TERMS OF REFERENCE

Risk Management and Audit Committee

1 Purpose

The Risk Management and Audit Committee (the Committee) is a Council advisory committee established in accordance with section 86 of the *Local Government Act 2019* (the Act).

2 Objective

The Committee's objective is to provide independent assurance and advice to Council regarding:

- The integrity of Council's financial management
- Council's risk, internal control and compliance frameworks.

3 Functions

The Committee's functions include:

- Review and provide recommendations regarding the external audit plan
- Review the audited annual financial statement prior to audit sign-off
- Meet with the external auditor at least once per year to receive direct feedback about any key financial management issues and to provide feedback about the auditor's performance, inclusive of in-camera sessions as required
- Monitor external audit outcomes, management's responses and the implementation of agreed recommendations
- Provide advice to Council regarding the appointment of an external auditor (auditor appointment terms must be between 2 and 5 years)
- Endorse Council's Risk Management Framework and monitor the performance of the framework
- Monitor Council's fraud, corruption prevention, compliance and governance frameworks
- Monitor the adequacy of internal control policies, practices and procedures
- Monitor performance the internal audit function, including:
    - adequacy and scope of audit coverage

- monitoring of audit outcomes, management's responses and the implementation of agreed recommendations

- Monitor Council's compliance with regulatory requirements, standards and best practice guidelines
- Provide recommendations to Council about any matters the Committee considers require Council's consideration as a result of the Committee's functions.

4 Authority

The Committee does not have any delegation to make decisions. The Committee is able to put recommendations to Council for endorsement, and then may be responsible for completing the action determined by Council resolution.

With consideration to legal and confidentiality implications the Committee is authorised, within the capacity of its objective and functions, to:

- Make recommendations to the Council
- Endorse internal and external audit plans
- Request via the Chief Executive Officer information, and relevant Council staff access and support it reasonably requires carrying out its functions
- Discuss matters with the external auditor, or other external parties already contracted or engaged by Council.

5 Confidentiality and use of information

Committee members will from time to time deal with confidential reports and sensitive information. All information obtained during the course of Committee meetings must be handled in compliance with the *Local Government Act 2019* and Regulations, *Information Act 2002*, and Council policies.

Section 118 of the *Local Government Act 2019* outlines the penalties applicable for the improper use of confidential information acquired as a member of an audit committee.

6 Due diligence and induction

All proposed and new members of the Committee will be entitled to receive relevant information and briefings prior to, and shortly after, their appointment.

Council will provide an induction to all new members specifically relating to the Committee's functions and Terms of Reference.

7 Membership

7.1 Committee Members

Maximum of six (6) members including:

- Up to four (4) Elected Members of Council, one (1) of which is the Mayor
- Two (2) external members, one (1) of whom is the Chairperson.

8 Terms and conditions of membership

8.1 Membership requirements

Membership consideration will be given to skills, personal attributes and practical experience, including:

- level of understanding of local government and the Council's operations and the environment in which it operates
- level of knowledge and practical exposure on risk management, governance and financial management practices
- depth of knowledge of regulatory and legislative requirements
- one (1) external member of the Committee, preferably a member of CPA Australia (CPA) or Chartered Accountants Australia and New Zealand (CAANZ), or can demonstrate significant financial experience in the absence of those qualifications
- one (1) external member of the Committee, preferably possessing formal risk management qualifications, or can demonstrate significant experience in risk management and/or governance
- capacity to dedicate adequate time on the Committee.

The Committee members and Chairperson are to be appointed by Council, per sections 86 and 98 of the *Local Government Act 2019*.

8.2 Terms of office

Appointment of Elected Members

Elected Members are appointed to the committee as per the Appointment of Deputy Mayor and Council Committee Representatives Policy.

Elected Members are appointed for either one (1) or two (2) year terms to support a level of continuity in the committee's internal membership through the staggering of terms.

Appointment of external members

External members are appointed to the committee for two (2) years, and are eligible to be on the committee for a total of three (3) terms. External members are eligible for direct re-appointment at the end of their term, pending endorsement by Council.

When seeking to appoint a new external member, an Expression of Interest will be occur and selection panel convened by the Chief Executive Officer. A written report on the selection process, detailing the qualifications and experience of all eligible external applicants will be provided to Council, with a recommendation for appointment.

Membership of the Committee ceases either:

- upon completion of the term;
- where an external member appointment is terminated by resolution of Council;
- at any time if the person no longer holds office by virtue of which the person became a member;
- where Council, by resolution, abolishes the Committee.

9 Meetings

9.1 Attendance

Should a member be unable to attend a Committee meeting, an apology shall be provided to the Chief Executive Officer prior to the scheduled meeting time.

The Chief Executive Officer will attend all meetings. Council Directors and other relevant officers may attend Committee meetings in an administrative capacity.

9.2 Chairperson

Should the Chairperson not be available to attend a meeting, the members present shall elect another external member to chair the meeting. Council members or staff cannot chair an audit committee, as per section 86 of the *Local Government Act 2019*. Should no external member be available, the meeting must be rescheduled or cancelled. The Chair must exercise, in the event of an equal number of votes, a second or casting vote.

9.3 Quorum

As per section 98 of the *Local Government Act 2019*, quorum is achieved by attendance of over 50% of the appointed members.

9.4 Postponement of meeting

If quorum is not present within 30 minutes of the start time the meeting may be postponed in accordance with section 100 of the *Local Government Act 2019*.

9.5 Decisions

A decision of the Committee is to be by majority vote of the members present at the meeting.

9.6 Meetings Not Open to the Public

To foster frank and fearless discussion, Committee meetings will be held in confidential unless otherwise decided.

9.7 Frequency

The Committee will meet at least four (4) times per year for typically two (2) hours, and meetings of the Committee are to be convened by the Chief Executive Officer.

The Chief Executive Officer may, at the request of the Chairperson of the Committee, convene an additional meeting if required.

A meeting plan will be agreed to by the Committee each year.

Special meetings can be convened by the Chief Executive Office on the request of the Chair, or a majority of Committee members.

9.8 Notice

A notice convening a meeting is to be in writing and include the date, time, and place of the meeting, and agenda for the meeting.

9.9 Minutes

The Chief Executive Officer is to ensure that proper minutes of the meeting are kept and they comply with section 101 of the Act.

The minutes of the Committee (including the prior confirmed minutes not yet tabled and the recent unconfirmed minutes which are cleared marked as “unconfirmed”) are to be tabled at the next meeting of the Council.

9.10 Remuneration

Elected Members may be eligible for Extra Meeting Allowance as per Council policy.

External members are eligible for remuneration per meeting at the ‘Daily rate’ for Class C1 (Advisory and Review Bodies – Critical issues) of the “NTG statutory bodies classified for remuneration purposes” as per *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act 2006*. Payment at the daily rate (4 hours or more) will apply to account for meeting preparation and the meeting itself.

10 Evaluation and Review

10.1 Terms of reference

The Terms of Reference will be reviewed every two years by the Committee and formally approved by Council.

10.2 Performance evaluation

The Chief Executive Officer will initiate a review of the performance of the Committee at least once every two (2) years. The review will be on an internal assessment basis with appropriate input from the Council, Chief Executive Officer and senior staff, internal and external auditors, and any other relevant stakeholders.

Performance will be assessed against the functions of the Committee to determine if its objectives have been met at an acceptable level.

An evaluation process will be facilitated by the Chief Executive Officer, with a report provided to Council including any recommendations. The Terms of Reference will also be reviewed at this time and any revision recommendations will also be included in the report given to Council.

11 Responsible Unit

Governance Unit

12 Reporting to

Council

Version	Date	Action/Description of changes made	By
1.0	15 June 2015	Adopted	Council
1.1	October 2017	New Charter template adopted	Council Solicitor
1.2	28 May 2018	Internal Audit responsibilities added	Governance
2.0	August 2020	New Terms of reference developed in line with current and new legislation	Governance
2.1	September 2023	Updates to align with legislation	Governance
2.2	July 2025	Two-year review conducted, as required by the Terms of Reference. Amendment to length of terms, number of Elected	Governance

		Members on the committee, and edits and additions for clarification.	

Adopted by Council - Date		*Resolution #*	
Document Owner	Chief Executive Officer	*Controller*	Governance Unit