Lithgow City Council - Audit, Risk & Improvement Committee
Annual & Four Year Work Plan - 2024/28 Council Term
[Endorsed by Committee - 10 December 2024]

Plan Ref #	Terms of Reference Requirement [per Schedule 1 (s.428A of Act)]	Frequency (minimum)	Source / Supporting Documents and/or Actions Required	Yr 1 Dec 2024	Yr 1 Mar 2025	Yr 1 Jun 2025	Yr 1 Spec Mtg	Yr 1 Sep 2025	Yr 2	Yr 3	Yr 4
	Internal Audit		*Principle: The Council has an effective internal audit function and receives maximum value from its internal audit activities.*								
1	Provide overall strategic oversight of internal audit activities	Annual	IA Projects / Meet with HIA					x	x	x	x
2	Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit	Always		x	x	x		x	x	x	x
3	Coordinate, as far as is practicable, the work programs of internal audit and other assurance and review functions	Annual	IA Plan / CIA Invited to ARIC					x	x	x	x
4	*Review and advise the council:*										
4.1	on whether the council is providing the resources necessary to successfully deliver the internal audit function	Annual	Meet with HIA / Review IA Function					x	x	x	x
4.2	if the council is complying with internal audit requirements, including conformance with the International Professional Practices Framework	5 Yr*	QAIP / IA Charter / External Assessment								x
4.3	if the council's internal audit charter is appropriate	Annual	IA Charter	x				x	x	x	x
4.4	whether the internal audit policies and procedures and audit/risk methodologies used by the council are suitable	4 Yr	Review IA Policies & Procedures								x
4.5	of the strategic four-year work plan and annual work plan of internal audits to be undertaken by the council's internal audit function	Annual	IA Plans					x	x	x	x
4.6	if the council's internal audit activities are effective, including the performance of the HIA and the internal audit function	Annual	Assess IA Function / Meet with HIA					x	x	x	x
4.7	of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised	Qtr	IA Project Reports	x	x	x		x	x	x	x
4.8	of the implementation by the council of these corrective actions	Qtr	IA Action Plan	x	x	x		x	x	x	x
4.9	on the appointment of the HIA	As Required									
4.10	on the appointment of the IA external providers	As Required		x							
4.11	if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities	Annual	Meet with HIA / Assess IA Function					x	x	x	x
	External Audit		*Principle: The Council receives maximum value from its external audit activities.*								
5	Act as a forum for communication between the governing body, General Manager, senior management, the internal audit function and external audit	Always		x	x	x	x	x	x	x	x
6	Coordinate as far as is practicable, the work programs of internal audit and external audit	Annual	AEP / HIA Invited to ARIC		x			x	x	x	x
7	*Provide input and feedback on the:*										

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7.1	financial statements	Annual	Draft and Final Audited Fin Stmts	x			x		x	x	x
7.2	performance audit coverage proposed by external audit	Annual	AEP		x				x	x	x
7.3	external audit services provided	Annual	Audit Mgmt Letters / AONSW Survey	x	x			x	x	x	x
8	Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations	Qtr	AEP / Audit Mgmt Letters / EA Action List	x	x	x		x	x	x	x
9	Provide advice to the governing body and/or General Manager on action taken on significant issues raised in relevant external audit reports and better practice guides	Annual	Interim and Final Audit Mgmt Letter / AEP	x	x			x	x	x	x
Risk Management			*Principle: The Council has an effective risk management framework and internal controls that successfully identify and manage the risks it faces.*								
10	*Review and advise the council:*										
10.1	if the council's has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard	Annual	Review ERMF		x				x	x	x
10.2	whether the council is providing the resources necessary to successfully implement its risk management framework	Annual	Meet with HIA / Assess ERMF		x				x	x	x
10.3	whether the council's risk management framework is adequate and effective for identifying and managing the risks the council faces, including those associated with individual projects, programs and other activities	4 Yr	Review of ERMF / IA Project Reports							x	
10.4	if risk management is integrated across all levels of the council and across all processes, operations, services, decision-making, functions and reporting	4 Yr	Review of ERMF / IA Project Reports							x	
10.5	of the adequacy of risk reports and documentation, for example, the council's risk register and risk profile	Annual	ERMF Risk Profile & Risk Appetite / Risk Register(s) / ARIC Meeting Papers		x				x	x	x
10.6	whether a sound approach has been followed in developing risk management plans for major projects or undertakings	Qtr	Major Projects Report	x	x	x		x	x	x	x
10.7	whether appropriate policies and procedures are in place for the management and exercise of delegations	4 Yr	Review of Delegations / IA Projects			x					
10.8	if the council has taken steps to embed a culture which is committed to ethical and lawful behaviour	4 Yr	Council Report to ARIC / Code of Conduct / Fraud and Corruption Policy / Risk Register(s) / IA Project Reports			x					

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10.9	if there is a positive risk culture within the council and strong leadership that supports effective risk management	Annual	IA Project Reports / Risk Register(s) / Risk Maturity Assessment			x				x	x	x
10.10	of the adequacy of staff training and induction in risk management	Annual	Council Report to ARIC / IA Project Reports / Risk Register(s)			x				x	x	x
10.11	how the council's risk management approach impacts on the council's insurance arrangements	Annual	Insurance Report(s) / Council Report to ARIC			x				x	x	x
10.12	of the effectiveness of the council's management of its assets	4 Yr	Council Report to ARIC / IA Project Reports							x		
10.13	of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans	Annual	Council Report to ARIC / IA Project Reports / BCP		x					x	x	x
Internal Controls			*Principle: The Council has an effective risk management framework and internal controls that successfully identify and manage the risks it faces.*									
11	*Review and advise the council:*											
11.1	whether the council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective	Annual	Review of IA Charter					x		x	x	x
11.2	whether the council has in place relevant policies and procedures and that these are periodically reviewed and updated	Annual	Policy and SWP Registers / IA Project Reports		x					x	x	x
11.3	whether appropriate policies and procedures are in place for the management and exercise of delegations	4 Yr	Review of Delegations / IA Projects			x						
11.4	whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with	4 Yr	Review of Delegations / IA Projects			x						
11.5	if the council's monitoring and review of controls is sufficient	Qtr	IA & EA Action Lists / IA Project Reports / IA Plan	x	x	x		x	x	x	x
11.6	if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately	Qtr	IA & EA Action Lists	x	x	x		x	x	x	x
Compliance			*Principle: The Council has an effective compliance framework that ensures it is complying with its legal obligations and other governance and contractual requirements when undertaking its functions.*									
12	*Review and advise the council:*											
12.1	of the adequacy and effectiveness of the council's compliance framework	4 Yr	Review of Compliance Framework / IA Project Reports								x	
12.2	on whether the council's has appropriately considered legal and compliance risks as part of its risk management framework	Annual	Review of ERMF / IA Project Reports	x						x	x	x

				Yr 1 Dec 2024	Yr 1 Mar 2025	Yr 1 Jun 2025	Yr 1 Spec Mtg	Yr 1 Sep 2025	Yr 2	Yr 3	Yr 4
**Lithgow City Council - Audit, Risk & Improvement Committee** **Annual & Four Year Work Plan - 2024/28 Council Term** *[Endorsed by Committee - 10 December 2024]*										
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12.3	on whether the council's manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements	4 Yr	Review of Compliance Framework / Council Report to ARIC / IA Project Reports							x	
12.4	on whether appropriate processes are in place to assess compliance	4 Yr	Review of Compliance Framework / Council Report to ARIC / IA Project Reports							x	
	Fraud and Corruption		*Principle: The Council has an effective fraud and corruption control framework in place that minimises the incidence of fraud and corruption.*								
13	*Review and advise the council:*										
13.1	of the adequacy and effectiveness of the council's fraud and corruption prevention framework and activities	4 Yr	Review of Fraud and Corruption Prevention Framework / IA Project Reports							x	
13.2	whether the council has appropriate processes and systems in place to capture and effectively investigate fraud-related information	Annual	Fraud Policy / Fraud Control Plans / Self Assessment Tool / Council Report to ARIC / IA Project Reports					x	x	x	x
	Financial Management		*Principle: The Council has an effective financial management framework, sustainable financial position and positive financial performance.*								
14	*Review and advise the council:*										
14.1	if the council is complying with accounting standards and external accountability requirements	Annual	Audit Mgmt Letters / Draft and Final Audited Fin Stmts	x			x		x	x	x
14.2	of the appropriateness of the council's accounting policies and disclosures	Annual	Audit Mgmt Letters / Draft and Final Audited Fin Stmts	x			x		x	x	x
14.3	of the implications for the council of the findings of external audits and performance audits and the council's responses and implementation of recommendations	Annual	Audit Mgmt Letters / Draft and Final Audited Fin Stmts / EA Action List	x			x		x	x	x
14.4	whether the council's financial statement preparation procedures and timelines are sound	Annual	AEP / Council Report to ARIC / Audit Mgmt Letters / EA Action List		x				x	x	x

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14.5	the accuracy of the council's annual financial statements prior to external audit, including: ● management compliance/representations ● significant accounting and reporting issues ● the methods used by the council to account for significant or unusual transactions and areas of significant estimates or judgements ● appropriate management signoff on the statements	Annual	Draft Fin Stmts / Council Report to ARIC / Audit Mgmt Letters / EA Action List				x		x	x	x
14.6	if effective processes are in place to ensure financial information included in the council's annual report is consistent with signed financial statements	Annual	Draft Council Annual Report / Draft and Final Audited Fin Stmts	x			x		x	x	x
14.7	if the council's financial management processes are adequate	Annual	IA & EA Action List / IA Project Reports / Audit Mgmt Letters / QBRS's	x					x	x	x
14.8	the adequacy of cash management policies and procedures	Annual	Cash Mgmt and Investment Policies / QBRS's / Council Cash & Investment Report / IA Projects / Audit Mgmt Letters	x					x	x	x
14.9	if there are adequate controls over financial processes, for example: ● appropriate authorisation and approval of payments and transactions ● adequate segregation of duties ● timely reconciliation of accounts and balances ● review of unusual and high value purchases	Annual	Audit Mgmt Letters / IA Projects / IA & EA Action List / Council Report to ARIC		x				x	x	x
14.10	if policies and procedures for management review and consideration of the financial position and performance of the council are adequate	4 Yr	IP&R Review / IA Projects / Audit Mgmt Letters / Council Report to ARIC							x	
14.11	if the council's grants and tied funding policies and procedures are sound	4 yr	Grant Funding Policy & Procedure Review / IA Projects / Audit Mgmt Letters / Council Report to ARIC							x	
Governance			*Principle: The Council has an effective governance framework to ensure it is appropriately directing and controlling the management of the Council.*								

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15	*Review and advise the council regarding its governance framework, including its:*										
15.1	decision-making processes	Annual	Policy and SWP Register / IA Project Reports		x				x	x	x
15.2	implementation of governance policies and procedures	Annual	Policy and SWP Register / IA Project Reports		x				x	x	x
15.3	reporting lines and accountability	4 Yr	Organisation Structure / Delegations Register / Council Report to ARIC			x					
15.4	assignment of key roles and responsibilities	4 Yr	Organisation Structure / Delegations Register / Council Report to ARIC			x					
15.5	committee structure	4 Yr	Council Report to ARIC	x							
15.6	management oversight responsibilities	Annual	Organisation Structure / Delegations Register / Policy and SWP Register / IA Project Reports			x			x	x	x
15.7	human resources and performance management activities	Annual	Council Report to ARIC / IA Project Reports		x				x	x	x
15.8	reporting and communication activities	As Required	IA Project Reports								
15.9	information and communications technology (ICT) governance	Annual	Council Report to ARIC / IA Project Reports / Audit Mgmt Letters		x				x	x	x
15.10	management and governance of the use of data, information and knowledge	As Required	IA Project Reports								
Strategic Planning			*Principle: The Council has an effective framework that ensures it achieves its strategic plans and objectives under the integrated planning and reporting (IP&R) framework.*								
16	*Review and advise the council:*										
16.1	of the adequacy and effectiveness of the council's integrated, planning and reporting (IP&R) processes	Annual	IP&R Review / Council Annual Report / Council Report to ARIC	x					x	x	x
16.2	if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives	Annual	IP&R Documents / Council Annual Report / Council Report to ARIC	x					x	x	x
16.3	whether the council is successfully implementing and achieving its IP&R objectives and strategies	Annual	IP&R Documents / Council Annual Report / Council Report to ARIC	x					x	x	x
Service Reviews & Business Improvement			*Principle: The Council has an effective framework to ensure it is delivering services and conducting its business and functions to an expected standard.*								

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17	Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)	Always		x	x	x		x	x	x	x
18	*Review and advise the council:*										
18.1	if the council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance	4 Yr	Review Service Management Framework / Council Annual Report / IA Project Reports / Council Report to ARIC					x			
18.2	if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance	Annual	Council Annual Report / IA Project Reports / Council Report to ARIC	x				x		x	x
18.3	how the council can improve its service delivery and the council's performance of its business and functions generally	Always		x	x	x		x	x	x	x
Performance Data Measurement			*Principle: The Council's performance management framework ensures the Council can measure its performance and if it is achieving its strategic goals.*								
19	*Review and advise the council:*										
19.1	if the council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives	Annual	Review Performance Data Framework / IA Project Reports / Council Report to ARIC			x		x	x	x	x
19.2	if the performance indicators the council uses are effective	Annual	Summary of IP&R Documents / Council Annual Report			x		x	x	x	x
19.3	of the adequacy of performance data collection and reporting	Annual	Council Report to ARIC / IA Project Reports			x		x	x	x	x
Additional Tasks Not Included On Schedule 1											
20	Review/update annual and strategic work plan	Annual	Annual & Four Year Work Plan					x	x	x	x
21	Review ARIC Terms of Reference	Biennial	Terms of Reference					x		x	
22	ARIC Annual Report to Council	Annual	ARIC Annual Report					x	x	x	x
23	Agree ARIC meeting schedule for the next fiscal year, including any 'Special Meeting' dates for reviewing draft and/or final audited financial statements	Annual	AEP		x				x	x	x
24	The committee will provide a comprehensive assessment every council term of the matters listed in Schedule 1 to the governing body and the General Manager. … Guidelines p87	4 Yr									x