



AUDIT AND RISK COMMITTEE

Terms of Reference

Audit and Risk Committee

Voting Members 3 x Councillors (2 x Deputies)	3 x Shire Councillors
Chairperson	Shire Councillor and Voting Member as appointed by Council
Deputies	2 x Shire Councillor
Non-voting Members 3 x Shire Staff (All non-voting)	Chief Executive Officer Director Corporate Services Manager Financial Services (Includes Secretariat role)
Community Delegates	Nil
Officer Responsible	Director Corporate Services
Meeting Schedule	At least 4 times per year
Meeting Location	Function or Committee Room, Shire of Broome
Quorum	2 voting members
Delegated Authority	Nil

FUNCTIONS:

1. NAME

The name of the Committee is the Audit and Risk Committee (the Committee).

2. DISTRICT/AREA OF CONTROL

Local Government boundaries of the Shire of Broome.

3. AUTHORITY AND PURPOSE

The purpose of the Committee is to support Council in discharging its legislative responsibility associated with overseeing the allocation of the Shire's finances and resources. The Committee will promote transparency and accountability in the Shire's financial reporting and promote effective and responsible management of risks to protect the Shire's assets.

The Committee is to oversee:

- The enhancement of the integrity, credibility and objectivity of external financial reporting;
- The framework and systems which are designed to ensure effective management of financial and other risks and the protection of Council assets;
- The framework and systems which are designed to ensure compliance with relevant statutory and regulatory requirements as well as use of best practice guidelines; and
- The scope of work, objectivity, performance and independence of the external auditor including but not limited to coordination of the internal audit function with the external audit and the provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

4. STATUTE

Part 7 — Audit, of the Local Government Act 1995
Local Government (Audit) Regulations 1996

5. ESTABLISHMENT

The Committee has been established in accordance with Part 7 of the *Local Government Act 1995*.

The Committee was established as per Council Resolution of 24 May 2005 and was last reviewed on 28 October 2021.

6. MEMBERSHIP

6.1 Composition

Council shall appoint 3 elected members as delegates and 2 elected members as deputies to those delegates on the Committee.

Council shall appoint one of the 3 elected members as Committee Chairperson.

The CEO and employees are non-voting members of the committee. The CEO or his/her nominee is to be available to attend meetings to provide advice and guidance to the committee. The local government shall provide secretarial and administrative support to the committee.

6.2 Tenure of Membership

The tenure of members' appointment to the Committee must be compliant with section 5.11 of the Act, being up to two years terminating on the day of the Ordinary Council elections, at which time all elected members will be eligible for reappointment.

6.3 Committee Member Entitlements

All Committee members will be:

- Entitled to receive reimbursement of reasonable expenses
- Provided with appropriate training and professional development to be determined by the Committee and provided that adequate funds are available in the Council budget for this purpose.

7. DELEGATED AUTHORITY

The Audit and Risk Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The Committee is a formally appointed committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have management functions and cannot involve itself in management processes or procedures.

More specifically, the Committee is to:

- Review the internal and external annual audit plans and the outcomes/results of all audits undertaken;
- Meet with the Shire's appointed external auditors as necessary;
- Review the annual Compliance Audit Return (CAR) and report to the Council the results of that review, prior to adoption of the return by Council.
- Consider proposals from the CEO as to whether the compliance audit, and the reviews of risk management, internal control and legislative compliance, are undertaken internally or an external party is contracted to undertake the task. In the case of an external party the Audit Committee would have responsibility to receive the review report from the CEO and make recommendations on it to full Council.
- Monitoring and reporting on the appropriateness and effectiveness of Council's programs for risk management, internal control and legislative compliance and receive a report from the CEO on risk management matters and the progress of actions from the Improvement Plan.
- Monitoring and reporting on the appropriateness and effectiveness of Council's financial management systems and procedures not less than once in every three financial years and the CEO, through the Audit Committee is to report to Council the results of those reviews.

8. COMMITTEE STRUCTURE

8.1 Chairperson

As appointed by Council (is the Chairperson).

8.2 Secretariat

The Manager Financial Services will fulfil this administrative non-voting role.

8.3 Standing Ex-Officio Members

Nil.

9. COMMITTEE MEETINGS

9.1 Frequency

The Committee shall meet at least quarterly; within fourteen (14) days of receiving the Annual Financial Report and Audit Report from Council's Auditor.

The Manager Financial Services generally calls meetings when required on behalf of the Director Corporate Services.

9.2 Quorum

Quorum is 2 voting members in accordance with section 5.19 of the *Local Government Act 1995*.

9.3 Who Acts if no Presiding member

In the Chairperson's absence, Committee members who are present will select a Chairperson for that particular meeting in accordance with the *Local Government Act 1995* section 5.14.

9.4 Voting

Only elected member representatives are allowed to vote in accordance with section 5.21 of the *Local Government Act 1995*.

9.5 Agenda

An agenda will be distributed at least five days prior to the meeting, along with the minutes of the previous meeting, action items, reporting registers and other attachments or reports to be addressed.

9.6 Minutes & Reporting

In accordance with the *Local Government Act 1995* section 5.22 and 5.25, and *Local Government (Administration) Regulations 1996*.

The minutes are to be submitted to the next Committee meeting for confirmation and are to be signed by the Chairperson from the meeting at which the minutes are confirmed.

Unconfirmed minutes are to be available for inspection by members of the public within 5 business days after the meeting and Reports and Recommendations arising from the minutes shall be presented to Council at the next Ordinary Meeting for endorsement and/or action, or if this is not possible, then the earliest available Council Meeting.

9.7 Public Attendance at Meetings

Closed to the public pursuant to section 5.23(2) of the *Local Government Act 1995* and is not required to have questions from the public as there are no Council delegations.

9.8 Members Interests to be Disclosed

Committee members must declare conflict of interest or pecuniary interests in accordance with Local Government (Model Code of Conduct) Regulations 2021 section 22 Disclosure of interests, to the Chief Executive Officer before or at the relevant Committee meeting.

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