

<b>Board Meeting:</b> September 2017	<b>Agenda Number:</b> 11 (i)	<b>Record Number:</b> ED17/4166
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# LORD HOWE ISLAND BOARD

## Business Paper

### OPEN SESSION

#### ITEM

Attestation Statement for Financial Year Ending 30 June 2017.

#### RECOMMENDATION

It is recommended that the Board resolve to authorise the Chairperson to sign the Internal Audit and Risk Management Attestation Statement for the 2016/17 Financial Year.

#### BACKGROUND

TPP 15-03 *Internal Audit and Risk Management Policy for the NSW Public Sector* requires the head of a statutory body, in accordance with a resolution of the governing body of the statutory body, to certify compliance with the eight Core Requirements for the prior financial year (the 'reporting period') annually. When reviewing the agency's compliance with the Policy, agencies will self-assess and determine whether they have been 'compliant', 'non-compliant' or 'in transition' in relation to each of the Core Requirements for the reporting period. A copy of the Attestation Statement must be separately submitted to NSW Treasury on or before 31 October each year. For any non-compliance with Core Requirements, agencies are required to also submit a copy of the relevant Portfolio Minister's exception approval.

The eight Core requirements are as follows:

#### **1. Risk Management**

Core Requirement 1.1: The agency head is ultimately responsible and accountable for risk management in the agency

Core Requirement 1.2: A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009

#### **2. Internal Audit**

Core Requirement 2.1: An internal audit function has been established and maintained

Core Requirement 2.2: The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing

Core Requirement 2.3: The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'

### **3. Audit and Risk Committee**

Core Requirement 3.1: An independent Audit and Risk Committee with appropriate expertise has been established

Core Requirement 3.2: The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations

Core Requirement 3.3: The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'

An Audit and Risk Committee has been established under a Treasury approved shared arrangement with the following departments / statutory bodies:

- DPE (Principal Department).
- Building Professionals Board.
- Central Coast Regional Development Corporation.
- Office of Local Government.
- Lord Howe Island Board.

### **CURRENT POSITION**

The Lord Howe Island Board has internal audit and risk management processes in operation that are compliant with the eight core requirements set out in TPP 15-03 *Internal Audit and Risk Management Policy for the NSW Public Sector*.

### **RECOMMENDATION**

It is recommended that the Board resolve to authorise the Chairperson to sign the Internal Audit and Risk Management Attestation Statement for the 2016/17 Financial Year.

**Prepared:** Bill Monks                      Manager Business and Corporate Services

**Endorsed:** Penny Holloway            Chief Executive Officer