



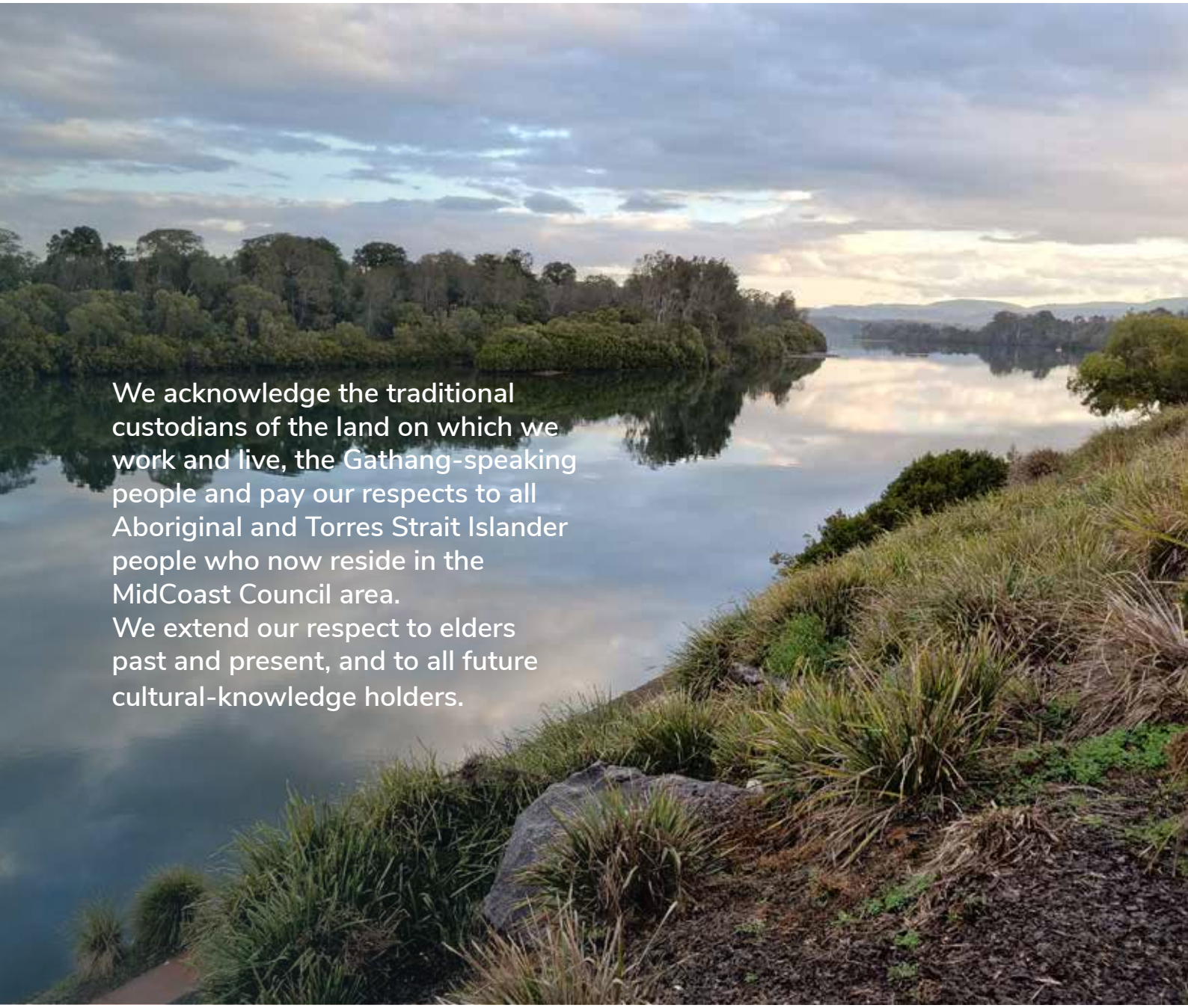
MidCoast Audit, Risk & Improvement Committee



ARIC ANNUAL REPORT

2023-2024

ACKNOWLEDGEMENT OF COUNTRY



We acknowledge the traditional custodians of the land on which we work and live, the Gathang-speaking people and pay our respects to all Aboriginal and Torres Strait Islander people who now reside in the MidCoast Council area. We extend our respect to elders past and present, and to all future cultural-knowledge holders.

Enquiries

For information contact Donna Hudson | Audit Coordinator
Phone 02 7955 7777

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MidCoast Council | PO Box 482, Taree NSW 2430
council@midcoast.nsw.gov.au | midcoast.nsw.gov.au



TABLE OF CONTENTS

MidCoast Council.....	5
Audit, Risk & Improvement Committees	6
MidCoast ARIC.....	7
Overview.....	9
ARIC Structure.....	11
ARIC Responsibilities & Functions	15
ARIC Practices & Processes.....	27
ARIC Effectiveness	31

FROM THE ARIC CHAIR

I am pleased to present the 2023/2024 MidCoast ARIC Annual Report to Council.

The Audit, Risk and Improvement Committee (ARIC) plays a vital role in strengthening the governance and accountability of Council. With a broad remit encompassing internal and external audit, risk management, compliance, and overall governance, ARIC ensures that the Council operates with transparency and integrity. Guided by a detailed Terms of Reference and a well-defined Report Schedule, we effectively plan and execute our work to meet all legislative requirements.

Over the past year, the MidCoast ARIC has not only fulfilled its responsibilities but has also made significant strides in addressing emerging legislative demands. Notably, we successfully completed and presented the ARIC Strategic Plan and the 2022-2024 ARIC End of Term Report—both of which are new legislative requirements. The ARIC Strategic Plan provides a structured, comprehensive approach to our work, outlining performance measures, reporting processes to Council, audit programs, and the strategic risks that will shape our focus in the future.

I am proud to say that the MidCoast ARIC has navigated the implementation of these new legislative requirements with great success. As of June 30, 2024, we achieved an impressive 95% compliance with the new standards, which come into effect on July 1, 2024, positioning us at the forefront of governance in local government.

This Annual Report offers a thorough summary and assessment of ARIC's work over the past year, including an overview of the internal audit function, a review of our performance measures for 2024/2025, and a clear look at our continued commitment to internal and external audit. ARIC maintains a strong focus on following through with Management Action Items to ensure ongoing improvement and accountability.

It's also important to highlight that Council is embarking on a significant financial sustainability journey, one that ARIC is closely monitoring. The governance framework within Council is well supported, and the Risk Management Framework is both robust and effective in identifying the key risks facing Council.

Throughout the year, we saw changes in membership, but the diverse skills and professional experience of our Committee members remain a key strength. The Committee has shown unwavering commitment to its Terms of Reference and has excelled in fulfilling its responsibilities. A particular focus on renewal and succession planning ensures that ARIC remains dynamic and forward-thinking. Additionally, the secretariat's tireless support has been invaluable in helping ARIC meet its goals, and I thank all members for their dedication to preparing for and actively participating in meetings.

Looking ahead, I am excited to continue embedding the ARIC Strategic Plan and further advancing our work to ensure MidCoast ARIC remains a leader in governance and continuous improvement.



A handwritten signature in black ink that reads "Steve". The signature is stylized and cursive.

Stephen Coates
Chair, MidCoast ARIC

MIDCOAST COUNCIL

Home to an estimated population of 100,357 in 2024, spread across 195 towns & villages, the MidCoast region offers the MidCoast community a wide range of lifestyle opportunities.

Located on the mid north coast of NSW, the geographical area of the MidCoast local government area covers more than 10,000 km² and extends from the coastline, west to the escarpment of the Great Dividing Range. The Gathang-speaking people are the traditional owners of the land.

MidCoast Council is managing a budget of approximately \$360 million per year (including capital and operating expenditure) and a \$4.5 billion asset base, and has over 900 staff providing a diverse range of services to the community that extends across the entire geographic region.

As outlined in the Community Strategic Plan MidCoast 2022-2032: *Shared Vision, Shared Responsibility* the community values are:

- our unique, diverse and culturally rich communities
- a connected community
- our environment
- our thriving and growing economy
- strong leadership and shared vision

Further information about MidCoast Council is available on Council's website [Home - MidCoast Council](#).



AUDIT, RISK & IMPROVEMENT COMMITTEES (ARIC)

Introduction

The Local Government Act 1993 (the 'Act'), the Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023 (the 'Regulations') and the Risk Management and Internal Audit for Local Government in NSW Guidelines (the 'Guidelines') require each Council in NSW to have the following mandatory governance mechanisms:

- An audit, risk and improvement committee that continuously reviews and provides independent advice to the Council on how it is functioning and managing risk
- A robust risk management framework that accurately identifies and mitigates the risks facing Council and its operations, and
- An effective internal audit function that provides independent advice as to whether the Council is functioning effectively and the Council's internal controls to manage risk are working.

The MidCoast ARIC was established on 28 February 2018

The first MidCoast ARIC meeting was held 13 February 2019.

ARIC Annual Report

A Council's ARIC must provide an annual assessment to the governing body each year. This ensures the governing body of the Council is fully informed of the ARIC's work and its opinion on how Council is performing.

This 2023/2024 ARIC Annual Report provides an assessment of the work ARIC have undertaken during the year, an overview and assessment of the work of the internal audit function, progress against key performance indicators, review of the ARIC Terms of Reference, review of the risk function and activities, and ARIC's assessment of the matters considered by the Committee.

Information in this report is presented in the following areas:

- MidCoast ARIC
- Overview of legislative requirements & principles
- Structure of ARIC
- ARICs Responsibilities & Functions
- ARICs Practices & Processes
- ARICs Effectiveness

MIDCOAST ARIC

The MidCoast ARIC developed their Strategic Plan during the year that includes their vision, mission, objectives and key responsibilities.

Vision

The risk focused MidCoast ARIC is a highly respected and trusted committee that works collaboratively to provide independent, reliable, relevant and timely advice and assurance to Council that adds value.

Mission

To provide effective and credible input and guidance to the elected representatives and executive management that adds value.





Objectives

- To provide independent oversight of Council's assurance mechanisms by monitoring, reviewing and providing advice about the organisation's governance processes, compliance, risk management, control frameworks, external accountability obligations and overall performance
- Act as a forum for communication and monitoring of improvement activities across Council
- Building effective relationships with external audit
- Oversight of an effective internal audit function – Internal Audit Performance Review, audit reports and status updates at each meeting

Key Focus Areas

1. Hold a minimum of four meetings per year
2. Compliance with Guidelines
3. Oversee Internal Audit's planning, monitoring and reporting
4. Maintain effective working relationships with Council and audit personnel
5. Contribute the time needed to review and understand the information provided in agendas, engagement of ARIC members & contributions made
6. Develop, review and present the work of ARIC to Council in accordance with the agreed Reporting Framework
7. Review and oversight of Risk Management function

OVERVIEW

ARIC Statutory Framework

The Act, Regulations and Guidelines provide the statutory foundations and prescribe the desired outcomes for Councils' ARIC, risk management frameworks and internal audit functions.

Legislative Requirements

The Act, Regulation and Guidelines requires each Council to establish an ARIC to continuously review and provide independent advice to the General Manager and the governing body of the Council on:

- whether the Council is complying with all necessary legislation, regulations and other legal requirements
- the adequacy and effectiveness of the Council's Risk Management Framework, fraud and corruption prevention activities, financial management processes, and the council's financial position and performance
- the Council's governance arrangements
- the achievement by the Council of the goals set out in the Council's Community Strategic Plan, delivery program, operational plan and other strategies
- how the Council delivers local services and how it could improve the performance of its functions more generally
- the collection of performance measurement data by the Council, and
- any other matters prescribed by the Local Government Regulation (including internal audit).

Guiding Principles

The guiding principles for ARICs are:

- The audit, risk and improvement committee is independent of the Council.
- The committee is equipped with the relevant expertise and has access to the Council resources and information necessary to fulfil its role and responsibilities effectively.
- Each Council receives relevant and timely advice and assurance from the committee on the matters listed in section 428A of the Local Government Act.
- The work of the committee is thoroughly planned and executed, risk-based and linked to the Council's strategic goals.
- The committee adds value to the Council and is accountable to the governing body for its performance.
- The Council is accountable to the community for complying with statutory requirements and these Guidelines relating to the committee.

Responsibilities & functions

Under section 428A of the Local Government Act, each Council must have an ARIC to independently review and advise on the following aspects of the Council's operations:

- (a) compliance
- (b) risk management
- (c) fraud control
- (d) financial management
- (e) governance
- (f) implementation of the strategic plan, delivery program and strategies
- (g) service reviews
- (h) collection of performance measurement data by the council, and
- (i) any other matters prescribed by the regulation.

The Committee must also provide information to the Council for the purpose of improving the Council's performance of its functions.

The Regulation also requires a Council's ARIC to review and provide advice on the Council's internal audit activities.

Level of assurance

Audit, risk and improvement committees have an advisory and assurance role only. ARIC exercises no administrative functions, delegated financial responsibilities or any management functions for Council.



ARIC STRUCTURE

MEMBERSHIP

The MidCoast ARIC membership for 2023/2024 included three independent members and two Councillor members.

The members of the MidCoast ARIC are:



Stephen Coates (Independent Chair) March 2020 - current

Stephen has a background as an experienced internal audit professional. He is currently President of IIA-Australia and member of the global International Internal Audit Standards Board (IIASB). Stephen has held senior roles in advisory and consulting services, technology risk consulting, and assurance services. His focus is on authoritative, independent, and confidential advice to enterprise and technology leadership on delivering improved strategic deployment, risk culture, technology insight and systems and operations performance. He also chairs a number of Audit Risk & Improvement Committees nationally. Stephen tries to bring a culture of continuous improvement to his work, and has a passion is helping Boards and Committees make good decisions.



Mark McCoy (Independent Member) February 2022 - current

BCom MBA FCA FFin FCG (CS, CGP) FGIA FAICD

Mark has twenty years of experience as a non-executive director in banking, software, hospital and aged care sectors, and as chair of various board committees for over fifteen years.

His 'day job' is running his own professional practice advising the boards and CEOs of public and private sector clients on a wide range of governance-related and other business issues.

He has taught twenty different accounting, finance, business information systems, governance and international business subjects to post-graduate and undergraduate students at four universities during the last fifteen years.



Shane Hubble (Independent Member) March 2024 - current

Shane has over 20 years' experience working as a corporate governance, enterprise risk and internal audit specialist. The majority of these years have come from a combination of working with international entities, local government and professional service firms.

He is a professional member of the Chartered Accountants Australia and New Zealand as a chartered accountant and enterprise risk specialist; a certified fellow of the Institute of Internal Auditors as a certified internal auditor; and a fellow of the Governance Institute of Australia.

His passion lies in assisting executives to manage enterprise risks and in assisting organisations to drive a culture that continuously improves corporate governance, ethics, compliance and a strong internal control culture.



Cr Alan Tickle (Councillor Member) February 2022 – September 2024

Deputy Mayor, Cr Alan Tickle is one of the appointed Councillors to the Audit, Risk and Improvement Committee.

Alan has a strong background in finance and financial planning and is a long-standing Councillor seeing many changes in Local Government. Alan has a passion for sports, arts and the community, advocating for improved health resources for the region.



Cr Jeremy Miller (Councillor Member) February 2022 – September 2024

Cr Jeremy Miller is one of the appointed Councillors to the Audit, Risk and Improvement Committee.

Jeremy has extensive experience in business and the entertainment industry. Serving the community through consultation, social service and entertainment has been at the heart of Jeremy's professional life for the last 25 years.

In addition to the above members, Dr Sheridan Dudley was a member of the MidCoast ARIC from February 2022 – October 2023.

Size & composition

Each Council is required to appoint an ARIC that comprises of an independent chairperson and at least two independent members that meet the independence and eligibility criteria prescribed by the Local Government Regulation and detailed in the Guidelines.

The MidCoast ARIC membership for the 2023/2024 period included an independent Chair, two independent members and two Councillor members.

Appointment terms

Councils must ensure that chairpersons and members serve the time-limited terms prescribed under section 216G of the Local Government Regulation to facilitate a rotation of knowledge and perspectives.

The initial term of membership on an ARIC is to be no more than four-years. ARIC members can be reappointed for a further term of up to four years but the total period of continuous membership on the Committee cannot exceed eight years in any ten-year period.

MidCoast ARIC memberships are within the legislated appointment terms.

Letter of appointment

Membership to the ARIC is formalised in an official letter of appointment signed by the Mayor and General Manager, following the decision of Council.

Independence & Eligibility

Those appointed as a Chair or a member of an ARIC must possess the skills, knowledge and experience necessary to undertake their roles on the Committee effectively to ensure the Committee can operate appropriately and effectively to support the Council.

Councils must ensure that the Chair and other members of the ARIC meet the independence and eligibility criteria noted in the Guidelines.

Each member of the MidCoast ARIC have signed a statement declaring they meet the independence and eligibility criteria.

MEETINGS

During 2023/2024 ARIC met six times to review reports, audit program and audited financial statements. Four meetings were the scheduled quarterly ARIC meetings held on:

- 18 August 2023
- 17 November 2023
- 1 March 2024
- 17 May 2024

Two additional meetings were held to review the financial statements on:

- 4 September 2023
- 23 October 2023

Action items arising from ARIC meetings are noted and a responsible person is assigned to the action. Progress is tracked and reported to the Committee at subsequent meetings.

Attendance at meetings

Member	Position	Role	Eligible	Attended
Stephen Coates	Independent	Chair	6	6
Dr Sheridan Dudley	Independent	Member	3	3
Mark McCoy	Independent	Member	6	5
Shane Hubble	Independent	Member	2	2
Cr Alan Tickle	Councillor	Member	6	5
Cr Jeremy Miller	Councillor	Member	6	6





Confidentiality

Information and documents relating to ARIC are considered confidential. Any strategies and reports presented to Council are available on Council's website - [Audit, Risk and Improvement Committee - MidCoast Council](#)

Meeting agenda

The confidential agenda, and supporting documentation, for each meeting is distributed to ARIC members and Councillors through Council's secure document sharing platform one week prior to the meeting.

Meeting notes

A record of each ARIC meeting is kept ensuring an account of the items considered as well as any actions and decisions by the Committee are documented through Meeting Notes. These notes are presented to the following meeting for confirmation that they are a true and accurate record. Once confirmed the Chair signs the meeting notes as true and correct.

Observers

Councillors who are not members of ARIC are invited to attend the meetings in person as an observer. While the Mayor, General Manager and Audit Coordinator are not members of ARIC they are expected to attend ARIC meetings.

ARIC RESPONSIBILITIES & FUNCTIONS

RISK MANAGEMENT

MidCoast Council accepts responsibility and accountability for risk management across the organisation and supports the development of a positive risk culture.

Risk management is an integral part of all Council management, operations, functions and activities with Council having a Risk Management Framework that is appropriate and is consistent with the Australian Risk Management Standards (AS ISO 31000:2018).

ARIC is presented with information to assist in providing assurance that policies and procedures are in place, that organisational risks are being identified and assessed, and controls work effectively.

A copy of Council's Risk Management Road Map is shown on page 17.



Risk Management Self-assessment

In 2022 the Risk Management function undertook a self-assessment of Council's Risk Management Framework against AS ISO 31000:2018.

The assessment was undertaken using an online assessment tool developed by Statewide Mutual to support member councils in testing their level of compliance and maturity against the Standard in anticipation of the draft OLG Guidelines for Risk Management coming into effect.

As the OLG Guidelines did not come into effect until 1 July 2024 and Council's Risk Management Framework did not change between November 2022 and 1 July 2024, the below 2022/23 self-assessment results are relevant for 2023/24.

The first formal annual self-assessment of Council's Risk Management Framework against AS ISO 31000:2018 required under the OLG Guidelines is due to be undertaken in 2024/25.

The self-assessment is broken up against the following three core principles of risk management.

1. Risk Management Principles
2. Risk Management Framework
3. Risk Management Process

MidCoast Council's Risk Management Framework is compliant, with an average score of 4.04 out of 5.

SCORECARD – 2022/23 Self-Assessment

Principles	Current Ave Rating
1. Risk Management Principles	4.00
For risk management to be truly effective, an organisation should seek to implement an appropriate framework and supporting processes that are underpinned by clear risk management principles. Each organisation should establish which principles are important for them given their organisational context.	Optimised
2. Risk Management Framework	4.33
An effective risk management framework provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation. Frameworks should be customised to be fit for purpose for the organisation in it's current strategic and operational context	Optimised
3. Risk Management Process	3.80
The systematic application of risk management policies, procedures and practices to meet the organisation's intent for managing risk within the defined risk management framework, supporting the agreed risk principles	Repeatable.
Overall	4.04

OUR RISK MANAGEMENT ROADMAP - A SNAPSHOT

Objectives

To embed risk management across the organisation so that we realise the benefits and opportunities that effective risk management offers

To achieve the Organisational Vision
 "...to be a high performing organisation where we are always striving to be better. One where we work collaboratively and are trusted. Better every day."

Our framework

- Risk Management Policy
- Risk Management Framework
- Risk Management Process (Handbook)
- Risk Management Roadmap (detailed Plan)
- Risk Registers
 - Strategic
 - Divisional
 - Operational

Key actions to achieve objectives

- **Education & Awareness Sessions** – promote benefits, increase understanding and build capacity
- **Risk Management Hub** – provide easily accessible risk management processes, tools & guidance
- **Risk Registers** – build risk registers to inform focussed analysis & control implementation
- **Risk Review & Reporting Structure** – ensure oversight and accountability for risk management through review and reporting
- **Risk Management System** – implement a system to track and report on risk & action plans
- **Statewide CIP Program** – participate in programs that identify gaps and promote enhanced risk management approach to operations
- **MCC Risk Management Grant Funding Program** – promote risk management and capacity building through internal initiatives
- **Process Improvement Opportunities Program** – use claims data to identify risks and inform process improvements

Benefits & gains

- Achieve desired outcomes and realise opportunities
- Make reliable, informed and evidence based decisions
- Reduce incidents, liability exposure and claims – reduced financial losses, safeguard people, property, environment & reputation
- Improve internal and external communication, confidence and trust
- Ensure compliance with relevant legislation, regulations and standards
- Enhance operational efficiency and continuity, and allocate resources effectively
- Allocate responsibility and ensure accountability for actions and decisions

How are we going to measure success & identify improvements?

- Organisational risk culture surveys (minimum every 2 years)
- Daily operations and networking with staff
- Analysis of risk reviews and reports
- Analysis of incidents and claims data
- Monitoring of number of applications / participants in internal risk management grants program
- Seeking feedback from staff during internal risk management communications and initiatives
- Monitoring participation and responses to Statewide Mutual Risk Management Program

How are we going to ensure we deliver on our roadmap?

- Commitment to delivery program & schedule
- Quarterly roadmap reporting to MANEX
- Risk reporting to MANEX, Ext MANEX & ARIC
- Continuous improvement Program reporting to Statewide Mutual

MidCoast Council Strategic Risks

Council has identified the following 16 strategic risks to the organisation.

Risks	
1. Work, Health & Safety	Protect the health, safety & wellbeing of employees, contractors and volunteers
2. Human Resources	Attract, retain and continually develop qualified, skilled and motivated workforce; adequately and consistently manage workforce performance and conduct
3. Financial Sustainability	Maintain long term financial sustainability and stability
4. Infrastructure & Property	Maintain adequate infrastructure
5. Climate Change	Prepare for and respond to the impacts of climate change
6. Business Disruptions	Maintain critical infrastructure and services
7. ICT Infrastructure / Cyber Security	Provide adequate ICT infrastructure to support and protect the organisation
8. Corporate Project Management	Successfully deliver key corporate projects
9. Compliance	Compliance with legislation, regulations and standards
10. Environment	Adequately protect the natural environment
11. Waste Management	Adequately manage waste and contamination
12. Theft, Fraud & Crime	Effective governance, management & enforcement
13. Government Decisions & Priorities	Impact of State and Federal Government decisions
14. IP&R	Align with community needs and expectations and delivered within legislated timeframes
15. Culture	Organisational culture and resilience
16. Leadership	Strategic leadership and management



Agenda items

The following Risk Management / Emerging Risk items were presented and discussed with ARIC at the meetings noted. Updates provided in the Quarterly Governance Update are noted with 'GU'.

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
Risk Management						
Risk Management Policies / Framework	GU					
Strategic/Divisional/Operational Risk Registers	GU			GU	GU	GU
Annual Risk Presentation	✓					
Business Contunity Plan / LEMC / EOC	GU			GU	GU	✓
Annual Insurance Report / Renewals	GU			GU	GU	GU
Insurance Claims Report / Update	GU			GU	GU	
Statewide CIP Action Plan / Workbooks	GU			GU	GU	GU
Risk Education & Awareness	GU			GU	GU	GU
WHS & Wellbeing	✓			✓	✓	✓
Organisational Projects / Emerging Risks						
Capital Works Report	✓			✓	✓	✓
ICT / Cyber Security				✓	✓	✓
Data Security & Privacy Group	GU			GU		
Asset Management				✓	✓	✓
Business Transformation Program (BTP)	✓				GU	
Emerging Risks					✓	



INTERNAL AUDIT

Each council in NSW, must have an internal audit function to provide an independent unbiased assessment of the Council's operations and risk and control activities.

A Council's internal audit function must operate independently of the Council and internal audit activities cannot be subject to direction by the Council.

To ensure that the internal audit function remains independent from Council management, it must have a dual reporting line that reports:

- administratively to the General Manager or a sufficiently senior role in the Council to ensure the internal audit function fulfils its responsibilities, and
- functionally to the ARIC

Charter

It is important that Council's internal audit function has clear guidance on how it should support the ARIC and the Council, and that the Committee and Council has input into how the internal audit function will operate.

The Local Government Regulation requires each Council to adopt an Internal Audit Charter to guide how internal audit will be undertaken by the Council that is informed by the approved Model Internal Audit Charter included in the Guidelines.

The ARIC is to review the Council's Internal Audit Charter annually in consultation with the General Manager and the Internal Audit Coordinator.

The Internal Audit Charter was reviewed by ARIC in November 2023.

Framework

The MidCoast Internal Audit Function has developed a Framework that outlines the processes in place for the management and oversight of the Internal Audit Program in accordance with the IIA Standards and the Guidelines.

The Internal Audit Framework is reviewed annually in conjunction with the review of the Internal Audit Charter to ensure it is sound and effective.

Audits activities undertaken

Audit activities undertaken by the audit function during 2023/2024 and reported to ARIC are noted in the table below.

Audit Activities completed 2023/2024		Undertaken By
1	Asset Management	OCM
2	Climate Change	OCM
3	Contract Management	OCM
4	RMAT Self-assessment	MidCoast Council
5	RMS Drives 24	MidCoast Council
6	IT Essential Eight Self-assessment	MidCoast Council

Upcoming Internal Audit Plan

ARIC have a planned audit program for 2024/2025. Scheduled audits for the 12-month period are noted in the table below.

Audit Activities for 2024/2025		Undertaken By
1	Recruitment	OCM
2	Procurement – rescheduled to 2025/2026	
3	Events Management	OCM
4	Fees & Charges	OCM
5	JSA - Site Compliance /Records Management (in-house)	MidCoast Council
6	ECM Health Check	Tech 1
7	Records health check & roadmap development	External provider
8	Cemeteries Annual self-assessment	MidCoast Council

Performance of the Internal Audit Function

A review of internal audit performance was undertaken for the 2023/2024 financial year. Details of the review are available on page 34 of this report.

The annual assessment provides the opportunity to review the operation of the internal audit function and compliance with the International Professional Practices Framework, and encourages continuous improvement of Council's internal audit activities.

The average response overall was 4.15, determining O'Connor Marsden (OCM) to have a 'very satisfactory' result.

Strategic Assurance Map

The Internal Audit Function has developed a Strategic Assurance Map that provides ARIC with oversight of the three lines of defence against the organisation's strategic risks. The Map also includes the risk registers that have been completed, reviewed and updated. The Strategic Assurance Map includes activities and controls that are in place to minimise the identified risks.

Audit, Assurance & Reviews Workplan

An Audit, Assurance & Reviews Workplan has been developed to capture any activities that Council know are scheduled over 2024 – 2028. This includes benchmarking, external audits, self-assessments, external assessments and other audit activities. This was noted as an improvement activity during the 2023/2024 period and has now been implemented.

Management of audit actions

Management actions from ARIC meetings, external audit and internal audit are monitored and managed through a purpose-built program that allows senior management to have oversight of the status and progress against each action. The program tracks the action, responsible officer, due date, overdue actions, status, progress notes and when completed. This information is reported to each ARIC meeting.

Agenda items

The following Internal Audit items were presented and discussed with ARIC at the meetings noted.

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
Internal Audit						
Four-year Strategic Audit Plan / Annual Plan					✓	✓
Audit Plan Status Update	✓			✓	✓	✓
Management Action Items (AMAs)	✓			✓	✓	✓
Assurance Map	✓			✓	✓	✓
Audit reports	✓			✓	✓	✓
Internal Audit Charter				✓		



FINANCIAL MANAGEMENT

The ARIC has a key role in ensuring that Council has an effective financial management framework. This assists in achieving a sustainable financial position and an ongoing positive financial performance.

ARIC has received regular updates and presentations that address the financial management of the organisation. A quarterly Financial Management report was introduced in March 2024 to improve and standardise the reporting provided to ARIC. Copies of the Investment Reports and Budget Variation reports presented to Council were provided to ARIC out of session.

MidCoast Council's financial statements are audited by the NSW Audit Office. Representatives from the Audit Office attend each ARIC meeting and provide a status update on work being undertaken and an overview of any findings.

The following Financial Management & Financial Audit items were presented and discussed with ARIC at the meetings noted.

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
Financial Management						
Financial Management Report	✓			✓	✓	✓
Long term financial plan	✓					
Accounting Policies / Position Papers	✓			✓		
Financial Sustainability				✓	✓	✓
Investments Report	✓					
Budget Variation Report	✓					

Financial Audit (External)

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
Financial Statements Audit (External)						
Annual Engagement Plan					✓	
Draft Financial Statements		✓				
Final Financial Statements			✓			
Audit Closing Report			✓	✓		
Financial Audit Update / Status Update	✓			✓	✓	✓
Performance Audit	✓				✓	

GOVERNANCE, COMPLIANCE & FRAUD

Good governance is the process and behaviours that ensure MidCoast Council performs to achieve its intended purpose, and complies with all relevant laws, codes and directions while meeting community expectations of probity, accountability and transparency.

Governance should be enduring, not just something done from time to time. Good governance sets a clear direction, a way to get there and tracks progress. It provides independent assurance that management is achieving this direction in an ethical and legal way.

ARIC have reviewed and advised on a range of governance, compliance and fraud control activities throughout the year that includes:

- how Council manages its compliance with applicable laws, regulations, policies, procedures, codes and contractual arrangements
- effectiveness of Council's fraud and corruption prevention framework and activities
- implementation of governance policies and procedures

Governance Update

A Quarterly Governance Update Report is presented at each ARIC meeting to demonstrate the Governance Framework and Compliance Framework in action. This includes:

- Risk actions, registers and initiatives
- Insurance status and renewals
- Business continuity
- Matters Before the Court
- Health Checks
- Policy Working Group
- Legislative Compliance Database
- Public Interest Disclosures
- Procurement and contract management
- IP&R activities
- Service reviews activities

Capital Works

In addition to the detailed reports presented to Council each month, Capital Works are reported to each ARIC meeting, by exception, where scope, budget or outcomes have changed (either positively or negatively).



The following Governance, Compliance & Fraud items were presented and discussed with ARIC at the meetings noted. Updates provided in the Quarterly Governance Update are noted with 'GU'.

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
Compliance / Governance						
Governance Quarterly Update (GU)	✓			✓	✓	✓
Compliance Review Panel Update	GU			GU	GU	GU
Matters Before the Court	GU			GU	GU	GU
DRIVES 24	GU			GU	GU	GU
Legislative Compliance Database	GU					
Fraud and Corruption Control	GU			GU	GU	✓
Policies	GU			GU	GU	GU
PID	GU			GU	GU	GU
Delegations	GU			GU	GU	GU
Code of Conduct	GU					
Governance Training	GU					
Procurement / Contract Management				GU	GU	GU



IP&R / IMPROVEMENTS

ARIC received updates and presentations throughout the year in relation to the Integrated Planning & Reporting (IP&R) requirements and improvements that outline the forward program of activities as well as what has been delivered for the previous year.

An improvement will be implemented for the new financial year that introduces a progress update in the Quarterly Governance Update Report.

ARIC is notified when the IP&R documents are presented to Council for public exhibition and placed on the website.

MidCoast Council has a Service Optimisation Program to review the services delivered to the community. The Framework and trial implementation has been discussed with ARIC.

The following IP&R / Improvement items were presented and discussed with ARIC at the meetings noted.

ARIC Responsibility / Requirement	18 Aug 2023	4 Sept 2023	23 Oct 2023	17 Nov 2023	1 March 2023	17 May 2024
IP&R / Improvements						
IP&R overview & approach						✓
Resourcing Strategy/CSP/DPOP	✓			✓		✓
MidCoast Council Annual Report					✓	
Service reviews / Service Optimisation						✓
Auditor General's Reports	✓					✓



ARIC PRACTICES & PROCESSES

MidCoast ARIC Framework

ARIC have developed a Framework that provides an overview of the areas considered when undertaking their work and the key documents developed to guide and support the work being undertaken. This ARIC Framework is included in the MidCoast ARIC Strategic Plan available on Council's website.



Terms of Reference

It is important that each ARIC has clear guidance on how it should serve the Council, and that the Council has input into how the Committee operates.

The MidCoast ARIC reviewed the ARIC Charter against the model Terms of Reference in the Guidelines at its 2 June 2023 meeting. ARIC endorsed an updated ARIC Terms of Reference that was presented to and adopted by Council at the 25 October 2023 Ordinary Council meeting.

The ARIC Terms of Reference are available on Council's website - [Audit, Risk and Improvement Committee - MidCoast Council](#)

The MidCoast ARIC have reviewed and noted it operated in accordance with its Terms of Reference during the 2022/2-23 period.

Inductions

To help new ARIC members 'hit the ground running' a comprehensive induction program has been developed to ensure each member understands:

- the Committee's role, responsibilities and Terms of Reference
- the business, operations, culture, risks and controls of the Council
- functions and service delivery
- key areas of risk
- internal controls
- financial reporting and audit status
- the expectations of the Council about their responsibilities and performance

This includes providing new members with any background information or documentation necessary to ensure they are able understand the work of the ARIC.

An induction for Shane Hubble was held 24 February 2024 with Stephen Coates (ARIC Chair), Adrian Panuccio (General Manager), Steve Embry (Director Corporate Services), and Rob Griffiths (Manager Governance).





Conflicts of Interest

ARIC members are required to declare any conflicts of interest they may have in any matters being presented to the Committee.

Conflicts of Interest are declared and recorded in the meeting notes for each meeting.

Designated persons

Independent members of ARIC are identified as 'designated persons'. The Councillor and Designated Person Disclosure of Interest Policy was updated to include ARIC independent members (effective from 1 July 2024) and endorsed by Council at the 22 May 2024 meeting.

The Designated Persons disclosures for 2023/2024 were tabled at the 9 October 2024 Council meeting by the General Manager.

Report Schedule

It is essential that the work of the ARIC is thoroughly planned and executed to ensure that no Council activity or function is missed by the Committee and that Councils receive value for money from their assurance investment.

A rolling 12-month forward meeting schedule is updated and presented at each ARIC meeting to ensure that the Committee has oversight of upcoming reports that covers all of its responsibilities at the appropriate time of the year.

Reporting to Council

Council receives relevant and timely advice and assurance from ARIC through regular reporting and updates outlined in the following Reporting Framework, this ensures there are strong linkages between ARIC and the governing body. The Reporting Framework is included in the ARIC Strategic Plan available on Council's website - [Audit, Risk and Improvement Committee - MidCoast Council](#)

Reporting Framework

Legislative requirement	MidCoast ARIC definition	Frequency	Result	Description
Strategic Work Plan	ARIC 4-Year Work Plan	Annually	✓	Four-year Strategic Plan is included in the ARIC Strategic Plan that is reviewed & updated annually
Annual Work Plan	ARIC Annual Work Plan	Annually	✓	Annual Work Plan is included in the ARIC Strategic Plan that is reviewed & updated annually
Agenda	ARIC Agenda	Quarterly	✓	The full confidential ARIC Agenda is provided to Councillors through the secure document sharing portal
Quarterly updates	Meeting Notes	Quarterly	✓	The confidential ARIC Meeting Notes are provided to Councillors following each meeting through the secure document sharing portal
Annual assessment	ARIC Annual Report	Annually	✓	ARIC Annual Report prepared and presented to Council in November / December each year
Annual assurance meeting	ARIC Chair presentation to Councillors (coinciding with presentation of the Annual Report)	Annually	✓	ARIC Chair presents an update to Councillors in a workshop that includes <ul style="list-style-type: none"> • Presentation of the Annual Report • Update on the Annual Audit Plan • Update on the Terms of Reference • Annual Assessment of the risk function
Review of ARIC performance	ARIC Performance Review	Annually	✓	At the end of the Council term Councillor representatives & observers undertake a review of ARICs performance & action plan
Performance Measurement	Performance measures	Annually	↗	Performance measures developed & included in the ARIC Strategic Plan Reported to Council in the ARIC Annual Report along with the Annual Internal Audit Performance Review & ARIC Report Card
Strategic assessment	ARIC End of Term Report	4-yearly	✓	Include a comprehensive strategic assessment against the ARIC Terms of Reference, legislative requirements and the Guidelines. Presented to Council prior to the end of the Council term
Strategic Assurance Meeting	Strategic Assurance meeting	4-yearly	↗	ARIC discussion with Councillors at the beginning of the new term to discuss the proposed ARIC Strategic Plan
Annual Attestation	Annual Attestation	Annually	↗	General Manager to include the attestation in the MidCoast Annual Report from 2024/25 Attestation included in the ARIC Annual Report

Status Key



Target Achieved or Completed



On Track



Target Not Met

ARIC EFFECTIVENESS

Achievements

In addition to meeting the regular overview and legislative reporting requirements, ARIC have been focused on ensuring systems and processes were in place for compliance with the new Guidelines by the end of the financial year.

This work included:

- Updating the ARIC Charter to an ARIC Terms of Reference
- Introducing an Internal Audit Charter based on the model included in the Guidelines
- Developing the MidCoast ARIC Strategic Plan that includes:
 - ARIC Framework
 - ARIC Reporting Framework
 - ARIC Workplans
 - ARIC Strategic Plan
 - ARIC Performance Measures
- Reviewing and updating the ARIC Report Schedule at each meeting
- Preparing the 2022/2023 ARIC Annual Report (presented to Council in November 2023)
- Completion of the MidCoast ARIC End of Term Report

ARIC held a planning day in November 2023 to undertake the work to complete their first ARIC Strategic Plan. The ARIC Strategic Plan was presented to Council in June 2024.

ARIC Annual Report 2022/2023

ARIC completed the Annual Report for the 2022/2023 financial year that was presented to Council in November 2023.

ARIC Annual Reports are available on Council's website - [Audit, Risk and Improvement Committee - MidCoast Council](#)

ARIC End of Term Report

ARICs must provide to the governing body a comprehensive strategic independent assessment every council term (i.e. four years) of all the matters listed in section 428A of the Local Government Act that have been reviewed during the Council term.

The ARIC End of Term Report for the Council term 2022-2024 was presented and endorsed by Council at the 21 August 2024 Ordinary Council meeting.

The ARIC End of Term Report is available on Council's website - [Audit, Risk and Improvement Committee - MidCoast Council](#)

ARIC Report Card – Terms of Reference

Committee Requirements		Compliance
Terms of Reference		The MidCoast ARIC Terms of Reference is reviewed annually. The Terms of Reference were last reviewed in June 2023
Committee meetings		A quorum was met at every meeting. Meetings held in this period include 18 August 2023, 17 November 2023, 1 March 2024 and 17 May 2024, plus financial meetings held 4 September 2023 & 23 October 2023
Composition		3 Independent members 2 Councillors Inductions are undertaken as required. An induction was held 20 February 2024.
Broad range of skills and experience		The ARIC consists of a diverse range of extensive experience across financial & risk management, internal audit, local government and commercial activities.
Functional separation		The ARIC has no executive powers and is advisory in its capacity. Members have access to the General Manager and senior staff. In-camera sessions are held with the Internal Auditor and NSW Audit Office. Appropriate staff attend meetings and provide relevant information.
Sufficient time allocated to tasks		The ARIC agenda facilitated adequate time to discuss all internal audit reports from Council's Internal Auditor (O'Connor Marsden - OCM), external audit reviews, financial statements, and an update on the progress of the implementation of audit actions (tabled at each meeting) as well as Governance, risk management & financial management activities.
Probity		Members declared conflicts of interest as they arose.
Risk management		Risk management key activities are reported at each meeting of the ARIC. The ARIC maintains interest in MidCoast Council's Enterprise Risk Management Framework and subsequent risk registers that have been developed to help inform business planning and decision making, including the internal audit plan.
Control framework		The ARIC effectively reviewed the controls, policies and procedures through audit reports from OCM and high-level staff briefings received. The ARIC also received presentations from the NSW Audit Office NSW.
Compliance		The ARIC received and reviewed the Compliance Framework & reports relating to compliance.
Fraud, corruption and control		Council has an effective Fraud and Corruption Control Framework in place that was reviewed by ARIC.
Internal audit		Reviewed and updated MidCoast Council's Internal Audit Four Year Plan. Annual audits were undertaken as part of the agreed Audit Plan. The ARIC monitored the implementation of internal audit recommendations by management. The ARIC received and discussed the following Internal Audit reports: Asset Management / Climate Change ? Contract Management A review of Internal Audit performance was undertaken for the 2023/2024 period. See page 34 for further information



Committee Requirements		Compliance
External audit	✓	The ARIC has continued to review MidCoast Council's financial position and commitment towards achieving financial sustainability. Specific meetings were held to review financial statements on 4 September 2023 & 23 October 2023.
External accountability	✓	The ARIC is a forum for communication between the Council, the General Manager, senior management, internal audit and the Audit Office of NSW. ARIC has in-camera sessions with the NSW Audit Office The Chair of ARIC meets each quarter with the General Manager & has scheduled presentations to Council twice a year..
Financial management	✓	A Financial Management Quarterly Report was introduced throughout the year that provides ARIC an overview of the financial management activities throughout each quarter. Financial sustainability has been a focus area during the year with a number of presentations & discussions held with ARIC
Strategic planning	✓	. The ARIC Strategic Plan was completed throughout the year and presented to Council in June 2024 Updates, presentations & discussions were held with ARIC in relation to IP&R requirements, services reviews, and improvement. The Assurance Map is updated and presented to each ARIC meeting.
Reporting to Council	✓	.Councillors receive a copy of the confidential ARIC agenda through the secure document sharing platform 'Docs on Tap' All Councillors who are not ARIC members are invited to attend ARIC meetings as an observer. A copy of the Meeting Notes from each meeting are provided to Councillors. The MidCoast ARIC Annual Report is prepared and presented to Council each year before being placed on Council's website. The MidCoast ARIC Annual Report is prepared and presented to Council each year before being placed on Council's website.
Self-Assessment	✓	As part of the assurance reporting to Council, ARIC completed a self-assessment in relation to their performance and the work undertaken. The questions and average responses are included on page 35. The range of question responses was between 3.67 and 4.33. The average response overall was 4.07, determining ARIC to have a 'very satisfactory' result.



Internal Audit Performance Review

In line with the MidCoast ARIC Terms of Reference and the Guidelines an Annual Assessment of the Internal Audit Function for the 2023/2024 period was undertaken.

The intention of the assessment is to review the Internal Audit Function performed by OCM, its processes, planning and contribution to Council.

The survey included 21 questions with seven people invited to respond (5 ARIC members and 2 MidCoast Council staff) with all seven responding.

Respondents were:	
Stephen Coates	Chair - MidCoast ARIC (Independent Member)
Shane Hubble	Independent Member
Mark McCoy	Independent Member
Cr Alan Tickle	MidCoast Councillor
Cr Jeremy Miller	MidCoast Councillor
Adrian Panuccio	General Manager MidCoast Council
Donna Hudson	Governance Liaison & Projects Coordinator MidCoast Council

Questions were rated 1 – 5 by each of the seven respondents and averaged.

The overall rating scale is the same scale applied to the ARIC Self-assessment.

Rating Guide: 1=Poor 2=Unsatisfactory 3=Satisfactory 4=Very Satisfactory 5=Outstanding

The range of average question responses was between 3.75 and 5.

The average response overall was 4.15, determining O'Connor Marsden (OCM) to have a 'very satisfactory' result.



ARIC Self-assessment

ARIC completed an annual self-assessment for the 2023/2024 period on their performance and the work undertaken. Questions were rated 1 – 5 by each of the 6 respondents and averaged. The questions, along with the score, are included below.

The overall rating scale is the same scale applied to the Review of Internal Audit Performance.

Rating Guide: 1=Poor 2=Unsatisfactory 3=Satisfactory 4=Very Satisfactory 5=Outstanding

The average overall response was 4.07, determining ARIC to have a 'very satisfactory' result.

ARIC Objective	22/23 Average response	23/24 Average response
1 The ARIC Charter adequately sets out the objective, authority, roles, responsibilities, composition and operations of the Committee	5	4.33
2 The ARIC has collectively & meaningfully promoted good corporate governance at Council	5	4.17
Skills & Experience		
3 The ARIC has collectively demonstrated skills to effectively perform the assigned responsibilities	4.4	4.17
4 You have personally:		
a Shown openness to new ideas and different views in your deliberations	4.8	3.83
b Demonstrated an ability to critically evaluate information presented to ARIC	4.6	3.83
c Been sufficiently probing and challenging in your deliberations	4.4	4
d A sufficient understanding/appreciation of the primary operations of MidCoast Council	4.2	4
e Demonstrated a positive attitude of continuous improvement in your dealings with management	4.6	4.33
Understanding of control		
5 You have sufficient understanding and appreciation of Council's:		
a Plan for evolving its compliance arrangements	4.2	4
b Risk Management	4.4	4
c Fraud and corruption prevention	4.2	3.67
d Internal Audit Framework	4.6	4
e External accountability, including financial reporting	4.6	4.33
Understanding of Assurance		
6 The ARIC receives sufficient reporting on the outcomes of Council's assurance activities:		
a Internal Audit activity	4.8	4.17
b External Audit services	4.4	4
Meetings, Administration & Conduct		
7 The number and frequency of ARIC meetings is appropriate having regard to the responsibilities of ARIC	4.4	4
8 You have abided by Council's Code of Conduct and acted in accordance with the conflicts of interest section of the ARIC Charter	5	4
9 Effective secretariat support is provided to the ARIC in order for it to fulfil its functions	4.8	4.33
10 The ARIC meetings are well run and productive	4.2	4.17
Overall Rating		
11 Current reporting arrangements between ARIC and Council are meaningful and effective	4.2	3.83
12 The ARIC's overall performance has been effective	4.4	4.33
AVERAGE RESPONSE OVERALL	4.5	4.07

Performance Measures

Performance measures were introduced for the MidCoast ARIC in the ARIC Strategic Plan, effective from 1 July 2024, and were not in place for the 2023/2024 period. All measures have been reviewed and assessed with a current status provided in this report that will be used as a baseline for future reporting.

Ref	What we want to achieve	Baseline	Target	Achieved
1.1	Number of meetings held	4	≥4	6
2.1	Terms of Reference are compliant with the Guidelines	new	100%	98%
2.2	Annual Workplan reviewed and endorsed at each full ARIC meeting to allow forward planning	4	≥4	4
3.1	Audit actions presented and reviewed at each ARIC meeting	4	≥4	4
3.2	Average annual rating of Internal Audit Performance	4.5	≥4.5	4.15
4.1	Number of meetings held on site at YG with staff attending	4	≥4	4
4.2	In-camera closed session held with internal auditor	1	≥1	0
4.3	In-camera closed session held with external auditor	1	≥1	0
4.4	Internal Auditor attends each ordinary ARIC meeting	4	≥4	4
4.5	External auditor attends each ordinary ARIC meeting	4	≥4	4
5.1	Rating from annual peer review by Councillor member	tba		
5.2	Average annual rating of ARIC self-assessment (see previous page for further information)	4.5	≥4.5	4.07
5.3	Member attendance at ARIC meetings	80%	80%	94.44%
6.1	% of legislated requirements completed within timeframes and due dates	new	new	
6.2	% compliance against legislated requirements in attestation statement	95%	100%	95%
7.1	Risk – review of Risk Management Framework annually	1	≥1	
7.2	Average rating of the Risk Management Self-assessment	4	≥4	4.04

MidCoast ARIC Annual Attestation

Internal audit and risk management attestation statement as at 1 July 2024 for MidCoast Council

MidCoast Council has an Audit, Risk and Improvement Committee (ARIC), risk management framework and internal audit function that operate in compliance with the following requirements except as may be otherwise provided below:

	Requirement	Compliance
1	MidCoast Council has appointed an ARIC 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
2	The chair and all members of MidCoast Council's ARIC 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
3	MidCoast Council has adopted Terms of Reference for its ARIC 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).	Transitioning from two Councillor members to one Councillor non-voting member
4	MidCoast Council provides the ARIC with direct and unrestricted access to the General Manager and other senior management and the information and resources necessary to exercise its functions.	Compliant
5	MidCoast Council's ARIC 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
6	MidCoast Council's ARIC 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
7	The governing body of MidCoast Council reviews the effectiveness of the ARIC 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

Membership

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

Position	Member	Appointed	Current Term Expiry
Chair	Stephen Coates	March 2020	March 2025
Independent member	Mark McCoy	February 2022	February 2025
Independent member	Shane Hubble	February 2024	February 2026
Councillor member	Cr Alan Tickle	February 2022	September 2024
Councillor member	Cr Jeremy Miller	February 2022	September 2024

Risk Management

	Requirement	Compliance
8	MidCoast Council has adopted a Risk Management Framework that is consistent with current Australian risk management standard and that is appropriate for the organisation's risks (section 216S of the Local Government (General) Regulation 2021)	Compliant
9	MidCoast Council's ARIC 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



Internal Audit

	Requirement	Compliance
10.	MidCoast Council 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
11.	MidCoast Council's internal audit function reports to the ARIC on internal audit matters (sections 216M, 216P and 216R of the Local Government (General) Regulation 2021).	Compliant
12.	MidCoast Council's internal audit function is independent and internal audit activities are not subject to direction by the organisation (section 216P of the Local Government (General) Regulation 2021).	Compliant
13.	MidCoast Council 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
14.	MidCoast Council has appointed a member of staff to direct and coordinate internal audit activities (section 216P of the Local Government (General) Regulation 2021).	Compliant
15.	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
16.	MidCoast Council provides the internal audit function with direct and unrestricted access to staff, the ARIC, and the information and resources necessary to undertake internal audit activities (section 216P of the Local Government (General) Regulation 2021).	Compliant
17.	MidCoast Council'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
18.	MidCoast Council's ARIC 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