

# AUDIT, RISK AND IMPROVEMENT COMMITTEE

## Establishment

In accordance with section 7.1A of the *Local Government Act 1995* (the Act) the Council has established an Audit, Risk and Improvement Committee (the Audit Committee).

The Audit Risk Committee will operate in accordance with all relevant provisions of the Act and the *Local Government (Audit) Regulations 1996* and the *Local Government (Administration) Regulations 1996*.

## Objectives of the Committee

The role of the Audit Committee is to provide guidance and assistance to Council to carry out its functions under the *Local Government Act 1995* so that Council can be satisfied with the performance of the Shire of Plantagenet (the Shire) in managing its financial affairs.

The Audit Committee assists Council to monitor the integrity of the Shire's financial statements, risk management, internal controls and compliance with legislative requirements.

## Functions of the Committee

Under section 16 of the *Local Government (Audit) Regulations 1996*, the Audit Committee is responsible for:

Guiding and assisting Council in carrying out:

- a) Its functions under Part 6 of the Act
- b) Its functions relating to other audits and other matters related to financial management; and,
- c) Part 7 of the Act in relation to auditing the Shire's financial accounts.
- d) Reviewing the CEO's report required under regulation 17(3).

Monitoring and advising the CEO when the CEO is carrying out functions in relation to a review under:

- (a) regulation 17(1); and
  - (b) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).
- (a) Supporting the Auditor conducting an audit and carrying out the Auditor's other duties under the Act.

Overseeing the implementation of any action that Council:

- (a) is required to take, has stated it has taken or intends to take, in respect to matters raised by the audit report;

- (b) has accepted should be taken on receipt of the CEO's report of a review under regulation 17(1); and
- (c) has accepted should be taken on receipt of the CEO's report under regulation 5(2)(c) of *Local Government (Financial Management) Regulations 1996*.

The Audit Committee's duties include:

- (a) considering the Auditor's interim audit of the Shire's accounting and internal control procedures for the financial year;
- (b) reviewing the audited financial report for the previous financial year;
- (c) reviewing the interim and final audit reports for the financial year;
- (d) reviewing the annual Compliance Audit Return;
- (e) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's systems and procedures regarding risk management, internal controls and legislative compliance;
- (f) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's financial management systems and procedures; and
- (g) providing a report to Council on those matters.

## Membership

Members and deputy members of the Committee are to be appointed in accordance with the Act.

The Committee will consist of five members:

- one independent chairperson;
- one independent deputy chairperson;
- four Councillors; and
- two deputy members.

All members will have full voting rights. In addition, two Councillors will be appointed as deputies to meet any absence of a member, to ensure a sufficient quorum is met to convene a meeting. An additional independent person may be appointed as Deputy Chairperson to act in the absence of the chairperson.

## Quorum

The quorum shall be at least 50% of the number of offices of the Committee, which equates to three (3) members being present to constitute a quorum.

## Powers of the Audit Committee

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

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

### Meeting Frequency

Meetings of the Audit Committee will generally be held on a quarterly basis. Audit Committee meetings are not open to the public.

### Reporting

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference.

<b>Document Control</b>			
<b>Document Responsibilities</b>			
Owner	Chief Executive Officer	Division	Office of the CEO
Reviewer	Executive Officer Governance	Approval	Council
<b>Document Compliance</b>			
Legislation	<ul style="list-style-type: none"> <li>Local Government Act 1995</li> <li>Local Government (Audit) Regulations 1996</li> <li>Local Government (Administration) Regulations 1996</li> </ul>		
Other			
<b>Document Management</b>			
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