

# ANNUAL REPORT 2021/22

**AUDIT, RISK AND IMPROVEMENT COMMITTEE**

MID-WESTERN REGIONAL COUNCIL

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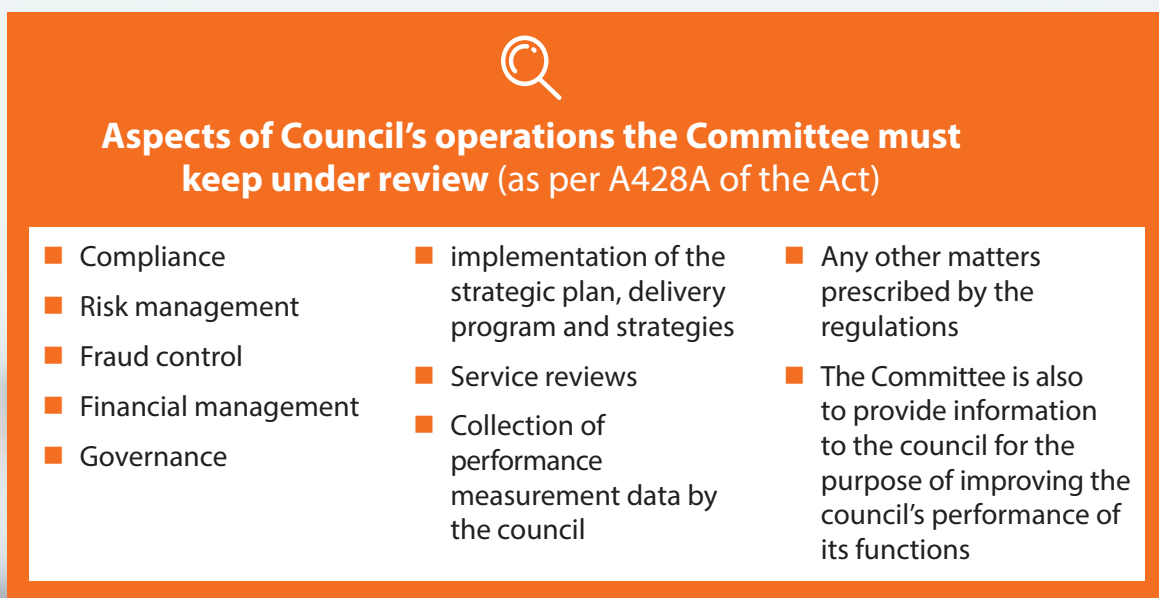
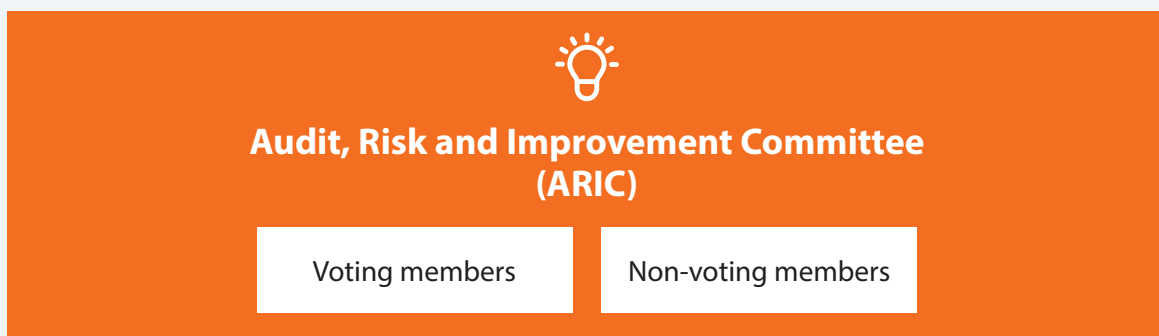
## Mid-Western Regional Council

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MAYOR	Cr Des Kennedy
GENERAL MANAGER	Brad Cam

# Introduction

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

## Overview



# Charter

The updated Charter was adopted by Council at its meeting of 16 February 2022. The Charter is used to guide the Committee's deliberations. The Charter for the Committee is at Attachment 1.

The Committee noted the updated charter at its meeting on 25 February 2022 and elected its Chair and Deputy Chair.

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 the 2022/23 financial year.

## 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.



### 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

A Council Election was held on 4 December 2021. The Councillor membership and the Committee member's positions were vacated until formally appointed at a meeting of the new Council.

At its meeting of 16 February 2022, Council elected a new Councillor Representative, namely Councillor Dicker and re-elected Councillor Shelley (alternate). The Committee Members are appointed for the term of the Council.

The previous independent Committee members were re-appointed for the term of the council.

For the 2021/2022 period the Committee membership is as follows:

- **Independent Committee Members:**  
John Stuart, Chairperson and John Bentley, Deputy Chair
- **Councillor Committee Members:**  
Councillor John O'Neill (for the meetings 6 August 2021 and 26 November 2021), Councillor Katie Dicker (for the meetings 25 February 2022 and 20 May 2022) and Councillor Shelley, alternate Council Member

## Independent Committee Members



## Councillors



# Members and attendance

The Committee held four ordinary meetings since the 2021/22 annual report. Meetings were held on the following dates:

- 6 August 2021
- 26 November 2021
- 25 February 2022
- 20 May 2022

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	3	1
Cr John O'Neill	2	1	1
Cr Peter Shelley	1	1	0
Cr Katie Dicker	2	2	0

# Matters reviewed by the Committee

## External Audit

As per the requirement of the Charter, ARIC met separately with representatives of Council's external auditor and the NSW Audit office 20 May 2022.

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

## Financial Audit

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 received the Financial Statements for the financial year ended 30 June 2021 at the 26 November 2021 meeting.

## Internal Audit

Crowe Pty Ltd is appointed to provide the Mid-Western Regional Council's Internal Audit Services until April 2022.

The Committee considered the reports and recommendations from the 2021/22 Internal Audit Program which included the audits of:

- Conduct of Private Works
- Audit of Tourism Services
- Internal development application process

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

- Enterprise Risk Management
- Legislative Compliance
- Work Health Safety Management
- Contractor Management

- Asset Management
- ICT Business Continuity Plan/Disaster Recovery Plan
- Enterprise Risk Management
- Probity Audit
- Procurement Framework
- Cybersecurity Review

## Other matters reviewed by the Committee

- Data Breach
- Review of controls over high risk fraud area
- Employee Survey Results
- Integrated Planning and Reporting Guidelines
- Business Improvement at Council
- Draft Guidelines for Risk Management and Internal Audit Framework for Local Councils in NSW
- Fraud Incident and Procurement Breach Registers
- Legislative Compliance
- Work Health Safety
- Enterprise Risk Management
- Action Item Registers
- Council's Role in Disasters and Emergencies
- Local Government Business and Service Continuity for Natural Disasters – NSW Audit Office Report
- Building Regulation: Combustible External Cladding – NSW Audit Office Report
- Council Service Delivery Benchmarking Report – 2019/20 Data Comparatives
- Delivery program 2017/22 Six Monthly Progress Report
- Central Coast Council Public Enquiry Report

# Conclusion

The current ARIC completed its third term of operation and completed activities required by its Charter in a constructive way. The Committee is currently tracking the progress of 176 action items arising out of Council's Internal Audit, External Audit and Business Improvement Initiatives.

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





# Attachment: ARIC Charter

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

**MID-WESTERN REGIONAL COUNCIL**

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