

## **AUDIT, RISK AND IMPROVEMENT COMMITTEE**

### **TERMS OF REFERENCE**

#### **1. Purpose**

The purpose of the Audit, Risk and Improvement Committee (ARIC) is to advise the Council in relation to internal and external audit, compliance, risk management, and improvement matters as well as the Shire of Moora financial statements.

#### **2. Objectives**

The ARIC is a Committee of Council established under s7.1A and s5.8 of the *Local Government Act 1995*, with the following responsibilities:

- a) The integrity of the Shire's annual financial statements;
- b) Compliance with legal and statutory audit requirements, including the Department of Local Government annual Compliance Audit Return;
- c) External audit;
- d) The Shire's internal audit program, including Service Reviews and improvement opportunities; and
- e) The Shire's risk management framework.

#### **3. ARIC Members**

3.1 Membership of the ARIC will include

- a. Councillors appointed by Council,
- b. Two External Members.

3.2 In accordance with 7.1A(2) of the *Local Government Act 1995* all members of the ARIC will be appointed by an absolute majority decision of the Council.

3.3 Shire of Moora employees, whilst not permitted to be members of the ARIC, will be required to attend meetings of the ARIC to provide advice, guidance, and responses to the Committee.

3.4 External presenters may be invited to attend the meetings, based on topical matters.

3.5 The Presiding Member of the Audit, Risk and Improvement Committee (ARIC) will be required to be a person who is not:

- a) A current council member of the Local Government or another Local Government or
- b) An employee of the Local Government. Former Council Members are eligible.

3.6 Appointment to an ARIC is an appointment to a specified office that is a member of the committee, in accordance with *Local Government Act 1995* provisions. The specified offices prescribed in the Act include:

- **Presiding Member** – refer LG Act s.5.12(1) and s.7.1A (*Local government Amendment Act 2024*)
- **Deputy of the Presiding Member** – refer LG Act s.5.12(1) and s.7.1B (*Local government Amendment Act 2024*)

An appointment is not a contract for supply of services or employment. It is a legislative appointment to a statutory office.

### **ARIC Presiding Member Duties**

The independent Presiding Member is responsible for ensuring meetings are conducted in accordance with the *Local Government Act 1995* and legislated meeting procedures.

This includes:

- Preparing to attend Committee meetings, including in advance of Committee meetings: Prerequisite reading of agenda and attachments to the agenda, and
- Seeking advice, additional information, or clarifications regarding matters included in the agenda from the Local Government's CEO.
- Attending and presiding at Committee meetings, facilitating the meeting to progress through the order of business specified in the agenda.
- Maintaining orderly conduct of the meeting, Committee Members and members of the public.
- Complying with the *Local Government (Model Code of Conduct) Regulations 2021* as applicable to a Committee member.
- Disclosing Direct Financial, Indirect Financial, Proximity and Impartiality interests in relation to matters considered by the Committee (refer *Local Government Act 1995*, Part 5, Division 6, Subdivision 1 and the Model Code of Conduct Regulations).
- Facilitating the process of motions, including debate and voting requirements.
- Participating in debate, contributing your expertise and experience in the decision-making process and vote.
- Liaising with the Local Government's CEO, seeking advice or support to ensure Committee compliance, operational and business requirements are met.

### **Deputy of the Presiding Member Duties**

Perform the role and responsibilities of the Audit, Risk and Improvement Committee's Presiding Member, when the Presiding Member is unable to attend a Committee Meeting.

Local Government's may additionally choose to appoint the Deputy of the Presiding Member as a Committee Member, with a Committee Member being required to:

- Prepare to attend Committee meetings, including in advance of Committee meetings: prerequisite reading of agenda and attachments to the agenda, and
- Seek advice, additional information, or clarifications regarding matters included in the agenda from the Local Government's CEO.
- Attend Committee meetings.
- Comply with the *Local Government (Model Code of Conduct) Regulations 2021* as applicable to a Committee Member.
- Disclose Direct Financial, Indirect Financial, Proximity and Impartiality interests in relation to matters considered by the Committee (refer *Local Government Act 1995*, Part 5, Division 6, Subdivision 1 and the Model Code of Conduct Regulations).
- Participate in debate, contributing your expertise and experience in the decision-making process and vote.
- Liaise with the CEO, seeking advice or support to ensure your effective participation as a Committee Member.

### **4. External Members**

- 4.1 External Members will not have a direct association with the Shire of Moora as a business entity, either as an Elected Member, an officer or as a closely associated person of an Elected Member or Officer.
- 4.2 The appointment of an External member(s) shall be made by the Council, by way of a public advertisement and be for a term of two years.
- 4.3 A review of applications for the positions of External Members will be completed by the CEO or a Council appointed Selection Panel for recommendation to Council.
- 4.4 Appointments of External Members will be approved through absolute majority of Council based on experience and qualifications in any or all of the following:
  - a. Financial Management/reporting;
  - b. Risk Management;
  - c. Information and Systems Technology;
  - d. Audit Committee practices;
  - e. Internal audit; and
  - f. Experience in or knowledge of regional local government.
- 4.5 The external member shall be paid in accordance with s.5.100 of the Local Government Act and as determined by the Salary and Allowance Tribunal.
- 4.6 Council will appoint one of the ARIC External Members as Presiding Member. The Presiding Member will:

- ensure an efficient and effective meeting process in accordance with the relevant Meeting Procedures Local Law;
  - foster a positive culture within the meeting that provides an opportunity for all attendees to participate, and promotes openness and honesty,
  - encourage appropriate questioning;
  - ensure the clarity of the roles of Elected Members and Officers; and
  - ensure clarity of the recommendations to the Council.
- 4.7 Council will appoint the remaining External Member as the Deputy Presiding Member who, in addition to their role as ARIC External Member, will also act as Presiding Member if the Presiding Member is unwilling or unable to act in the role.

## **5. Meetings**

- 5.1 ARIC Meetings will be held at least twice per year, and a schedule will be set annually in advance.
- 5.2 Additional meetings may be convened at the request of the Presiding Member and/or CEO to deal with topical or urgent matters.
- 5.3 Where there are no items for discussion at a particular ARIC meeting, the meeting may be cancelled at the direction of the Presiding Member and/or the CEO.
- 5.4 ARIC meetings will be convened by the CEO, as required by the Meeting Schedule above.
- 5.5 The ARIC deliberations will be resolved by simple majority vote with each Committee member being entitled to one vote. The Presiding Member of the Committee will have a casting vote in addition to his/her deliberative vote in the case of an equality of votes for and against a motion.
- 5.6 A quorum for the ARIC is at least 50% of the members.
- 5.7 The ARIC's recommendations must be considered and adopted by the Council before implementation.

## **6. Delegated Authority**

There is no delegated authority (under s5.16 of the *Local Government Act*) associated with ARIC.

## **7. Remuneration of External Members**

- 7.1 Remuneration of ARIC External members will be in accordance with section 5.100 of the Local Government Act.
- 7.2 The extent to which external members can be reimbursed shall be as determined by the Salaries and Allowances Tribunal.

## **8. Administration**

Shire officers, under the general direction of the CEO, will:

- a. be responsible for coordinating ARIC meetings;
- b. prepare and circulate a Meeting agenda to all Committee members and required officers;

- c. record minutes of the ARIC meeting, including any actions to be taken;
- d. take and record a video/audio record of any ARIC Meeting
- e. make ARIC Minutes available to all ARIC Members and required officers and publish on the Shire website and
- f. Present any ARIC Recommendations to Council meetings for determination.

#### **9. Code of Conduct**

Elected Members and external ARIC Members are bound by the Shire of Moora Code of Conduct for Elected Members, Committee Members and Candidates.

Shire Officers are bound by the Shire of Moora Code of Conduct for Employees.