



the

Audit & Risk Committee

Terms of Reference

PREAMBLE

A committee of Council may be established by resolution of the Council. A committee can assist the Council in the performance of its functions, to inquire into and report to the Council on matters, provide advice to the Council and to exercise, perform or discharge delegated powers, functions or duties.

Pursuant to Section 41(10) of the *Local Government Act 1999* the establishment of a committee does not derogate from the power of the Council to act in a matter.

1. Establishment of the Audit and Risk Committee

Pursuant to Sections 126 and 41 of the *Local Government Act 1999* the Council establishes a Committee to be known as the Audit & Risk Committee (referred to in these Terms of Reference as 'the Committee').

2. Purpose of the Committee

The purpose of the Committee is to provide independent assurance and advice to the Council on accounting financial management, internal controls, risk management and governance matters.

3. Functions of the Committee

- a. reviewing financial statements to ensure that they present fairly the state of affairs of the Council,
- b. proposing and providing information relevant to a review of the Council's strategic management plans or annual business plan,
- c. monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by a Council's auditor,
- d. proposing and reviewing the exercise of powers under Section 130A (investigation into any matter relating to financial management, or the efficiency and economy with which the council manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of an annual audit under Division 4 and that is considered by the council to be of such significance as to justify an examination under this section,
- e. recommending to Council the appointment of an auditor in accordance with section 128 of the Local Government Act 1999,
- f. liaising with Council's auditor in accordance with any requirements prescribed by the regulations,
- g. reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis,
- h. providing oversight of planning and scoping of the internal audit work plan,
- i. reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis,

- j. reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis,
- k. Ensure a framework is implemented, monitored and reviewed and delivers a consistent approach to risk management by assigning authority, responsibility and accountability at appropriate levels within the organisation,
- l. reviewing any report obtained by the Council under Section 48(1) (Prudential requirements),
- m. review the financial and risk status of major projects on a regular basis, and
- n. performing any other function determined by the Council or prescribed by the regulations.

4. Membership:

The membership of the Committee shall be one (1) Council Member and four (4) Independent Members.

Members of the Committee are appointed by the Council.

Members of the Committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management, governance and any other prescribed matter.

Only members of the Committee are entitled to vote in Committee meetings.

Council officers may attend meetings in a non-voting capacity to brief members in relation to reports and field questions.

Council's external auditor may be invited to attend meetings to provide advice to the Committee.

5. Presiding Member of the Committee

- (a) The Presiding member is appointed by Council.
- (b) The Presiding member shall preside at all meetings of the Committee and in the event of the Presiding Member being absent from a meeting, the members present shall appoint a member who shall preside for that meeting or until the Presiding Member is present.

6. Term of Office

Members (Council and Independent) are appointed for a 3 year term, concluding November 2026.

7. Reporting Arrangements

The Committee must:

- a. provide a report to the Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting, and
- b. provide an annual report to the Council on the work of the Committee during the period to which the report relates.

8. Confidentiality

The confidential provisions of the *Local Government Act 1999* apply to meetings of the Committee, which determine when the public may be excluded from attendance at a Committee meeting.

9. Delegated Authority

The Committee has authority to seek any information it requires in order to perform its duties and to obtain, at the Council's expense, (after consultation with the Chief Executive Officer) outside legal or other professional advice on any matter within this Terms of Reference.

10. Conduct and Conflict of Interest of Committee Members

All members of the committee must comply with the Code of Conduct for Elected Members as per Section 63 (1) of the *Local Government Act 1999* and Chapter 5 Part 4 of the *Local Government Act 1999* relating to conduct and disclosure of interests.

Members of the committee must not make improper use of their position to gain (directly or indirectly) an advantage for themselves or another person closely associated with the member. Members must ensure there is no conflict between their private interests and their role as a public decision maker.

Committee members are required to declare any interest in any matter before the committee.

11. Frequency of Meetings:

There must be at least one meeting of the Committee in each quarter.

12. Quorum & Voting by Members

The quorum shall be 50% of the number of members, plus one (1).

Each member of the committee present at a relevant meeting must vote of any motion put at that meeting, including the Presiding Member.

13. Meeting Procedures

Meetings of the Audit Committee will be held in accordance with the requirements of:

- i) *Local Government Act 1999*
- ii) *Local Government (Procedures at Meetings) Regulations 2013*
- iii) *Council Policy - Code of Practice for Access to Council and Committee Meetings and Documents*
- iv) *Code of Conduct for Council Members*

14. Access and Documents

Pursuant to Section 87 of the *Local Government Act 1999* a minimum of three clear days' notice of the meeting, accompanied by the agenda, will be provided to members of the committee and the public. Hardcopy agendas will be provided in the Council chambers for access by members of the public in attendance.

Minutes will be available within five (5) clear days after a meeting in accordance with Section 91 of the *Local Government Act 1999* and will be provided to all members of the committee and placed on Council's website and a hardcopy placed in the Council Office, 29 Holland Street, Kingston SE.

Members of the public are able to attend all meetings of the committee, unless excluded from the meeting by the confidentiality provision of Section 90 of the *Local Government Act 1999*.

*NOTE: For the purposes of the calculation of **clear days** in relation to the giving of notice before a meeting, the day on which the notice is given, and the day on which the meeting occurs, will not be taken into account; and Saturdays, Sundays and public holidays will be taken into account. However, if a notice is given after 5pm on a day, the notice will be taken to have been given on the next day.*

15. Responsible Officer
Chief Executive Officer

17. Administrative Support
The Chief Executive Officer shall provide sufficient administrative support to the Committee to adequately carry out its functions.

18. Sitting Fee
Council has approved sitting fees for meetings attended by the members of the Audit & Risk Committee. The sitting fees are as follows:

Independent Presiding Member - \$400 per meeting
Independent Member - \$300 per meeting
Council Members – no sitting fee applies.
Travel allowance: as per the ATO guidelines
Travel time allowance – 30 to 50kms - \$50, 50 to 100kms - \$100

*Sitting fees be indexed annually by Adelaide CPI (March quarter).

19. Register of Interests
Audit & Risk Committee members are required to complete a Primary Return (Section 65) and Ordinary Return (Section 66) in accordance with section 72 of the *Local Government Act 1999*.

20. Adoption by Council
The terms of reference was adopted by Council at its meeting on 24 October 2023, and will come into operation on 30 November 2023. The terms of reference was amended on 20 February 2024.