



Shelley Hancock
Minister for Local Government

MEDIA RELEASE

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NOT SUCH RISKY BUSINESS FOR NSW COUNCILS

Local councils across the State will have the tools to minimise financial risk and prevent fraud and corruption under a new statutory framework released for public consultation.

Minister for Local Government Shelley Hancock said the proposed new framework would mandate the appointment and operation of Audit, Risk and Improvement Committees at the State's 128 local councils.

"This initiative will provide NSW councils with the strongest risk management and internal audit framework in Australia," Mrs Hancock said.

"Nearly 70 per cent of NSW councils have already established these committees in a strong show of support by the local government sector for improving their governance and financial management for the benefit of their local communities."

The proposed new framework will ensure each council has:

- An independent Audit, Risk and Improvement Committee
- A robust risk management framework to accurately identify and mitigate risk
- An internal audit function with independent assurance the council is functioning effectively and its internal controls are working
- Minimum standards for these mechanisms based on international standards.

"The end result will be councils making better decisions and better use of their resources to deliver for their local communities. It will also help ensure councils create a culture of continuous improvement, accountability and transparency."

Every council in NSW will be required to appoint and operate an Audit, Risk and Improvement Committee by March 2021 as part of the NSW Government's package of reforms to strengthen local government.

The discussion paper - *A New Risk Management and Internal Audit Framework for Local Councils in NSW* - will be on public exhibition until 31 December 2019.

More information on how to make a submission is available at www.olg.nsw.gov.au.

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