**Internal audit and risk management attestation statement for the**

**[years] financial year for**

**[council/joint organisation]**

I am of the opinion that [council/joint organisation] has an audit, risk and improvement committee, risk management framework and internal audit function that operate in compliance with the following requirements except as may be otherwise provided below:

**Audit, risk and improvement committee**

|  |  |  |
| --- | --- | --- |
|  | **Requirement** | **Compliance** |
|  | [Council/joint organisation] has appointed an audit, risk and improvement committee that comprises of an independent chairperson and at least two independent members (section 428A of the *Local Government Act 1993*, section 216C of the *Local Government (General) Regulation 2021)*. | [compliant or non‑compliant] |
|  | The chairperson and all members of [council’s/joint organisation’s] audit, risk and improvement committee meet the relevant independence and eligibility criteria prescribed under the *Local Government (General) Regulation 2021* and have not exceeded the membership term limits prescribed under the Regulation (sections 216D, 216E, 216F, 216G of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council/joint organisation] has adopted terms of reference for its audit, risk and improvement committee that are informed by the model terms of reference approved by the Departmental Chief Executive of the Office of Local Government and the committee operates in accordance with the terms of reference (section 216K of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council/joint organisation] provides the audit, risk and improvement committee with direct and unrestricted access to the [general manager/executive officer] and other senior management and the information and resources necessary to exercise its functions (section 216L of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] audit, risk and improvement committee exercises its functions in accordance with a four-year strategic work plan that has been endorsed by the governing body and an annual work plan that has been developed in consultation with the governing body and senior management (Core requirement 1 of the Office of Local Government’s *Guidelines for Risk Management and Internal Audit for Local Government in NSW*).  | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] audit, risk and improvement committee provides the governing body with an annual assessment each year, and a strategic assessment each council term of the matters listed in section 428A of the *Local Government Act 1993* reviewed during that term (Core requirement 1 of the Office of Local Government’s *Guidelines for Risk Management and Internal Audit for Local Government in NSW*).  | [compliant or non‑compliant - include date of last strategic assessment provided] |
|  | The governing body of [council/ joint organisation] reviews the effectiveness of the audit, risk and improvement committee at least once each council term (Core requirement 1 of the Office of Local Government’s *Guidelines for Risk Management and Internal Audit for Local Government in NSW*). | [compliant or non‑compliant - include date of last review] |

*Membership*

The chairperson and membership of the audit, risk and improvement committee are:

|  |  |  |  |
| --- | --- | --- | --- |
| Chairperson | [name] | [start term date] | [finish term date] |
| Independent member | [name] | [start term date] | [finish term date] |
| Independent member | [name] | [start term date] | [finish term date] |
| [Councillor/board] member1 | [name] | [start term date] | [finish term date] |

**Risk Management**

|  |  |  |
| --- | --- | --- |
|  | **Requirement** | **Compliance** |
|  | [Council/joint organisation] has adopted a risk management framework that is consistent with current Australian risk management standard and that is appropriate for the [council’s/joint organisation’s] risks (section 216S of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] audit, risk and improvement committee reviews the implementation of its risk management framework and provides a strategic assessment of its effectiveness to the governing body each council term (section 216S of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant - include date of last strategic assessment provided] |

**Internal Audit**

|  | **Requirement** | **Compliance** |
| --- | --- | --- |
|  | [Council/joint organisation] has an internal audit function that reviews the council’s operations and risk management and control activities (section 216O of the *Local Government (General) Regulation 2021)*. | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] internal audit function reports to the audit, risk and improvement committee on internal audit matters (sections 216M, 216P and 216R of the *Local Government (General) Regulation 2021)*. | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] internal audit function is independent and internal audit activities are not subject to direction by the [council/joint organisation] (section 216P of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council/joint organisation] has adopted an internal audit charter that is informed by the model internal audit charter approved by the Departmental Chief Executive of the Office of Local Government and the internal audit function operates in accordance with the charter (section 216O of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council/joint organisation] has appointed a member of staff to direct and coordinate internal audit activities or is part of a shared arrangement where a participating [council/joint organisation] has appointed a staff member to direct and coordinate internal audit activities for all participating councils (section 216P of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | Internal audit activities are conducted in accordance with the International Professional Practices Framework (Core requirement 3 of the Office of Local Government’s *Guidelines for Risk Management and Internal Audit for Local Government in NSW*). | [compliant or non‑compliant] |
|  | [Council/joint organisation] provides the internal audit function with direct and unrestricted access to staff, the audit, risk and improvement committee, and the information and resources necessary to undertake internal audit activities (section 216P of the *Local Government (General) Regulation 2021*). | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] internal audit function undertakes internal audit activities in accordance with a four-year strategic work plan that has been endorsed by the governing body and an annual work plan that has been developed in consultation with the governing body and senior management (Core requirement 3 of the Office of Local Government’s *Guidelines for Risk Management and Internal Audit for Local Government in NSW*). | [compliant or non‑compliant] |
|  | [Council’s/joint organisation’s] audit, risk and improvement committee reviews the effectiveness of the internal audit function and reports the outcome of the review to the governing body each council term (section 216R of the *Local Government (General) Regulation 2021*).  | [compliant or non‑compliant - include date of last strategic assessment provided] |

**Non-compliance with the *Local Government (General) Regulation 2021***

I advise that [council/joint organisation] has not complied with the following requirements prescribed under the *Local Government (General) Regulation 2021* with respect to the operation of its [audit, risk and improvement committee/risk management/internal audit processes] (omit where relevant):

|  |  |  |  |
| --- | --- | --- | --- |
| **Non-compliance** | **Reason** | **Alternative measures being implemented** | **How the alternative measures achieve equivalent outcomes** |
| [requirement] | [description of:* why compliance was unreasonable, **or**
* how compliance would have had a significant impact on the council’s budget, **and**
* what attempts were made to enter into an agreement with another council or joint organisation to ensure compliance]
 | [description of the alternative arrangement to ensure an equivalent outcome to the requirement] | [description of how the alternative measure will achieve an equivalent outcome] |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

These processes, including the alternative measures implemented, demonstrate that [council/joint organisation] has established and maintained frameworks, systems, processes and procedures for appropriately managing audit and risk within [council/joint organisation].

[signed]

[name and position]

[date]