

Circular Details	Circular No 19-20 / 10 September 2019 / A627669
Previous Circular	N/A
Who should read this	Councillors / General Managers / governance staff / Audit, Risk and Improvement Committee members
Contact	Council Governance Team / ph: 02 4428-4100 / olg@olg.nsw.gov.au
Action required	Response to OLG

A new internal audit and risk management framework for local councils in NSW – release of discussion paper

What's new or changing?

- The *Local Government Act 1993* was amended in August 2016 to require each council and joint organisation in NSW to appoint an audit, risk and improvement committee (ARIC). This requirement will take effect from March 2021 at the earliest.
- The Office of Local Government (OLG) has developed a draft internal audit and risk management framework to support and inform the operations of ARICs. The proposed framework is based on international standards and the experience of Australian and NSW Government public sector agencies who have already implemented risk management and internal audit but has been adapted to reflect the unique needs and structure of NSW councils and joint organisations.
- The proposed framework has been developed in consultation with NSW Treasury, the NSW Audit Office, the then Department of Finance, Services and Innovation, the Institute of Internal Auditors and the Local Government Internal Auditors Network.
- OLG is now seeking feedback on the proposed framework from the local government sector. To this end, OLG has issued a discussion paper, “A New Risk Management and Internal Audit Framework for Local Councils in NSW” which sets out the proposed framework in detail and a “snapshot” guide that summarises its key elements.
- The discussion paper and “snapshot” guide are available on OLG’s website at www.olg.nsw.gov.au.

What this will mean for your council

- OLG is inviting submissions from councils and other stakeholders on the discussion paper.
- Submissions may be made by email to olg@olg.nsw.gov.au.
- Submissions should be labelled “Internal Audit Consultation” and marked to the attention of OLG’s Council Governance Team.
- Submissions should be made before **31 December 2019**.

Where to go for further information

- For further information please contact the Council Governance team on 02 4428 4100.



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