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1. Purpose and Scope

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

2. Establishment of the Audit and Risk Committee

The Audit and Risk Committee (**'the committee'**) has been established in accordance with the requirements of section 105 (2) of the Local Government Act 2009 (Qld) (**'the Act'**).

3. Definitions:

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

- **CEO** means Chief Executive Officer
- **Chairperson** means the person appointed as chairperson of the Committee under this charter
- **Charter** means Audit and Risk Committee Charter
- **Committee** means Audit and Risk Committee of Gympie Regional Council
- **Council** means Mayor and elected Councillors of Gympie Regional Council

Policy Statement

4.1 Role of Audit and Risk Committee

In accordance with section 105 (2) of the Act, the committee is required to:

- (a) monitor and review:
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government's internal auditors; and
- (b) make recommendations to the Council about any matters that the Committee considers need action or improvement.

Additionally, the Council requires the committee to support the delivery of Council's Corporate Plan 2022-2027 in the Key Response Area of 'Organisation', under strategic priorities, by ensuring that Council:

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

4.2 Authority & Responsibilities

The Committee undertakes an advisory role in relation to the matters outlined in the scope of this charter. Specifically, the Committee is responsible for monitoring, overseeing, reviewing and providing advice and reports, which may include recommendations to Council in relation to the following matters:

- a. The governance structure, including financial delegations, reporting on significant projects and outsourced activities;
- b. The integrity of financial documents;
- c. Internal audits and the effectiveness and objectivity of Council's internal auditors;
- d. Legislative compliance;
- e. External audits;
- f. Monitoring and reviewing risk management processes;
- g. Workplace Health and Safety;
- h. Fraud Prevention and Identification;

i. Complaints processes.

The Committee has no executive powers, delegated powers or management responsibilities in respect of the Council.

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.

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.

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*.

4.3 Appointment, Tenure and Termination of Committee Members

The Council may make the appointment of Committee members by resolution or by Council Officer under delegation.

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

Councillors are appointed for the term of the Council.

The Council will appoint one of the Independent Committee members as the Chair by resolution. Should the chair position become vacant, an existing committee member may apply for position of Chair.

Independent members are to be appointed for an initial two-year term. Council may reappoint an independent member for a further term, at its discretion, with a maximum of three (3) terms in total.

A committee member may resign at any time by giving written notice to the chairperson and the CEO.

If a committee member has not met or cannot meet their obligations and responsibilities under this charter, Council may terminate a committee members tenure.

4.4 Composition of Committee

The independent members of the committee must possess and maintain a suitable mix of skills, knowledge and experience to meet their obligations under this charter, including local government, business operations, information systems and cybersecurity, fraud, risk management, financial management, corporate governance or audit. At least one member must have significant experience and skills in financial matters.

4.5 Independence of Committee

In order to maintain the committee's independence, the chairperson and committee members:

- a) must not have been a candidate at the last election of Gympie Regional Council or have held office during the previous term.
- b) must not be a current employee of Gympie Regional Council, or have been an employee in the last 2 years.
- c) must not have a close personal or business relationship with a councillor, a person who is an employee or a contractor at Council that may lead to an actual or perceived conflict of interest.
- d) must not currently, or within the last 2 years, have provided any material goods or services (including consultancy, legal, internal audit and advisory services) relevant to matters considered by the committee, or have a personal relationship with or interest in any business that has a contractual relationship with Council which might be considered an actual or perceived conflict of interest.

4.6 Other Attendees at Committee Meetings

In addition to the committee members and chairperson, the following persons are considered to be attendees for committee meetings:

- a) The Mayor;
- b) The CEO;

- c) Director of Corporate Services;
- d) Manager of Governance, Integrity & Risk;
- e) Coordinator of Risk Management and Governance;
- f) Governance Officers;
- g) Council's internal auditors;
- h) Council's external auditors.

Other officers or parties may be invited to attend the Committee meetings where appropriate, including Council officers or Councillors. The Committee may also 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.

4.7 Conflict of Interest

At the commencement of their appointment and prior to attendance at their first meeting, Committee members must provide a written declaration to the Committee that they do not have any conflict of interest that would prevent them from being a member of the committee and satisfy the independence requirements outlined in 4.5 above.

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 terminate their appointment as a Committee member.

4.8 Confidentiality

All information and documents acquired during a Committee member's term of appointment is to be regarded as confidential to Council and is not 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 or with the approval of the CEO.

Non-Committee member attendees are required to treat all matters in relation to the Committee as confidential.

4.9 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.

4.10 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, by Council providing the member with notice in writing.

4.11 Meetings

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

All committee members are expected to maintain a meeting attendance rate of 80% or above.

An annual work 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.

The chairperson must preside at each committee meeting. In the event that the chairperson is absent, another member will be chosen by committee vote to preside over the meeting.

Anyone may attend the meeting by tele or video conferencing with prior approval from the chairperson.

As soon as practicable after the conclusion of each committee meeting, the chairperson is required to submit a written report to Council about the matters considered at the meeting, the committee's recommendations on those matters and any other matters that the chairperson considers relevant. The Chief Executive Officer will place the Committee meeting report on the next available Council agenda. Council will consider the recommendations of the Committee.

4.12 Evaluation and Review

The Committee should undertake an annual self-evaluation review in relation to the effectiveness of its performance, processes and outcomes for the year prior. The Committee will then provide a report on the review outcomes to the Council.

4.13 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.

Councillors are not entitled to additional remuneration for Committee duties on the basis that it forms part of their duties as a Councillor.

4.14 Induction

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

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 years of adoption.

6 Delegations

Nil.