

1.0 STATEMENT

Resource Recovery Group (RRG) is committed to ensuring that an independent and objective appraisal function is undertaken on the management and operations of the RRG and that advice is given where any functions are found to be lacking under such a review.

2.0 SCOPE

This Policy applies to all management and operations of the RRG and all employees engaged in any of these functions.

3.0 OBJECTIVE

1. To provide an opinion on risk management, governance and compliance, by measuring and evaluating the effectiveness of these controls and systems in achieving the Regional Council's agreed objectives.
2. To provide assurance to management on the systems for which they are responsible and assists management in making improvements to these systems.

4.0 ROLES & RESPONSIBILITIES

Regional Council

The Councillors of the Regional Council are accountable for ensuring that an Independent internal audit system is established, implemented and maintained in accordance with the Audit & Risk Policy.

Audit & Risk Committee

The Audit & Risk Committee is accountable for the oversight of the Internal Audit Plan. Internal Audit is an independent and objective appraisal service within the Regional Council.

Internal Audit Reports presented to the Audit & Risk Committee will be reported to the Council.

Chief Executive Officer

Establishment and maintenance of the system of internal control remains the responsibility of management, under the oversight of the Audit & Risk Committee.

Internal Audit

Internal Audit is an independent and objective appraisal service within the Regional Council for the purpose of providing an opinion on risk management, governance and compliance, by measuring and evaluating the effectiveness of these controls and systems.

5.0 CONTENT

1. Independence of the Auditor

Internal Audit shall:

- Be responsible to the Audit & Risk Committee through the CEO
- Have no executive or managerial powers, authorities, functions or duties
- Not be involved in the day to day operation of the financial management systems of the Council
- Not be responsible for the development or implementation of new systems, but shall advise on the design of adequate systems, procedures and controls
- Provide assurances to the Council that new systems will contribute to the achievement of the Council objectives in the financial management area.

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2. Authority

The Internal Auditors of the Council shall have access at all reasonable times to the books, documents, accounts, property, records, correspondence, computers and other data of the Council, which are necessary for the proper performance of the Internal Audit duties.

3. Audit Functions

Compliance

Internal Audit shall review:

- compliance with all legislative requirements and Council policies and procedures;
- the adequacy and effectiveness of internal financial and operational controls including ICT system controls;
- the recording, control and use of entity assets; and
- the operational and management information and control systems and activities as stipulated by the Council in order to provide:
 - regular advice as to whether or not key controls are in place and are being observed and public and other property, moneys and resources are safeguarded;
 - advice as to the reliability of management information;
 - management-orientated appraisals of operations and activities;
 - advice on remedial action to improve operational effectiveness, efficiency and economy; and
 - periodical reports on remedial action taken on shortcomings previously reported.

Advisory services

Internal Audit can advise management on a range of matters including:

- New programmes, systems and processes
- The development of new programmes and processes and/or significant changes to existing programmes and processes, including the design of appropriate controls.

Risk management

Reviewing the adequacy of existing procedures and practices, which ensure all relevant risks are promptly identified, assessed and appropriately treated.

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Fraud control

Internal Audit can assist management to:

- Identify the risks of fraud and develop fraud prevention and monitoring strategies
- Deal with fraud & misconduct matters at the request of the Audit & Risk Committee.

4. Scope of Internal Audit Activity

Internal Audit reviews cover all programmes and activities of the Regional Council, which may include entities associated with any outsourcing function. Internal Audit activity encompasses the review of all financial and non-financial policies and operations.

Without limiting the performance of its function, Internal Audit shall:

- Undertake regular periodic compliance testing of key controls over accounting and risk management, information and control systems;
- Determine whether the systems of internal checks and controls are adequate and are functioning effectively and economically;
- Ascertain the extent to which public and other property, money and resources under the control of the Regional Council are accounted for, utilised and safeguarded from losses of all kinds;
- Assess the relevance, reliability and adequacy of management data;
- Promote effective control at reasonable cost;
- Assess the value obtained for moneys expended;
- Recommend changes in procedures and systems to improve efficiency and prevent waste and extravagance;
- Ascertain the extent of compliance with established policies, plans and procedures, and determine whether they are effective in securing their intended purpose;
- Carry out any special investigations, appraisals, inspections and examinations in areas having financial, operational or management impact;
- Review management, accounting and risk management systems and operations to assess the extent to which corporate objectives are achieved, and the adequacy of controls over activities leading to such achievement; and
- Draw attention to any failure to take prompt remedial action with regard to identified shortcomings.

5. Audit Plans

As part of managing the audit function, a rolling three-year Strategic Audit Plan is prepared by Internal Audit and presented to Audit & Risk Committee annually for consideration and approval. The Plan shall be aligned to the Risks identified in the Risk Management Register.

6. Additional Audit Reviews

Internal Audit may conduct any additional or further audit reviews and investigations as may be required from time to time as approved by the Audit & Risk Committee.

7. Fraud

As part of the Regional Council's Guidelines in dealing with fraud and misconduct, where considered necessary, Internal Audit will be informed of any suspected or actual fraud or dishonest act to independently report on:

The method used;

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- The details of any disciplinary or police action taken;
- The weakness in control which allowed the dishonest act to be perpetrated; and
- The changes needed to prevent a similar occurrence within the Regional Council.

8. Reporting Requirements

On completion of each independent audit, Internal Audit will make every effort to ensure that all matters concerning factual content are resolved with management before the Independent Internal Audit Reports are published.

These reports shall include recommendations of appropriate actions or issues for consideration by management. Independent Internal Audit Reports are expected to include agreed actions by management together with specific target completion dates.

Copies of Independent Audit Reports shall be distributed to the Chief Executive Officer and the Chairman.

- All Independent Audit Reports are to be submitted at Audit & Risk Committee meetings.
- The Chief Executive Officer shall evaluate all audit findings and recommendations, and take action as appropriate with particular attention to prompt corrective action regarding deficiencies in internal control.
- Independent Internal Audit shall conduct follow up reviews to ensure that agreed critical recommendations have been implemented properly.
- Independent Internal Audit is required to provide a Quarterly Status Report on the progress of implementation of recommendations.
- The non-implementation of agreed recommendations is to be reported to the Audit & Risk Committee.

9. External Auditor

The Office of the Auditor General (OAG) will have full access to all Internal Audit Reports and both parties are encouraged to discuss any audit matters between themselves.

Where the OAG selects the Regional Council as part of its focus audit program, the Regional Council will submit all audit reports and recommendations to the next available Audit & Risk Committee meeting.

10. Professional Standards

All internal audit projects must be undertaken with due professional care. In line with standards of professional internal auditing practice, the Audit & Risk Committee shall ensure:

- that skills, competence, experience and qualifications are appropriate for the audits being performed;
- that all internal audit projects are properly supervised and, where required, on the job training provided;
- compliance with all relevant standards and codes of ethics as laid down by the Institute of Internal Auditors, CPA Australia and the Institute of Chartered Accountants.

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7.0 REFERENCES & REVIEW

Statutory Compliance	<ul style="list-style-type: none"> ▪ Part 5 of the Local Government Act 1995 ▪ L Govt (Administration) Regulations ▪ L Govt (Financial Management) Regulations 1996 	
Organisational Compliance	<ul style="list-style-type: none"> ▪ Audit & Risk Committee Policy 	
Approved by	Regional Council	
Next Revision Date	Feb 2026	
Related Documents	Local Government Guidelines Nos. 9 and 13	
Policy Administration	Responsible Officer	Review Cycle
Corporate	Manager Corporate Services	Biennial
Risk Rating	Operational Risk Register – Risk	
Location of document	Members Area – RRG website Staff Intranet	

8.0 DOCUMENT CONTROL REGISTER

Date	Review	No.	Author	Resp Officer	Council
2011/01	Original	1	DCS	DCS	25/08/2011
2013/08	Review	2	EMCS	EMCS	22/08/2013
2015	Review	3	EMCS	EMCS	25/06/2015
2017	Review	4	EMCS	EMCS	24/08/2017
2020	Review	5	EMCS	EMCS	27/02/2020
2022	Review	6	CSM	EMCS	24/02/2022
2024	Review	7	MCS	MCS	23/05/2024

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