Audit Risk and Compliance Committee Annual Report to Council 2017/18

File No: S083523

Summary

The Audit Risk and Compliance Committee is required by its Charter to report annually to Council. This report covers the period from 1 July 2017 to 30 June 2018.

The Audit Risk and Compliance Committee is responsible for oversight and monitoring of the City's audit, risk and governance activities, including reviewing the implementation of recommendations resulting from internal audit, compliance and governance reviews.

The Audit Risk and Compliance Committee highlights the following key points for 2017/18:

- Received assurance on the City's Action Plan in response to the findings and recommendations of the Independent Commission Against Corruption's investigation into the conduct of the former City of Botany Bay Council Chief Financial Officer and others (Operation Ricco).
- Noted that the Audit Office of NSW is responsible for conducting financial and performance audits of all NSW local government entities and is continuing as the external auditor for the City of Sydney.
- Noted an improvement in the City's corporate culture toward a positive approach to closing actions arising from internal audit reviews.

Recommendation

It is resolved that Council note the Audit Risk and Compliance Committee's 2017/18 Annual Report, as shown as Attachment A to the subject report.

Attachments

Attachment A. Audit Risk and Compliance Committee Annual Report for 1 July 2017 to 30 June 2018

Background

1. The Audit Risk and Compliance Committee is required by its Charter to report annually to Council. This report covers the period from 1 July 2017 to 30 June 2018.

2. The primary objectives of the Audit Risk and Compliance Committee are to:

   (a) assist the Council in discharging its responsibilities relating to:

      (i) financial reporting practices;

      (ii) business ethics, policies and practices;

      (iii) accounting policies;

      (iv) risk management and internal controls; and

      (v) compliance with laws, regulations, standards and best practice guidelines; and

   (b) ensure the integrity of the internal audit function.

3. The Council authorises the Audit Risk and Compliance Committee, within the scope of its role and responsibilities, to:

   (a) obtain any information it needs from any employee or external party (subject to their legal obligations to protect information);

   (b) discuss any matters with the external auditor or other external parties;

   (c) request the attendance of any employee or councillor at Audit Risk and Compliance Committee meetings; and

   (d) subject to confidentiality considerations, obtain external legal or other professional advice considered necessary to meet its responsibilities.

Key Implications

4. The Audit Risk and Compliance Committee's operations meet the Internal Audit Guidelines issued by the Office of Local Government and the Audit Risk and Compliance Committee Charter approved by Council.

5. A risk-based internal audit program has been undertaken to provide an independent and objective assurance review of the City's operations. The Audit Risk and Compliance Committee reviews all internal audit reports and monitors the implementation of recommendations at Audit Risk and Compliance Committee meetings.

6. The Audit Risk and Compliance Committee reviews the external auditor's reports.

7. The Audit Risk and Compliance Committee monitors the implementation of the risk management, governance and compliance programs and receives briefings on significant matters relevant to the City's operations.

Relevant Legislation

8. The Internal Audit Guidelines issued by the Office of Local Government (September 2010) are in accordance with section 23A of the Local Government Act 1993. A council must take any relevant guidelines issued to this section into consideration before exercising any of its functions.

ANTHONY LENEHAN

Director Legal and Governance

Barry Munns, Chief Internal Auditor