

Attachment B

**Audit Risk and Compliance Committee –
Strategic Work Plan 2024 – 2028**

ARCC Strategic Work Plan



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Introduction

Background

The City of Sydney (Council) has established an Audit Risk and Compliance Committee in compliance with section 428A of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*.

Objective

The objective of Council's Audit Risk and Compliance Committee (ARCC) is to provide independent assurance to Council by monitoring, reviewing, and providing advice about Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

Purpose

The strategic work plan has been developed to ensure the ARCC meets its legislative obligations under section 428A of the *Local Government Act 1993* (the Act). The strategic and annual work plans are subject to change and can be amended as required to respond to emerging areas of concern to the Committee.

The **meeting planner section** sets out a rolling program for the Committee for the following four years.

Committee responsibilities

The Committee plays a key role in assisting Council to fulfil its corporate governance and oversight responsibilities by reviewing and providing independent advice to Council regarding the following aspects of Council's operations as required under section 428A of the Act, and those specifically requested by the ARCC:

- internal audit
- risk management
- compliance
- governance
- fraud control
- legal issues
- safety issues
- IT security
- improvement and transformation (service reviews)
- financial management

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- implementation of the strategic plan, delivery program, and strategies
- collection of performance measurement data by Council.

ARCC meetings

The Committee meets at least four (4) times per year with one (1) additional special meeting to review the Council's financial statements.

The meetings are scheduled to ensure the Committee can adequately address its responsibilities as set out in the **committee responsibilities section above**.

Strategic work plan

The strategic work plan sets out the rolling four-year program to ensure coverage of the Committee's responsibilities. This is detailed in the **meeting planner section** which outlines:

Item	Description
Standard agenda items	Items that should be examined at every (or most) Committee meetings
Special agenda items	Items that can generally be spread over a year and examined once per year
Special meetings	Items required for review at the end-of-year financial statements
Annual reporting requirements	Items required under the Committee charter
End of Council term agenda items	Items required under the Committee charter

The Committee has endorsed the meeting plans below for the next two years.

Meeting planner - Financial statements review meeting, year ending 30 June 2024

Financial Statements meeting, 03 October 2024

In-camera with AONSW/External Auditors

Agenda Items

- Welcome
- Acknowledgement of Country
- Apologies
- Disclosure of interests
- Confirmation of minutes
- Review of action items
- Finance – Financial Statements
- External Audit – Engagement Closing Report
- Any other business - Review of financial policies that include any major changes (as required)
- Internal Audit update (including feedback results)
- Risk and Governance update
- Other Committee Business (ARCC Annual Report to Council)

Meeting planner, 2024/25 - by financial year, schedule of ordinary meetings

05 November 2024*	12 December 2024	27 March 2025	22 May 2025
<p>Agenda Items</p> <ul style="list-style-type: none"> - Welcome - Acknowledgement of Country - Apologies - Disclosure of interests - Confirmation of minutes - Internal audit update - Risk, Compliance, and Governance, update - Other Committee Business - <p>Special Agenda Items</p> <ul style="list-style-type: none"> - ARCC workshop: New regulations, charter, and IIA QAR <p>- In-camera session following meeting</p> <p>* Replaces Q1 ordinary meeting (29 August 2024 ordinary meeting – no quorum)</p>	<p>Standard Agenda Items (Note: FY2023/24 - Q4 and FY2024/25 -Q1 updates as necessary)</p> <ul style="list-style-type: none"> - Welcome - Acknowledgement of Country - Apologies - Disclosure of interests - Confirmation of minutes - Review of action items - Internal audit - Risk, Compliance, and Governance, including an update on Modern Slavery RSG implementation - Legal - Safety - IT security - Finance - External audit <ul style="list-style-type: none"> o Final engagement closing report - Other Committee Business <ul style="list-style-type: none"> <i>Quarterly operating and capital works management accounts update</i> <i>Quarterly progress report, Asset Management Improvement Plan</i> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - Verification of high-rated recommendations deemed completed by management - Update on the Generic Plans of Management Program (GPoM) - Annual ARCC self-assessment - Annual Major Projects presentation - Improvement and Transformation Report (service reviews) 	<p>Standard Agenda Items (Refer December 2024 meeting)</p> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - ARCC Charter review - Management Letter on the Audit for the Year Ended 30 June 2024 - Annual Procurement and Contract Management update <p>In-camera session following meeting</p>	<p>Standard Agenda Items (Refer December 2024 meeting)</p> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - Verification of high-rated recommendations deemed completed by management - Internal Audit Charter review - Proposed four-year internal audit plan - Improvement and Transformation report (service reviews) - Update on the preparation of the general purpose financial report (memo, attachments, letter of engagement) <p>In-camera session following meeting (TBC)</p>

Meeting planner - by financial year, 2025/26 ordinary meetings

Meeting – Q1 (July – Sept 2025)	Meeting – Q2 (Oct – Dec 2025)	Meeting - Q3 (Jan – Mar 2026)	Meeting - Q4 (Apr – June 2026)
<p>Standard Agenda Items</p> <ul style="list-style-type: none"> - Welcome - Acknowledgement of Country - Apologies - Disclosure of interests - Confirmation of minutes - Review of action items - Internal audit - Risk, Compliance, and Governance, including an update on Modern Slavery RSG implementation - Legal - Safety - IT security - Finance - External audit - Other Committee Business <ul style="list-style-type: none"> <i>Quarterly operating and capital works management accounts update</i> <i>Quarterly progress report, Asset Management Improvement Plan</i> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - Results of internal audit feedback - Update on the Generic Plans of Management Program (GPoM) - Annual ARCC self-assessment - Annual report from ARCC to Council - Annual Major Projects presentation <p>In-camera session following meeting (TBC)</p>	<p>Standard Agenda Items (Refer Meeting 1)</p> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - Verification of high-rated recommendations deemed completed by management - Improvement and Transformation Report (service reviews) - Final engagement closing report <p>In-camera session following meeting (TBC)</p>	<p>Standard Agenda Items (Refer Meeting 1)</p> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - ARCC Charter review - Management Letter on the Audit for the Year Ended 30 June 2024 - Annual Procurement and Contract Management update <p>In-camera session following meeting (TBC)</p>	<p>Standard Agenda Items (Refer Meeting 1)</p> <p>Special Agenda Items</p> <ul style="list-style-type: none"> - Verification of high-rated recommendations deemed completed by management - Internal Audit Charter review - Proposed four-year internal audit plan - Improvement and Transformation report (service reviews) - Update on the preparation of the general purpose financial report (memo, attachments, letter of engagement) <p>In-camera session following meeting (TBC)</p>

Meeting planner - Financial statements review meeting, year ending 30 June 2025

Financial Statements meeting (Date TBC October 2025)

In-camera with AONSW/External Auditors

Agenda Items

- Welcome
- Acknowledgement of Country
- Apologies
- Disclosure of interests
- Confirmation of minutes
- Review of action items
- Finance and External Audit – Financial Statements
- Any other business - Review of financial policies that include any major changes (as required)

Annual Reports

Audit and Risk Committee

Annual Report to Council

Chief Executive Officer

Annual attestations (from 2024-25)

- Audit Risk and Improvement Committee, including any non-compliances
- Risk Management
- Internal Audit

End of Council Term Reports

Audit and Risk Committee

- Comprehensive **independent** assessment of all the matters listed in section 428A of the Local Government Act that have been reviewed during the council term.
- Review of the effectiveness of the ARCC in conformance with the International Professional Practice Framework.

Internal Audit Assessment

Quality Assessment Review - Internal Audit unit

Quality Assessment Review - Internal Audit Independent external assessments performed at least once every five years by a qualified, independent assessor or assessment team from outside the organisation.

The last QAR was conducted in 2023/24.

Checklist of requirements for end of Council term reporting

The checklist of requirements for end of Council term reporting aligns to Schedule 1 of the Committee Charter to assist the Committee to meet its responsibilities under section 48A of the Local Government Act:

ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<p>Risk Management (Schedule 1, p 92)</p> <p><i>Review and advise Council:</i></p> <ul style="list-style-type: none"> • <i>if Council has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard</i> • <i>whether the Council is providing the resources necessary to successfully implement its risk management framework</i> • <i>whether Council's risk management framework is adequate and effective for identifying and managing the risks Council faces, including those associated with individual projects, programs and other activities</i> • <i>if risk management is integrated across all levels of Council and across all processes, operations, services, decision-making, functions and reporting</i> • <i>of the adequacy of risk reports and documentation, for example, Council's risk register and risk profile</i> • <i>whether a sound approach has been followed in developing risk management plans for major projects or undertakings</i> • <i>whether appropriate policies and procedures are in place for the management and exercise of delegations</i> • <i>if Council has taken steps to embed a culture which is committed to ethical and lawful behaviour</i> • <i>if there is a positive risk culture within Council and strong leadership that supports effective risk management</i> • <i>of the adequacy of staff training and induction in risk management</i> • <i>how Council's risk management approach impacts on Council's insurance arrangements</i> • <i>of the effectiveness of Council's management of its assets, and</i> • <i>of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.</i> 		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<p>Financial Management (Schedule 2, p 93)</p> <p><i>Review and advise Council:</i></p> <ul style="list-style-type: none"> • <i>if Council is complying with accounting standards and external accountability requirements</i> • <i>of the appropriateness of Council's accounting policies and disclosures</i> • <i>of the implications for Council of the findings of external audits and performance audits and Council's responses and implementation of recommendations</i> • <i>whether Council's financial statement preparation procedures and timelines are sound</i> • <i>the accuracy of Council's annual financial statements prior to external audit, including:</i> <ul style="list-style-type: none"> a) <i>management compliance/representations</i> b) <i>significant accounting and reporting issues</i> c) <i>the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements</i> d) <i>appropriate management signoff on the statements</i> • <i>if effective processes are in place to ensure financial information included in Council's annual report is consistent with signed financial statements</i> • <i>if Council's financial management processes are adequate</i> • <i>the adequacy of cash management policies and procedures</i> • <i>if there are adequate controls over financial processes, for example:</i> <ul style="list-style-type: none"> a) <i>appropriate authorisation and approval of payments and transactions</i> b) <i>adequate segregation of duties</i> c) <i>timely reconciliation of accounts and balances</i> d) <i>review of unusual and high value purchases</i> • <i>if policies and procedures for management review and consideration of the financial position and performance of Council are adequate</i> • <i>if Council's grants and tied funding policies and procedures are sound.</i> 				
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
	Annual			

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<p>External Audit (Schedule 1, p 91)</p> <ul style="list-style-type: none"> Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided. Review all external plans and reports in respect of planned or completed audits and monitor Council's implementation of external audit recommendations. Provide advice to the Council and/or Chief Executive Officer on action taken on significant issues raised in relevant external audit reports and better practice guides. 		Annual		
		Annual		
		Annual		
		Annual		
<p>Corporate Governance (Schedule 1, pp 93-94)</p> <p>Compliance (Schedule 1, p 93)</p> <p>Review and advise Council of the adequacy and effectiveness of Council's compliance framework, including:</p> <ul style="list-style-type: none"> if Council has appropriately considered legal and compliance risks as part of Council's risk management framework how Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and whether appropriate processes are in place to assess compliance. <p>Fraud and corruption prevention (Schedule 1, p 93)</p> <p>Review and advise the Council of the adequacy and effectiveness of Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.</p> <p>Governance (Schedule 1, p 94)</p> <p>Review and advise Council regarding its governance framework, including Council's:</p> <ul style="list-style-type: none"> decision-making processes implementation of governance policies and procedures 		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<ul style="list-style-type: none"> • <i>reporting lines and accountability</i> • <i>assignment of key roles and responsibilities</i> • <i>Committee structure</i> • <i>management oversight responsibilities</i> • <i>human resources and performance management activities</i> • <i>reporting and communication activities</i> • <i>information and communications technology (ICT) governance, and</i> • <i>management and governance of the use of data, information and knowledge.</i> 		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
<p>Improvement (Schedule 1, p 94)</p> <p>Strategic planning</p> <p><i>Review and advise:</i></p> <ul style="list-style-type: none"> • <i>of the adequacy and effectiveness of council's integrated planning and reporting (IP&R) processes</i> • <i>if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and</i> • <i>whether council is successfully implementing and achieving its IP&R objectives and strategies.</i> 				
		Annual		
		Annual		
		Annual		

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<p>Service reviews and business improvement</p> <p><i>Review and advise:</i></p> <ul style="list-style-type: none"> <i>if council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance</i> <i>if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and</i> <i>how council can improve its service delivery and the council's performance of its business and functions generally</i> <p>Performance data and measurement</p> <p><i>Review and advise:</i></p> <ul style="list-style-type: none"> <i>if council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives</i> <i>if the performance indicators council uses are effective, and</i> <i>of the adequacy of performance data collection and reporting.</i> 				
		Twice per year		
		Annual		
		Annual		
		Annual		
	<p>Internal Audit and Controls (Schedule 1, pp 91 – 92)</p> <p>Internal Audit</p> <p><i>Review and advise the Council:</i></p> <ul style="list-style-type: none"> <i>on whether Council is providing the resources necessary to successfully deliver the internal audit function</i> <i>if Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework and OLG requirements</i> 			
		Annual		
		Annual		

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<ul style="list-style-type: none"> • <i>if Council's internal audit charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the Council are suitable</i> • <i>of the strategic four-year work plan and annual work plan of internal audits to be undertaken by Council's internal audit function</i> • <i>if Council's internal audit activities are effective, including the performance of the internal auditor and the internal audit function</i> • <i>of the findings and recommendations of internal audits conducted, and agreed audit actions needed to address issues raised</i> • <i>of the implementation by the Council of these agreed audit actions</i> • <i>if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities</i> 		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
<p>Internal controls</p> <p><i>Review and advise Council:</i></p>				
<ul style="list-style-type: none"> • <i>whether Council's approach to maintaining an effective internal controls framework, including over external parties such as contractors and advisors, is sound and effective</i> • <i>whether Council has in place relevant policies and procedures and that these are periodically reviewed and updated</i> • <i>whether appropriate policies and procedures are in place for the management and exercise of delegations</i> • <i>whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with</i> • <i>if Council's monitoring and review of controls is sufficient, and</i> • <i>if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.</i> 		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		
		Annual		

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ARCC Responsibility	Y/N	Frequency	Evidence (name of activity undertaken)	Date tabled
<p>Audit and Risk Committee Administration</p> <ul style="list-style-type: none"> The ARCC Charter must be reviewed annually by the Committee and once each Council term by the governing body. The Chair will initiate a review of the Committee’s performance annually. The Committee will provide an annual assessment to the governing body and the Chief Executive Officer on the Committee’s work and its opinion on how Council is performing. The Chair shall make an annual presentation to Council, preferably when Council considers the Committee’s annual report. A report on Committee operations, including Members’ attendance, will be included in Committee’s annual report. The Committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the Committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate and takes into account Council’s emerging risks. The Committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year. 				
		Annual		
		Every four years		
		Annual		
		Annual		

Four-year Internal Audit strategic work plan

Year 1	Audit topic
2024/25	Purchase Cards (including credit cards, Cabcharge)
2024/25	Recruitment
2024/25	Fire Regulatory Function
2024/25	Emergency Management of Facilities
2024/25	Business Continuity Plan Management
2024/25	Project Governance Management
2024/25	Trirega Application Review
2024/25	Compliance Management
2024/25	Management of Records for WHS Training (health check)
2024/25	Contract Management (review of a specific contract)
2024/25	Materials Storage
2024/25	Cyber Security - Protect: Change Management – access/privilege management, configuration and patch management, backup, and cyber security training and awareness
2024/25	Street Safety Camera Program Biennial Review 2025
2024/25	Councillors' Expenses 2025
2024/25	DRIVES24 2025
2024/25	Assurance Mapping Project

Year 2	Audit topic
2025/26	Procurement - High value
2025/26	Sponsorship (inwards)
2025/26	DA Contributions (including post-Business & Service Improvement project completed and expenditure of dedicated amounts)
2025/26	Facilities Management
2025/26	Insurance Claims Management
2025/26	Risk Management
2025/26	Psychosocial WHS
2025/26	HRMS Timekeeping / Rostering (including staff being correctly paid to relevant awards and Kronos application review)
2025/26	Information Technology: Digital Strategy
2025/26	Program and Service Delivery
2025/26	Contract Management
2025/26	Chain of Responsibility legislation requirements (Heavy Vehicle legislation)
2025/26	Cyber Security (Govern and Identify – Cyber Security Strategy and Risk Management.
2025/26	Privacy Management
2025/26	Court Processing (City Rangers) – internal processes for preparation for court on notification, including preparation of briefs and statements
2025/26	Councillors' Expenses 2026
2025/26	DRIVES24 2026
2025/26	Assurance Mapping Project

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Year 3	Audit topic
2026/27	Procurement – Procurement instruments
2026/27	Accounts Receivable - incorporating the application review (TechnologyOne)
2026/27	Integrated Planning & Reporting
2026/27	Planning Agreements
2026/27	Delegations Framework
2026/27	Payroll Processing (including application review)
2026/27	Cyber Security - Detect, Respond, and Recover
2026/27	Contract Management System
2026/27	Grants Administration – (outwards)
2026/27	Fleet Management
2026/27	Property Debt Recovery (rentals)
2026/27	Psychosocial WHS
2026/27	GIPA Compliance
2026/27	Street Safety Camera Program Biennial Review 2027
2026/27	Councillors' Expenses 2027
2026/27	DRIVES24 2027
2026/27	Assurance Mapping Project

Year 4	Audit topic
2027/28	Procurement – Low value
2026/27	Child Protection
2026/27	Venue Management (incorporating application review)
2026/27	Waste Services
2026/27	Program and Service Delivery
2026/27	Bullying and Harassment Management
2026/27	Treasury Management (incorporating application review)
2026/27	IT Project Management
2026/27	Payroll
2026/27	Fraud and Corruption Prevention Framework
2026/27	ePlanning (application review – interface with platform and NSW Planning portal)
2026/27	Records Management
2026/27	Accounts Payable (incorporating the Technology One application review)
2026/27	Cyber Security - Protect: Change Management – access/privilege management, configuration and patch management, backup, and cyber security training and awareness
2026/27	Councillors' Expenses 2028
2026/27	DRIVES24 2028
2026/27	Assurance Mapping Project