

 Wattle Range COUNCIL	CHARTER #12	Version:	2
	Wattle Range Council Audit and Risk Committee	Date Adopted:	27/11/2018
		Next Review Due:	November 2022

1. COMMITTEE NAME

The name of the Committee shall be the Wattle Range Council Audit and Risk Committee (hereinafter called 'the Committee').

2. ESTABLISHMENT

The Wattle Range Council Audit and Risk Committee is a Committee established by the Wattle Range Council (hereinafter called 'the Council') pursuant to Section 126 of the Local Government Act, 1999 (hereinafter referred to as 'the Act') on Tuesday 14th March 2006 (Refer to Folio 3633; Item 11.1.18) and reviewed on Tuesday 13th February 2007 (Refer to Folio 3805; Item 11.1.2) reviewed on Tuesday 17th June 2015.

3. PURPOSE FOR WHICH THE COMMITTEE IS ESTABLISHED

The Wattle Range Council Audit and Risk Committee is a Committee charged with the responsibilities of undertaking the functions detailed in section 126 of the Local Government Act 1999, namely reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; liaising with the council's auditor and reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis. (Hereinafter called "the purpose").

4. ROLE OF THE COMMITTEE

4.1 Financial reporting

- 4.1.1 The Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.
- 4.1.2 The Committee shall review and challenge where necessary:
- The consistency of, and/or any changes to, accounting policies;
 - The methods used to account for significant or unusual transactions where different approaches are possible;
 - Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
 - The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
 - All material information presented with the financial statements

4.2 Internal controls and risk management systems

The Committee shall:

- Keep under review the effectiveness of the Council's internal controls and risk management systems; and

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- Review and recommend the approval, where appropriate, of any material to be included in the annual report concerning internal controls and risk management.
- Note that it is important that the Audit Committee understands the business of the Council to appreciate the risks it manages on a daily basis, and to ensure that there are appropriate management plans to manage and mitigate those risks. This will include insurance matters, financial reporting, legal and regulatory compliance, business continuity, and statutory compliance. This can be facilitated by discussions with the internal and external auditors and by presentations by management on how business risks are identified and managed.

4.3 Whistle blowing

The Committee shall review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial recording or reporting or other matters. The Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

4.4 Internal audit (if applicable where a Council has a separate internal audit function)

The Committee shall:

- Monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system;
- Consider and make recommendation on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. Note that this may include the review of the areas that have been identified for review and the frequency of review.
- Monitor whether the function of internal audit has adequate standing and is free from management or other restrictions. Whilst internal audit focuses on a Council's systems and procedures, it is important that the internal auditor retains her or his independence and is not subject to any influence from management or Council that impedes her/his ability to report objectively.
- Review all reports on the Council's operations from the internal auditors; Note that the reports to the Audit Committee need not be the detailed reports that are presented to management for their review. Ordinarily a high level review report is all that is required detailing the work undertaken, the findings and management response.
- Review and monitor management's responsiveness to the findings and recommendations of the internal auditor, and where appropriate, meet the "head" of internal audit (internal or outsourced) at least once a year, without management being present, to discuss any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the Principal Member of the Council and to the Presiding Member of the Committee.

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4.5 External audit

The Committee shall:

- Develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter; Consider and make recommendations to the Council, in relation to the appointment, re-appointment and removal of the Council's external auditor.
- The Committee shall oversee the selection process for new auditors and if an auditor resigns the Committee shall investigate the issues leading to this and decide whether any action is required;

4.5.1 Oversee Council's relationship with the external auditor including, but not limited to:

- Recommending the approval of the external auditor's remuneration, covering fees for both audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
- Recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
- Assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
- Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
- Monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
- Assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the Audit Committee's own internal quality procedures;

4.5.2 Meet as needed with the external auditor.

- The Committee shall meet the external auditor at least once a year, with or without management being present; to discuss the external auditor's report and any issues arising from the audit;
- Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement;

4.5.3 Review the findings of the audit with the external auditor, including but not be limited to, the following;

- A discussion of any major issues which arose during the external audit;
- Any accounting and audit judgements; and
- Levels of errors identified during the external audit.

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- Review the effectiveness of the external audit
- 4.5.4 Review any representation letter(s) requested by the external auditor before they are signed by management;
- 4.5.5 Review the subsequent audit management letter from the external auditor and management's proposed response, by the Council, to the external auditor's findings and recommendations in that audit management letter.

4.6 Reporting responsibilities

The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.

5. MEMBERSHIP

1. The Committee shall consist of five (5) members, who shall be appointed by Council as follows: -
 - a) The Mayor.
 - b) One (1) person who is not a member of the council and who is determined by the council to have financial experience relevant to the functions of an audit committee.
 - c) Three (3) Elected Members appointed by Council.
2. Any person appointed pursuant to sub clause 1 hereof shall be appointed for a term of four (4) years to coincide with the Council's general elections or other such term determined by the Council.
3. Council shall invite nominations from the public from persons with appropriate experience for appointment to the Committee pursuant to sub clause 1 (b) hereof.
4. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required (by the conflict of interest provisions in the Act) not to vote, each member must vote on every matter that is before the Committee for decision. However, other individuals *such as the Chief Executive Officer, Director of Corporate Services, Manager Financial Services and if applicable the heads of risk, compliance* normally would attend any meeting as observers and/or be responsible for preparing papers for the Committee. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act and subsequently retained as confidential under Section 91 of the Act, are also required to be made available to the public.
5. Council's external auditors and internal auditors (if applicable) may be invited to attend meetings of the Committee.
6. Appointments to the Committee from among the Elected Members of Council shall be for a period of up to four years, or until the end of the term of the Council. Independent member(s) of the Committee shall be appointed for a period of up to four years commencing part-way through an election cycle, so that their terms overlap each Council election and provide some continuity. Appointees may be reappointed by Council.

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6. REGISTER OF INTEREST

The provisions of Chapter 5; Part 4; Division 2 of the Local Government Act, 1999 do apply to members of the Committee.

7. PRESIDING MEMBER

1. The Committee shall appoint a Presiding Member to be chosen by the members of the Committee from amongst their own number and shall hold office for such term as may be determined by the Committee.
2. The Presiding Member shall preside at all meetings of the Committee and in the event of the Presiding Member being absent from a meeting, the members present shall appoint a member who shall preside for that meeting or until the Presiding Member is present.

8. DUTIES OF THE PRESIDING MEMBER

The Presiding Member shall –

1. Call all meetings of the Committee in accordance with Clause 9;
2. Preside at all meetings of the Committee at which he or she is present and preserve order there at so that the business may be conducted in due form and with propriety;
3. Upon confirmation of the minutes sign them in the presence of the meeting.

9. CALLING OF MEETINGS

1. The Members of the Committee shall meet at least four (4) times per annum.
2. The Presiding Member may convene a special meeting of the Committee at his or her own volition and shall convene a meeting upon the written demand of at least two members of the Committee.
3. Subject to the provisions of sub-clause (4) hereof, notice of each meeting, confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than (3) clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.
4. The Presiding Member may call a special meeting of the Committee at any time provided that notice of such meeting shall be given to all members at least four hours before the commencement of the meeting.

10. QUORUM

The quorum necessary for the transaction of business shall be 50% of the number of members of the Committee plus one or a specified number. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

11. PROCEEDINGS OF MEETINGS

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The meeting procedures of the Committee shall be in accordance with the provisions of the Local Government (Procedures at Meetings) Regulations 2013.

12. SECRETARY

The Chief Executive Officer (or their nominee) shall be the Secretary of the Committee.

13. MEETING MINUTES

The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance are minuted and that the minutes otherwise comply with the requirements of the Local Government (Procedures at Meetings) Regulations 2013.

Minutes of Committee meetings shall be circulated within five days after a meeting to all members of the Committee and to all members of the Council for information and consideration and will (as appropriate) be available to the public.

14. DIRECTION BY COUNCIL

The Committee is subject to the direction and control of the Council. A direction given by the Council must be in writing.

15. OTHER MATTERS

The Committee shall:

- Have access to reasonable resources in order to carry out its duties;
- Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- Give due consideration to the Act and regulations made under the Act;
- Make recommendations on co-ordination of the internal and external auditors;
- Oversee any investigation of activities which are within its charter; and
- Oversee action to follow up on matters raised by the external auditors;
- At least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.

16. AMENDMENTS, ALTERATIONS AND ADDITIONS TO THE RULES

These rules may be amended, altered or added to by a resolution of the Council made pursuant to Schedule 2 clause 3(5) of the Local Government Act, 1999.

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17. ADOPTION & AMENDMENT HISTORY

The table below sets out the adoption, review and amendment history of the policy.

Version No:	Issue Date:	Authorised by:	Description of Change:	Minutes Reference:
1	14/03/2006	Council	Adopted	Folio 3633; Item 11.1.18
2	13/02/2007	Council	Reviewed	Folio 3805; Item 11.1.2
3	17/06/2015	Council	Reviewed	
4	27/11/2018	Council	Name amended from Wattle Range Council Audit Committee to Wattle Range Council Audit and Risk Committee	Folio 7984; Item 13.1.4.1

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