

Document Control		
<b>Policy Title:</b>	Audit and Risk Committee Charter	<b>Policy Type:</b> Council
<b>Responsible Directorate:</b>	Office of the CEO	<b>Doc Id No:</b> 1562969
<b>Date Review Due</b>	30 June 2023	

Version <sup>1</sup>	Council/Executive Meeting Date (Date of Adoption/Endorsement)	Minute Number
1.0.48	7 December 2022	M06/12/22

## 1. Purpose and Scope

This policy supports the delivery of Council's Corporate Plan 2022-2027 in the Key Response Area of 'Organisation', under strategic priorities:

- 3.1 An organisation that is transparent and accountable in its evidence-based planning, decision making and reporting; and
- 3.4 Provide strong financial management, value for money services and budgets are delivered.

The Charter provides direction to the Audit and Risk Committee on its operation and reporting requirements. This Charter also defines the roles, responsibilities, composition and operations of the Audit and Risk Committee.

## 2. Related Legislation/Documents

*Local Government Act 2009*

*Local Government Regulation 2012*

Risk Management Policy

Strategic and Operational Risk Register

<sup>1</sup> The Version Number is direct from the Corporate Records Management System

## 3. Definitions

To assist in interpretation of this policy the following definitions apply:

- **CEO** means Chief Executive Officer
- **Charter** means Audit and Risk Committee Charter Policy
- **Committee** means Audit and Risk Committee
- **Council** means Mayor and elected Councillors.

## 4. Policy Statement

### 4.1 Role

The Primary role of the Audit and Risk Committee is to monitor, review and provide advice to Council on matters relating to:

- Internal audit function, plan and progress reports
- External audit
- System of financial management including financial statements
- Governance including risk management and compliance
- Business continuity; and
- Make recommendations about these matters that need action or improvement.

### 4.2 Authority

The Committee undertakes an advisory role and is directly responsible to Council. The Committee has no executive powers.

The primary responsibility for financial and other reporting, internal control and compliance with laws, regulations and ethics within Council rests with management. The Committee will need to liaise closely with management and internal and external auditors to carry out its responsibilities.

The Committee is independent of management and does not have any delegated authority to implement actions over which management has responsibility.

In circumstances where the Committee requires additional information, a request is to be made through the CEO office. The Committee also may seek information or advice from the person who has carried out the internal or external audit.

## 4.3 Responsibilities

The Committee is responsible for monitoring, reviewing and providing advice and providing reports including recommendations to the CEO for presenting to Council.

In carrying out its responsibilities, the Committee will at all times recognise that primary responsibility for management of the organisation rests with the CEO.

Members of the Committee are expected to understand and observe the legal requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Members are also required to:

- contribute the time needed to study and understand the papers provided
- apply good analytical skills, objectivity and good judgement
- express opinions frankly and ask questions that go to the fundamental core of the issue.

## 4.4 Composition and Tenure

The Council will make the appointment of Committee members by resolution.

The Committee must consist of at least four and not more than six members including two, but no more than two Councillors.

At least one member must have significant experience and skills in financial matters.

The Council will resolve to appoint one of the Committee members as the Chair. The Chair is to be an independent Committee member i.e. a non-Councillor member.

Councillors are usually appointed for the term of the Council.

Independent members are to be appointed for a two-year term on a rotational basis, using a staggered annual appointment process. Council may reappoint an independent member at its discretion.

Council may by resolution at any time add, remove or change the membership or the chair of the Committee.

## 4.5 Other Attendees

The Mayor and CEO may attend all Committee meetings.

The CEO may invite other officers or parties to attend the Committee meetings where appropriate. These may include Councillors and internal and external auditors. The Committee may make a request to the CEO for the attendance of officers or parties that may be able to assist the Committee in their considerations. These officers or parties will attend the meeting for the presentation, topic, report or time allocated by the Committee.

The Queensland Audit Office will be notified of the Committee's meeting schedule and invited to attend meetings of the Committee as appropriate.

Non-Committee members are not to participate in meeting discussions unless invited to do so by the Chair. Non-Committee members do not have any voting rights.

Due to the nature of the work of the Committee and the potential sensitivity of material, the meetings of the Committee are not open to the public.

## 4.6 Conflict of Interest

Committee members will be required to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be declared at each meeting once acknowledged. Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest in a matter before the Committee, they must deal with the conflict in an appropriate manner. Members or invitees will be excused from the Committee discussions and deliberations on any issue where a conflict of interest exists.

Members with ongoing conflicts between their personal activities and the audit and risk matters should resign from the Committee. Where Council identifies such a conflict the Council may require the member to remove themselves from the Committee.

## 4.7 Confidentiality

All information acquired during a Committee member's term of appointment is to be regarded as confidential to Council and is not to be disclosed to third parties (by whatever means), either during the member's term of appointment or after termination, unless the person is required to do so by law. Non-Committee member attendees are required to treat all matters in relation to the Committee as confidential.

## 4.8 Privacy

All Committee members and non-committee member attendees are bound to comply with the requirements of relevant privacy legislation, including the *Information Privacy Act 2009*, and Council's Information Privacy Policy.

## 4.9 Code of Conduct

Committee members are to undertake their duties within the spirit and intent of the ethics principles outlined in the Public Sector Ethics Act 1994 and the local government principles contained within the *Local Government Act 2009*. Committee members shall interact with each other, Councillors, Council staff and invited meeting guests with courtesy and respect. All relevant legislation, policies and procedures, including the full requirements of this Charter are to be complied with. Failure to do so may result in the termination of a member's appointment to the Committee.

## 4.10 Meetings

The Committee must meet at least twice per annum unless required by Council.

A forward rolling plan will be developed and adopted each year, to align with the Queensland Audit Office timetable for the completion and auditing of the annual financial statements. This plan may be reviewed and amended from time to time.

A quorum will consist of at least half the number of members of the Committee. The Council's Standing Orders, can be used by the Chair of the Committee as a guide to the formal functioning of the meeting.

In the Chair's absence from a meeting, the members of the Committee present at the meeting will select a Chair for that particular meeting. Anyone attending the meeting may do so by tele or video conferencing.

The Office of the CEO will provide the secretariat support for the Committee and will compile the agendas and meeting report. The Chief Executive Officer will place the Committee meeting report on the next available Council agenda. Council will consider recommendations of the Committee.

## 4.11 Evaluation

The Committee should undertake an annual self-evaluation in relation to the effectiveness of its processes and outcomes.

## 4.12 Remuneration

Council sets the remuneration for external members and will review that amount from time to time. Reasonable expenses will be reimbursed to external members at the discretion of the CEO.

## 4.13 Induction

New Committee members will receive information and briefings on the work of the Committee to assist them meet their responsibilities. Inductions for new Committee members will be arranged by the secretariat.

## 5. Review

This policy will be reviewed when any of the following occur:

1. The related legislation/documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council.
3. As initiated by the CEO or Executive Leadership Team.
4. Periodic Review within two year of adoption.

## 6. Delegations

Nil.