



**Audit, Risk and
Improvement Committee
Terms of Reference**

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Committee's Authority and Purpose

Authority

In accordance with Section 7.1A of the *Local Government Act 1995* (the Act) and the *Local Government Amendment Act 2024*, the Council of the Shire of Lake Grace (the Shire) has established an Audit, Risk & Improvement Committee (the Committee). The Committee will operate in accordance with all relevant provisions of the Act, the *Local Government (Audit) Regulations 1996*, and the *Local Government (Administration) Regulations 1996*.

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

Purpose

The purpose of the Committee is to:

- Provide advice and assistance to Council regarding the annual audits of the Shire's financial statements (external audit).
- Monitor and receive reports concerning the development, implementation, and ongoing management of a risk management framework.
- Oversee internal audit activities and governance processes.
- Receive and review reports from the CEO under Regulation 17(3) and report to Council on the results of the review.

Committee's Responsibilities

The Committee shall:

- Meet with the Shire's external auditor at least once per year and provide a report to Council on matters discussed.
- Liaise with the CEO to ensure:
 - Assistance is provided to the external auditor in conducting audits.
 - External audits are conducted efficiently.
- Examine reports of the external auditor and ensure appropriate action is taken on identified matters.

- Review the Compliance Audit Return and report results to Council.
 - Oversee the development and implementation of the Shire’s internal audit function and risk management framework, including quarterly meetings to review the risk dashboard.
 - Consider the CEO’s biennial review of the appropriateness and effectiveness of the Shire’s risk management, internal control, and legislative compliance systems.
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Committee Membership

Composition

The Committee shall comprise of:

- Four elected members of the Council; and
- One external independent member to be the Presiding Member; and
- One external independent member to be the Deputy Presiding Member.

Appointment and Tenure

- Members shall be appointed by Council in accordance with Section 7.1A of the Act and the *Local Government Amendment Act 2024*.
 - The tenure of members shall comply with Section 5.11 of the Act, with terms expiring at the next ordinary Council elections.
 - External members shall be appointed via public advertisement and must possess relevant expertise in financial management, risk management, or governance.
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Role of Shire Staff

The following staff members shall be invited to attend Committee meetings to provide advice and guidance:

- Chief Executive Officer (CEO).
- Deputy Chief Executive Officer (DCEO).
- Manager of Corporate Services (MCCS).
- Internal audit service providers (if applicable).
- Other relevant staff as required.

These attendees do not have voting rights.

Committee Meetings

Quorum

A quorum shall be at least three (3) voting members.

Meeting Frequency

- The Committee shall meet at least quarterly.
- Additional meetings may be convened as required.

Agenda and Minutes

- Agendas will be distributed at least five days prior to meetings.
- Minutes shall be recorded and presented to the next Ordinary Council Meeting.

Public Attendance

- Meetings shall generally be open to the public as per Section 5.23 of the Act.
- Confidential matters may be discussed in a closed session as per legislative requirements.

Voting

- Voting shall be in accordance with Section 5.21 of the Act.

Confidentiality

All Committee members must adhere to confidentiality requirements, and no confidential information shall be disclosed to unauthorised persons.

Acknowledgement and Acceptance

Members of the Audit, Risk & Improvement Committee acknowledge and agree to abide by these Terms of Reference.

Chairperson:

Name: _____

Signature: _____

Date: _____

Deputy Chairperson:

Name: _____

Signature: _____

Date: _____

Members:

Name: _____

Signature: _____

Date: _____

Members:

Name: _____

Signature: _____

Date: _____

Members:

Name: _____

Signature: _____

Date: _____

Members:

Name: _____

Signature: _____

Date: _____

Document Control

Effective Date	Next Review Due	Amendment Details	Prepared by	Endorsed by	Approved by
21 October 2015		Initial Adoption			Council
25 October 2023		Amendment to Membership of members	Alex Adams – Executive Assistant	Alan George - CEO	Council
March 2025	March 2026	Amendment to Terms of Reference	Alex Adams – Executive Assistant	Aaron Wooldridge - DCEO	Council
March 2026	March 2027	Amendment to Terms of Reference	Aaron Wooldridge - DCEO		