

Audit Committee TOR

Type	Terms of Reference	Version	1.0
Approval Date	2 November 2020	Resolution	8.1.11.20
Review Date	Within 12 months of new Council	Doc ID	NA

Establishment

The Audit Committee (the Committee) is established as an advisory committee to the Council in accordance with the Section 86 of the *Local Government Act 2019*.

Objective

The Committee is to provide independent assurance and assistance to the Belyuen Community Government Council (the Council) and the Chief Executive Officer (CEO) on:

- The Council's risk, control and compliance frameworks
- The Council's external accountability responsibilities as prescribed in the Local Government Act and Accounting Regulations

Key Responsibilities

The audit committee has no authority to act independently of council. The audit committee is responsible for acting as an advisory body to council. It will:

- monitor the effectiveness of the audit function and the implementation of audit recommendations
- monitor the effectiveness of the risk management function
- provide an independent line of reporting by the auditor to council
- review compliance with legislative requirements, contracts, standards and best practice guidelines
- review and, if appropriate, recommending council approve the financial statements (in conjunction with the Auditor's report)
- monitor changes in accounting and reporting requirements, and
- review policies relating to conflicts of interest, misconduct and fraud.

Membership

The audit committee will comprise of a minimum of three (3) members. The members of an audit committee may consist of, or include, persons who are not members of the council (independent members). The chairperson will be an independent member.

The members of the audit committee are appointed by the council.

Any independent member must not be a member of council or a member of the council's staff and will be appointed by the council.

SELECTION PROCESS

In selecting independent members, Council shall give due consideration to:

- level of understanding of local government and the council's operations and the environment in which it operates
- level of knowledge and practical exposure on governance and financial management practices
- capacity to dedicate adequate time on the committee
- depth of knowledge of regulatory and legislative requirements,
- and . ability to maintain professional relationships particularly with council members, staff and other stakeholders.

Council may at its discretion ask potential persons to make a short presentation to Council as part of the selection process.

OTHER ATTENDEES

Other persons may attend meetings of the Audit Committee, by invitation. Persons who may usually be invited are:

- Chief Executive Officer
- Financial Officer
- External financial service provider (if applicable)
- External audit provider.

These persons may take part in the business of and discussions at the meeting but have no voting rights.

Term of Membership

All audit committee members are appointed for a three-year period. Audit committee members who are members of council cease being a member of the committee if they are no longer a councillor of the council.

Independent members (including the chairperson) can be terminated by the council subject to the appointment agreement.

Reporting

The Committee will regularly report on its operation and activities, including:

- A summary of the key issues arising from each meeting of the committee.
- Annually, an overall assessment of the Council's risk, control and compliance framework, together with a summary of the work the committee performed in conducting its responsibilities during the preceding year.

The committee will make recommendations and report directly to Council.

Meetings

The Committee will meet at least two times per year. Meetings of the Audit Committee will be held in private in accordance with Section 99 of the *Local Government Act 2019*.

A forward meeting plan, including meeting dates and agenda items, will be agreed to by the Committee each year to address all of the Committee's responsibilities as detailed.

On setting the audit committee meeting dates the committee must have regard to the date of council meetings to ensure the audit committee report, including draft unapproved minutes of the most recent prior meeting, is reported to council on a timely basis.

Quorum

A quorum will consist of a majority of Committee Members and **must** include the Chair.

Voting Right of Committee Members

All Audit Committee members have equal voting rights on the committee. Where a vote is taken and the result is undecided the chairperson has the casting vote.

Secretariat

Secretariat support will be provided by the council administration.

Responsibilities

The Secretariat will be responsible for ensuring that the agenda for each meeting and supporting documentation are circulated, after approval from the chair, at least one week prior to the meeting. The Secretariat will prepare and maintain the minutes ensuring they are signed by the chair and distributed to each member.

Reporting

After meeting the audit committee will report to council at the next council meeting and include the committee draft unapproved minutes.

Access to Information

The Council, via the Council's Chief Executive Officer, will provide the necessary council records and reports for the audit committee to undertake its role and responsibilities subject to any confidentiality provisions in the Local Government Act or other legislative provisions. The audit committee should approach the council requesting required resources being mindful of the finite nature of such resources. The audit committee has no authority to procure resources independently of council.

Conflict of Interest

In accordance with the *Local Government Act 2019*, committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. All details of any conflict of interests are to be minuted.

If members or observers at a Committee meeting are deemed to have a real or perceived conflict of interest, they are to be excused from Committee discussions on the issue where the conflict of interest exists.

Confidential and Improper Use of Information

Committee Members will from time to time deal with confidential reports. Section 75 of the Local Government Act outlines the penalties applicable to people who disclose confidential information acquired as a member of a Council committee. Section 76 of the Local Government Act states that a person who makes improper use of information acquired as a member of a Council committee is guilty of an offence.

Due Diligence and Induction

All proposed and new members of the Committee will be entitled to receive relevant information and briefings prior to, and shortly after, their appointment.

Assessment of Committee

The chair of the committee and the CEO will initiate a review of the performance of the committee at least once every two years. The review will be on an internal assessment basis with appropriate input from the Council, CEO and senior managers, internal and external auditors, and any other relevant stakeholders.

Review

These Terms of Reference will be reviewed on an annual basis by the Committee. Any substantive changes will be recommended by the Committee and formally approved by the Council.

Revision History

Policy Version	Approval Date	Resolution	Doc Ref
10.0	02/11/20	8.1.11.20	NA