance Coordinator
- Executive Assistant Community
- Internal Auditor
- NSW Audit Office/External Auditor

Matters reviewed by the Committee

Financial Audit 2022/23

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 were presented the Financial Statements and the Audit Closing Report for the financial year ended 30 June 2023 at the 24 November 2023 meeting and the Final Audit Management Letter for the year ended 30 June 2023 was received at the 24 May 2024 meeting.

As per the requirement of the Terms of Reference, ARIC met separately with representatives of Council's external auditor and the NSW Audit office on 24 November 2023.

Council is continuing to track action items from the 2018/2019, 2019/2020, 2020/2021, 2021/2022, and 2022/2023 Interim Management Letters, and 2023/2024 Final Management Letter.

Internal Audit

Crowe Pty Ltd has been appointed to provide the Mid-Western Regional Council's Internal Audit Services.

The Committee considered the reports and recommendations from the 2023/24 Internal Audit Program which included the audits of:

- Development Applications Fund Management
- Monitoring of the Delivery Program and Operational Plan

There has been significant progress made in relation to the management actions arising from the following audits:

	2019/20	2020/21	2021/22	2022/23
Procurement Framework	✓			
Work Health Safety Management	✓			
Contractor Management	✓			
Asset Management	✓			
ICT Business Continuity Plan/Disaster Recovery Plan		✓		
Legislative Compliance		✓		
Cybersecurity Review		✓		
Conduct of Private Works			✓	
Audit of Tourism Services (complete)			✓	
Internal Development Application Process (complete)			✓	
Communication and Community engagement strategy				✓
Project Management				✓

Other matters reviewed by the Committee

- Business Improvement at Mid-Western Regional Council
- Guidelines for Risk Management and Internal Audit Framework for Local Councils in NSW
- Updates to Audit Risk and Improvement Committee Terms of Reference
- Internal Audit and Risk Management Attestation Statement
- Audit Risk and Improvement Committee Performance Review
- Fraud Incident and Procurement Breach Registers
- Legislative Compliance Breach Registers
- Work Health Safety
- Enterprise Risk Management
- Action Item Updates
- Financial Statements 2022/2023
- Cyber Security Assessment and Reports
- Strategic Planning – IP&R and Standards Review
- 2023/24 Operational Plan and 2023/27 Delivery Program
- Council Organisational Structure
- External Audit Engagement
- Interim Management Letter
- Final Audit Management Letter for year ended 30 June 2023
- Delivery program 2022-2026 Six Monthly Progress Report
- Council Annual Report 2022/23
- NSW AO Performance Audit Report – Financial Management and Governance in MidCoast Council
- Internal Auditor - Crowe Publications of Interest

Conclusion

The current ARIC completed its fifth term of operation and completed activities required by its Terms of Reference in a constructive way. The Committee is currently tracking the progress of 38 action items arising out of Council's Internal Audit, External Audit and Business Improvement Initiatives. 140 actions are complete.

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, the rest of the Mid-Western Regional Council Executive Team and Senior Management for their support throughout this term.

JOHN STUART
CHAIR

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