

Annexure C

Internal Audit and Risk Management Policy Attestation Statement Template

The *Internal Audit and Risk Management Policy for the General Government Sector* requires Accountable Authorities to attest to compliance with the 'Core Requirements' set out in the Policy annually. The Accountable Authority shall publish the Attestation Statement in the agency's Annual Report, adjacent to the existing requirement⁵⁰ to disclose 'risk management and insurance activities'.

A copy of the Attestation Statement for the prior reporting period shall be forwarded to Treasury on or before 31 October each year. Submissions to Treasury should be emailed to finpol@treasury.nsw.gov.au and addressed to the Director, Financial Management Policy.

The Accountable Authority shall use the below Attestation Statement Template to attest that for the relevant reporting period the agency was either 'compliant', 'non-compliant' or 'in transition' in relation to each of the 'Core Requirements'.

Meaning of 'compliant', 'non-compliant', or 'in transition'

For the purpose of the Policy, '**compliant**' means that the agency has implemented and maintained practices consistent with the Core Requirement(s) of the Policy, for the whole of the financial year.

'**Non-compliant**' means when the agency has not been compliant with a Core Requirement(s) or Mandatory Requirement(s) of the Policy during the reporting period. Where a compliance breach occurs, agencies are required to follow the Ministerial Exemption Process and shall apply to the agency's Responsible Minister for a Ministerial Exemption from the Core Requirement(s). A copy of the Ministerial Determination shall be attached to this Attestation Statement and sent to Treasury.⁵¹

An agency may mark '**in transition**' on their Attestation Statement where the agency is in the process of transitioning its arrangements to meet new or changed requirements in the Policy for which transitional arrangements have been provided. Ministerial approval is not required for Core Requirements marked as 'in transition'.

Attesting for Controlled Entities

Where an agency has 'control' of an entity (or subsidiary), as defined in Australian Accounting Standards, the parent agency should include the controlled entities (or subsidiary) in the Attestation Statement except where that entity is required to produce its own annual report. Where a controlled entity (or subsidiary) is scheduled under annual reporting legislation to prepare an annual report, the controlled entity (or subsidiary) shall make its own Attestation.

⁵⁰ Refer *Annual Reports (Departments) Regulation 2015* and *Annual Reports (Statutory Bodies) Regulation 2015*.

⁵¹ The Ministerial Determination attached to the Attestation Statement provided to Treasury does not need to be published in the agency's annual report.

Internal Audit and Risk Management Attestation Statement for the 20XX-20XX Financial Year for [agency]

I, [Accountable Authority] am of the opinion that the [agency] has internal audit and risk management processes in operation that are, excluding the exemptions or transitional arrangements described below, compliant with the seven (7) Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements

For each requirement, please specify whether compliant, non-compliant, or in transition⁵²

Risk Management Framework

- 1.1 The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.
- 1.2 The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.

Internal Audit Function

- 2.1 The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.
- 2.2 The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.
- 2.3 The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.

Audit and Risk Committee

- 3.1 The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.
- 3.2 The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.

Membership

The independent chair and members of the Audit and Risk Committee are⁵³:

- Independent Chair, Name, Start term date, finish term date
- Independent Member 1, Name, Start term date, finish term date
- Independent Member 2, Name, Start term date, finish term date
- [Independent Member 3, Name, Start term date, finish term date]
- [Independent Member 4, Name, Start term date, finish term date].

Shared Arrangements (delete section if not applicable)

I, [Accountable Authority] advise that [agency] has entered into an approved shared arrangement with the following Department/agencies:

- [list participating Department/agencies].

⁵² Where an agency notes that it has been 'non-compliant' or 'in transition', the Accountable Authority shall complete the 'Departure from Core Requirements' section below.

⁵³ This should include all Independent Chairs and Members that were on the Audit and Risk Committee for the reporting period and their term. All members of the Audit and Risk Committee shall be independent.

The resources shared include [the Audit and Risk Committee, the Chief Audit Executive and/or the internal audit functions]. The shared Audit and Risk Committee is a [Principal Department Led/Collaborative] Shared Audit and Risk Committee.

Departures from Core Requirements (delete section if not applicable)

I, [Accountable Authority] advise that the internal audit and risk management processes for [agency] depart from the following Core Requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*:

1. The departure from the Core Requirements is due to the agency implementing measures to achieve compliance with new policy requirements consistent with the permitted transitional arrangements, OR
2. The circumstances giving rise to these departures have been determined by the Responsible Minister and the [agency] has implemented [or is implementing] the following practicable alternative measures to meet the Core Requirements:⁵⁴

Departure	Reason for departure and description of practicable alternative measures implemented/being implemented
Non-Compliance	
<ul style="list-style-type: none"> ▪ Core Requirement X 	<ul style="list-style-type: none"> ▪ Detailed description of circumstances giving rise to departure(s) ▪ Detailed description of the practicable alternative measures implemented / being implemented to achieve equivalent level of assurance
In Transition	
<ul style="list-style-type: none"> ▪ Core Requirement X 	<ul style="list-style-type: none"> ▪ Detailed description of the steps being taken to achieve compliance

These processes, including the practicable alternative measures [being] implemented, demonstrate that the [agency] has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the [agency].

[Accountable Authority] or in accordance with a resolution of the Governing Board of the Statutory Body
(Sign and Date)

[Agency Contact Officer]
(Role and contact details)

⁵⁴ A copy of the relevant Ministerial Determination which supports the agency's departure from one or more of the Core Requirements **shall** be included with the Attestation Statement.