

## **ARIC Chair Report to Wingecarribee Shire Council meeting, 18 October 2023**

Thank you Mr Administrator.

It is my pleasure to present the 2023 annual report of Council's Audit Risk & Improvement Committee. We use the term "ARIC" as a convenient abbreviation.

The ARIC's formal report is tabled in the meeting papers for the public record, and I'd like to touch upon a few key aspects.

The current ARIC commenced 1 September 2021. It was established with a scope reflecting the revised requirements for ARICs developed by the Office of Local Government. The community likely is unaware that the role and scope of an ARIC in the NSW local government sector is the broadest for such committees in any sector, public or private, anywhere in the world.

Having said that, it is important to understand that the ARIC provides an advisory and assurance role only, and has no administrative function, no delegated financial responsibility nor any management functions. The ARIC's role and responsibilities are set out in its Charter, available on Council's website.

The ARIC's initial substantive areas of focus in our first year were financial management, and Council's arrangements for responding to natural disasters.

During our 5 meetings over the course of this our second year, 45 reports were presented to the ARIC, covering our spectrum of areas of focus as set out in our Charter.

In executing our Workplan for this year, the ARIC has continued a focus on Council performance, through:

- delivery of Council's Strategic Road Map
- change management within Council, as a key facilitation capability to support Council's raft of reform initiatives
- and progress on actioning a range of deep-dive Reviews that were initiated during Administration.

ARIC also continued a focus on the foundations of strong financial management, which included benefitting from an Auditor-General's Performance Audit of Mid Coast Council's Financial Management which served as a "blueprint" against which all Councils could assess their practices.

We also focused on the vital area of employee wellbeing and safety, this year we took a strong focus on cyber risk. We are pleased that a detailed road map for further progressing cyber risk maturity has been developed by Council this year.

We endorsed a refreshed Strategic Internal Audit Plan, delivered through a new third-party provider, and we are now receiving a regular series of internal audit insights as part of gaining assurance over Council's control environment.

The specific topics that we covered in internal audits this year are set out in our Annual Report.

One of our key areas of focus for 2024 will be championing further maturity of Enterprise Risk Management at Council.

ERM for short, is the holistic management of all risks appropriate to Council's operations and is aligned to its Community Strategic Plan, Delivery Program and Operational Plan. It represents the final component of the audit risk and improvement framework that the regulator, OLG, requires all councils to embrace.

The other key components are already well progressed, which include the maturation of the ARIC itself, internal audit, and improvement.

The ARIC has been very appreciative of the patience and professionalism of the Council team in responding to us: which we know takes quite some effort on top of what is already a very busy job for each of them.

Mr Administrator, that concludes my report.