

Audit and Risk Committee

Section 41

Terms of Reference

1. Name:

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

2. Establishment

2.1 The Audit and Risk Committee was established on 21 April 2020, Minute No. 077/20, pursuant to Section 126 of the Local Government Act 1999 by the Coorong District Council. The Audit and Risk Committee was established in accordance with the provisions of Section 41 of the Local Government Act 1999.

2.2 The Audit and Risk Committee shall be reviewed within two (2) months of the next Local Government elections.

3. Definitions

Nil

4. Purpose and Functions of the Committee

The purpose of an Audit & Risk Committee established by a Council is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

The functions of a Council's Audit & Risk Committee include:

- (a) Reviewing annual financial statements to ensure that they present fairly the state of affairs of the Council; and
- (b) Proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan; and
- (c) Monitoring the responsiveness of the Council to recommendations for improvement based on previous audit and risk assessments, including those raised by a council's auditor; and
- (d) Proposing, and reviewing, the exercise of powers under section 130A; and
- (e) Liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
- (f) Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis; and
- (g) –
 - i. If the Council has an internal audit function –
 - (A) Providing oversight of planning and scoping of the internal audit work plan; and

Audit and Risk Committee Terms of Reference

- (B) Reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
- ii. If the council does not have an internal audit function, reviewing and commenting on an annual report provided by the Chief Executive Officer in relation to the policies and processes adopted by the Council to evaluate and improve the effectiveness of its internal control practices and procedures; and
- (h) 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; and
- (i) Reviewing any report obtained by the Council under section 48(1); and
- (j) Performing any other functions determined by the Council or prescribed by the regulations.

5. Membership

- 5.1. The Audit and Risk Committee shall comprise of two (2) Members of Council and three (3) Independent members.
- 5.2. The Presiding Member of the Committee shall be selected from the external representatives of The Committee by the Audit & Risk Committee and recommended to Council for appointment. In the absences of the appointed Presiding Member from a meeting, the meeting will appoint an acting Presiding Member from the Independent members present
- 5.3. The Presiding Member shall be an Independent Member and appointed by the Council until within two months after the next Local Government election.
- 5.4. The Independent Members shall have relevant experience in financial management, risk management, internal or external audit or other disciplines as so determined by Council.
- 5.5. Coorong District Council will advertise the Independent Member vacancies via its website, digital media (e.g. Facebook) and surrounding area newspapers and/or local township newsletters.
- 5.6. The Independent Member vacancies shall be considered through registrations of interest in response to advertisements of a vacancy.
- 5.7. Upon completion of the advertising period, the Director Community and Corporate will provide a recommendation to Coorong District Council of the preferred applicants.
- 5.8. Independent Member appointments to the Committee shall be for the term of four years to ensure continuity is maintained due to Local Government Elections.
- 5.9. In the event of an Independent Member vacancy of the Audit and Risk Committee the appointment of another person shall be on the same basis as, and for the balance of the term of the original appointment.
- 5.10. The Independent Committee Member whose tenure has expired will be eligible to re-apply.

6. Quorum

The quorum required for the transaction of business at a meeting of the Audit and Risk Committee be 50% plus one (1) members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all requirements of the Committee.

7. Voting

- 7.1. Each member of the Audit and Risk Committee present at a meeting shall have one vote.
- 7.2. The Presiding Member shall have a deliberative vote but does not in the event of an equality of votes have a casting vote.

Audit and Risk Committee Terms of Reference

- 7.3. In the event of a tied vote the matter will be referred to the next meeting of Council for deliberation.
- 7.4. Members present at the meeting must vote on all resolutions of the Committee.
- 7.5. Proxy votes are not permitted.
- 7.6. A Committee Member may partake in the meeting via telephone, video conference or in person. If via telephone or video conference, the Committee Member must verbalise their vote to enable the Presiding Member to clarify and record the vote.
- 7.7. Should a Committee Member wish to partake in the meeting via telephone or video conference a minimum two business days' notice must be provided to the Chief Executive Officer.
- 7.8. The Presiding Member may partake in the meeting via video conference or in person (but not via telephone).
- 7.9. Should the Presiding Member be required to leave the meeting (e.g. conflict of interest) and the Deputy Presiding Member is partaking in the meeting via telephone or video conference, the Deputy Presiding Member may preside over the meeting electronically.
- 7.10. If the Committee Member determined to preside during the Presiding Member's short term absence as per 7.9, is partaking in the meeting via telephone or video conference, the Committee Member may preside over the meeting electronically.

8. Meetings

- 8.1. The Audit and Risk Committee shall meet at least four times per annum.
- 8.2. Meetings will be conducted at Council's Principal Office, the Coorong Civic Centre, 95 – 101 Railway Terrace, Tailm Bend.
- 8.3. The Presiding Member, in consultation with the Chief Executive Officer may cancel a meeting due to lack of business.
- 8.4. A Special Meeting of the Audit and Risk Committee may be called in accordance with the Local Government Act 1999 and Local Government (Procedure at Meetings) Regulations 2013.
- 8.5. The Presiding Member shall ensure that the proceedings of the meeting and resolutions, including recording those present are minuted and that all requirements meet the Local Government (Procedure at Meetings) Regulations 2013, these Terms of Reference and, Council's Code of Practice – Proceedings of Council and Committee Meetings.
- 8.6. Audio or video recordings of meetings may be made to enable the Minute Taker to reference as required. Audio or video recordings will be saved only until the Minutes of the relevant meeting have been endorsed by Council or until determined by Council.

9. Meeting Procedures

- 9.1. Procedures at meetings will be in accordance with the Local Government (Procedures at Meetings) Regulations 2013, these Terms of Reference and, Council's Code of Practice - Meeting Procedures.

10. Reporting Responsibilities

- 10.1. The Director Community & Corporate will inform Council at the next practical Ordinary meeting of the matters considered by the Committee through the provision of a written report if business arises e.g. recommendation from the

Audit and Risk Committee Terms of Reference

Committee. If no business is arising from the Committee meeting, the Director Community & Corporate will provide the Minutes of the meeting through Council's Agenda.

- 10.2. Agendas and Minutes of the Audit and Risk Committee will be published on Council's website and a copy of minutes will be provided to all Council members in accordance with the requirements of the Local Government Act 1999.

11. Delegations

The Audit and Risk Committee has limited delegation to review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis in accordance with Section 126(4)(c) of the Local Government Act 1999.

12. Administrative

The Director Community & Corporate shall provide administrative resourcing to the Committee.

The Committee shall:

- 12.1. have access to reasonable resources to enable the carrying out of its duties, subject to budgetary implications/allocations;
- 12.2. receive adequate training as required and in accordance with Council's budget; and
- 12.3. review its performance and Terms of Reference as required and recommend any changes necessary to Council.
- 12.4. The Independent Members are to be paid a meeting sitting allowance of \$575 plus travel reimbursement of \$200.
- 12.5. The meeting sitting allowance for the Independent Members of the Audit and Risk Committee is to be adjusted annually in line with the periodic adjustment of the Council Members' allowance.

SCHEDULE OF AMENDMENTS

- | | |
|--------|---|
| 2020 – | Adopted 21 April 2020, Minute No. 077/20. Renamed from Audit Committee to Audit and Risk Committee. |
| 2021 - | Adopted 20 April 2021, Minute No. 084/21. Amended purpose and functions of committee. |
| 2022 - | Adopted 15 March 2022, Minute No. 053/22. Amended membership and voting clauses of committee. |