

Circular Details	Circular No 22-41 / 19 December 2022 / A843647
Previous Circular	22-21 Update on membership requirements for audit, risk and improvement committees
Who should read this	General Managers / Councillors / Council governance staff / Audit, risk and improvement committee members and internal audit personnel
Contact	Council Governance Team / (02) 4428 4100 / olg@olg.nsw.gov.au
Action required	Information

Update on the *Guidelines for Risk Management and Internal Audit for Local Government in NSW*

What's new or changing

- The Guidelines for Risk Management and Internal Audit for Local Government in NSW (the Guidelines) have been approved. However, the Office of Local Government (OLG) has been advised that the amendments to the Local Government (General) Regulation 2021 giving statutory force to elements of the Guidelines will not be made until early 2023.
- OLG has issued the approved Guidelines in draft form pending the supporting Regulation amendments being made so that councils can start to implement them.

What this will mean for your council

- The approved Guidelines are available on OLG's website - <https://www.olg.nsw.gov.au/councils/governance/risk-management-audit-and-internal-controls/risk-management-and-internal-audit-framework-for-local-councils-in-nsw/>.
- The model terms of reference for audit risk and improvement committees, an example risk management policy, and the model internal audit charter have also been published on OLG's website in Word format for use by councils and joint organisations.
- Councils and joint organisations must comply with the Guidelines from **1 July 2024**. As of that date all councils and joint organisations will be required to ensure audit risk and improvement committee chairs and members meet the eligibility and independence requirements set out in the Guidelines and have a risk management framework and internal audit function in place that complies with the Guidelines.

Key points

- The final version of the Guidelines will be issued when the supporting Regulation amendments are made. While further minor amendments will be made to the Guidelines to align them with the supporting Regulations as drafted, OLG does not anticipate any significant changes.

Where to go for further information

- For further information please contact the Council Governance Team on 02 4428 4100 or by email at olg@olg.nsw.gov.au.
- If councils or joint organisations require assistance in establishing an ARIC or shared arrangements for an ARIC, they should contact their council engagement manager at OLG.

Melanie Hawyes**Deputy Secretary, Crown Lands and Local Government**