

Committee Terms of Reference

Audit, Risk & Improvement Committee

Objectives

The Audit, Risk & Improvement Committee (the Committee) is established in accordance with the Local Government Act 1995 to provide independent oversight, advice and assistance to Council in the areas of:

- audit (internal and external)
- risk management
- governance and internal control
- financial management and reporting
- legislative compliance
- organisational performance and service improvement.

The Committee's objectives are to:

- Enhance the credibility, transparency and objectivity of the Shire's financial and performance reporting.
- Strengthen the Shire's governance, risk management and internal control frameworks.
- Oversee internal and external audit processes and monitor implementation of recommendations.
- Support continuous improvement in service delivery, organisational performance and regulatory compliance.
- Provide a structured forum for communication between the external auditor, internal auditor, the CEO and Council.

Authority

The Committee is an advisory committee to Council and has no delegated authority.

The Committee is authorised to:

- request information through the CEO
- request the CEO to obtain external professional advice
- meet with internal and external auditors
- access Shire records, systems and staff necessary to perform its functions

All decisions remain with Council.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference to facilitate informed decision-making by

The committee does not have any management functions and cannot involve itself in management processes or procedures.

Committee Terms of Reference

Membership

The Committee will consist of:

- four elected members of council,
- One (1) Independent Presiding Member (Chairperson) appointed by Council.
- One (1) Deputy to the Independent Presiding Member (Deputy Chairperson) appointed by Council.

All members shall have full voting rights.

The Deputy to the Chairperson will only attend and preside at meetings when the Independent Chair is absent, unable to act, or has a declared conflict of interest.

The Independent Chairperson and the Deputy Chairperson will be appointed for a term up to two (2) years and may be reappointed for a maximum continuous service period of eight (8) years, by resolution of Council.

Collectively, the Committee should possess skills in:

- financial reporting
- audit
- risk management
- governance
- local government operations

The Chairperson and the Deputy Chairperson must be free from relationships that could impair independence.

The Chairperson and the Deputy Chairperson must be independent external appointments who are not current Elected Members or employees of the Shire of Morawa.

Members must comply with the Shire's Code of Conduct and declare conflicts of interest.

The CEO and employees are not members of the committee. The CEO or their nominees are to be available to attend meetings to provide updates, advice and guidance to the Committee.

The local government shall provide secretarial and administrative support to the Committee.

Meetings

The Committee shall meet at least three times per annum. In general, this will align with the Annual Audit, Interim Audit, and Compliance Audit Return findings.

Additional meetings shall be convened at the discretion of the Chairperson.

A quorum is 50% of voting members, including the Chairperson or Deputy Chairperson.

Meetings will be conducted in accordance with the Local Government Act 1995 and the Shire's Meeting Procedures Local Law.

Meetings are legally designated as public meetings under the modernised transparency rules. Meeting dates must be publicly advertised at the commencement of each calendar year alongside Ordinary Council Meeting dates, and meetings will be open to the public unless closed by an explicit resolution of the Committee in accordance with Section 5.23 of the Act.

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Reporting

Reports and recommendations of the Committee will be presented to Council at the next Ordinary Council Meeting, where practicable, or otherwise as soon as practicable thereafter.

The Committee will report to Council on:

- activities undertaken
- key findings
- progress on audit and improvement actions
- emerging risks and governance issues

Role and Responsibilities

Audit

The Committee will:

- provide guidance to Council on audit matters
- meet with the external auditor at least annually
- review the audit plan
- review the annual Compliance Audit Return
- review the annual financial report
- recommend adoption of the annual financial report
- review the CEO's report on audit findings and actions
- monitor implementation of audit recommendations
- oversee the internal audit function

Risk & Governance Management

The Committee will:

- oversee the Shire's systems and processes for risk management, internal control and legislative compliance in accordance with Regulation 17 of the Local Government (Audit) Regulations 1996
- consider and review the Shire's Strategic Risk Register and associated controls
- advise Council on the effectiveness of the Shire's risk management framework
- monitor procurement and contract management controls
- monitor implementation of recommendations from governance and service reviews
- support the CEO in strengthening governance maturity

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Review of Terms of Reference

The Terms of Reference will be reviewed every two (2) years, or earlier if required by legislative change or Council direction.