District Council of Elliston
Terms of Reference

Section 41 Committee
Audit and Risk Committee

Signature	
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District Council of Elliston Terms of Reference
Audit and Risk Committee

1. Establishment

The District Council of Elliston (**Council**) has established the Audit and Risk Committee (**Committee**) in accordance with Section 41 and 126 of the *Local Government Act 1999*, (**the Act**) for the purpose of providing independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.

2. Role of the Committee

The functions of the Committee include:

Financial Reporting and Sustainability

2.1 Review and make recommendations to the Council regarding the assumptions, financial indicators and targets in the Long-Term Financial Plan (**LTFP**), including the financial sustainability of Council and any risks in relation to the adoption of the LTFP and Annual Budget.

2.2 Review, make recommendations and observations to Council on the financial outcomes of the Asset Management Plans.

2.3 Review and make recommendations to the Council regarding any other significant financial, accounting and reporting issues as deemed necessary by the Committee, Council or Management, including when a prudential report is required.

2.4 Review annual financial statements to ensure they fairly present Council's state of affairs

2.5 Providing advice to Council relevant to budget reviews undertaken, including in relation to any revisions to the forecast key Financial Indicators.

Risk Management and Internal Controls

2.6 Contribute to the review and development of Council's risk management policy, framework and risk appetite statements.

Internal Audit and Compliance

2.7 Monitor the Council's internal audit function and program in the context of the Council's overall risk management profile, internal control framework, and external audits.

2.8 Directly receive and consider:

2.8.1 internal audit reports undertaken by the Council's Internal Auditor; and

2.8.2 reports on any matters related to the internal audit function directly the Committee.

External Audit

2.9 Liaise with, and meet with, Council's External Auditor at least once per year.

2.10 Consider and make recommendations to the Council in relation to the selection, appointment and removal of the External Auditor.

2.11 Review and make recommendations to Council on the scope of work, reports and activities of the External Audit, including interaction with any internal audit capability.

2.12 Monitor the progress of Management's agreed actions arising from external audit recommendations.

Governance

2.13 Monitor the overall adequacy of Council's Policy Framework

2.14 Review and endorse policies

2.15 Consider significant matters pertaining to Council's business activities, as requested by Council, which are within the powers of the Council and are appropriate to be referred to the Committee by the Council.

Annual Workplan

2.16 Review and approve and annual workplan for the Committee, detailing the matters to be considered by the Committee during each meeting in the year.

3. Membership

a) The Committee shall comprise five (5) members appointed by Council, with a minimum of three (3) being independent members, and a minimum of one (1) Council member as determined by Council.

b) The Committee (when considered as a whole) must have skills, knowledge and experience relevant to the function of the Committee, including in financial management, risk management, governance, and any other prescribed matter.

Member appointment

Independent Members

a) Expressions of interest from prospective independent members will be sought by way of public advertisement. Such public advertisement, will, at a minimum, be published for 2 weeks on Council's website and online employment platforms. The evaluation of potential independent members will be undertaken by the CEO and Director, Business and Community whom will make a recommendation for appointment to Council.

b) The term of the appointment for independent members will be up to four (4) years, with an option for renewal, and appointment timing will be managed such that it does not align with Council elections, to provide for continuity of Committee membership across terms of Council.

Presiding Member

Council is responsible for appointing a person as the Presiding Member, from amongst the independent members.

In any instance where the Presiding Member if absent, the Committee may appoint a person from those present at the meeting to act as the Presiding Member for the duration of the meeting.

The role of the Presiding Member is to:

a) Oversee the orderly conduct of meetings in accordance with the Act, the *Local Government (Procedures at Meetings) Regulations 2013* (**Regulations**) and other procedures relevant to the Committee.

b) Ensure the *Guiding Principles* from the Regulations are observed and that all Committee members have an opportunity to participate in deliberations of the Committee.

c) Certify, along with the CEO, the *Independence of External Auditor* as part of the end of financial year audit process.

Member Allowances

a) A sitting fee will be paid to the Presiding Member and the independent members of the Committee, for each meeting attended. The sitting fee will be determined by Council and set based on each members' skills and experience.

b) Any Council Member of the Committee will not be paid an additional allowance for attending Committee meetings.

Members Resignation

a) Any member of the Committee can resign from the Committee, by providing three (3) months' notice, in writing to the CEO.

b) If the Council Member resigns from the Committee, Council will, by resolution, appoint a Council Member to sit on the Committee until the end of the relevant Council term.

4. Administration and Resources

The CEO will provide sufficient administrative resources to the Committee to enable it to adequately carry out its functions, subject to any restrictions imposed by Council.

5. Quorum

a) Quorum will be ascertained by 3 members present, including at least 2 independent members.

b) The CEO is authorised to adjourn a scheduled meeting in circumstances where sufficient apologies have been received to indicate a quorum will not be present.

6. Meetings

The Agenda and Minutes of the Committee will be published on Council's website: www.elliston.sa.gov.au and provided to the Committee.

Frequency and Time

a) Ordinary meetings of the Committee will be held on dates and times as determined by the Committee. Special meetings of the Committee may be called at any time, in accordance with the Act.

b) The Committee will have at least one (1) meeting each quarter.

Location

a) Meetings will be held at Council's Elliston Council Chamber, or as otherwise determined by the Committee.

Notice

a) The CEO must ensure notice, in writing, of the date, time and place, together with an agenda, and supporting documentation, of the meeting, is provided to each member of the Committee, no later than 3 clear days before an ordinary meeting.

b) The CEO must ensure that each member of the Committee is given at least four (4) hours' notice of a special meeting of the Committee.

c) Notice of a meeting will also be displayed at the principal office of Council, and on Council's website: www.elliston.sa.gov.au, and will be published, and kept on display, until completion of the relevant meeting.

Meeting Procedures

Meetings of the Committee will be held in accordance with:

a) these Terms of Reference;

b) the Act; and

c) the *Local Government (Procedures at Meetings) Regulations 2013*.

Attendance at Meetings Electronically

A member of the Committee may participate in a meeting by electronic means.

A member of the Committee participating in a meeting by electronic means is taken to be present at the meeting, provided the member can:

a) Hear all other members present in the meeting; and

b) Be heard by all other members present at the meeting.

Where the electronic means has the functionality to enable the member of the Committee to be **both** seen and heard, the member must participate in the meeting by being **both** seen and heard.

Where confidential items are discussed, it is the member of the Committee's responsibility to ensure confidentiality when attending a meeting electronically.

Voting

a) Each member of the Committee must vote on every matter (for decision) that is before the Committee, unless a Conflict of Interest has been declared. Proxy votes are not permitted.

b) All decision of the Committee

7. Reporting Responsibilities of the Committee

The Committee must provide Council:

a) a report after each meeting of the Committee, summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting; and

b) an annual report on the work of the Committee during the period to which the report relates:

   i. as part of the preparation of the annual report. The Committee will evaluate its performance, which may include consideration of the Terms of Reference, to ensure the Committee is operating an maximum effectiveness with recommendations for any changes being presented to Council for consideration.

8. Reporting Responsibilities to the Committee

The CEO will provide an:

a) annual report to the Committee on Council's internal audit processes; and

b) update on outstanding Committee resolutions to each ordinary Committee meeting.

DOCUMENT HISTORY				
Version	**Changes since last version**	**Approved by**	**Record No**	**Issue Date**
1	Original	Council		January 2023
2	Template updated. Rewrite of duties.	Council		