

## Audit, Risk & Improvement Committee

### Definitions

**CEO** means the Chief Executive Officer

**Committee** means the Audit, Risk and Improvement Committee

**Council Deputy Members** mean Deputies to Council Member Committee Members

**Independent Deputy Member** means the independent person appointed by Council to be the Deputy to the Independent Committee Member

**Independent Committee Member** is the independent person appointed by Council to be the Independent Committee Member and Presiding Member of the Committee.

**Shire** means the Shire of East Pilbara

**The Act** means the *Local Government Act 1995*

**The Regulations** means the *Local Government (Administration) Regulations 1996*

### Purpose

The purpose of the Committee is to provide assurance and independent advice to Council to support good governance, effective risk management, legislative compliance, financial reporting, integrity and continuous improvement across the organisation.

### Functions

#### 1. External Audit

The Committee is to:

- 1.1. Review reports of external audits conducted under Part 7 of the Act.
- 1.2. Consider management responses to audit findings and recommendations.
- 1.3. Monitor the implementation of agreed audit actions.
- 1.4. Provide advice and recommendations to Council in respect of external audit outcomes.
- 1.5. Liaise, where appropriate, with the Office of the Auditor General regarding audit matters.
- 1.6. Review the annual financial report and associated notes prior to adoption by Council.
- 1.7. Consider significant accounting policies, estimates, judgements and any material financial reporting issues
- 1.8. Consider the local government's financial sustainability and any issues raised by the external auditor in relation to financial position or performance.

## 2. Compliance Audit

The Committee is to:

- 2.1. Review the annual Compliance Audit Return prepared under the Audit Regulations.
- 2.2. Review the CEO's report on the results of the compliance audit.
- 2.3. Make recommendations to Council regarding the adoption of the Compliance Audit Return.
- 2.4. Monitor the implementation of corrective actions arising from compliance audits.

## 3. CEO System Reviews (Financial Management, Risk and Compliance)

The Committee is to:

- 3.1. Receive and review reports provided by the CEO regarding:
  - the appropriateness and effectiveness of financial management systems;
  - systems and procedures for compliance with statutory obligations;
  - risk management systems and internal control frameworks.
- 3.2. Assess the effectiveness of the local governments' internal control environment, including policies, procedures and controls for financial management, risk and legislative compliance.
- 3.3. Provide recommendations to Council for improvement where required.

## 4. Risk Management Oversight

The Committee is to:

- 4.1. Oversee the effectiveness of the local government's enterprise risk management framework.
- 4.2. Review the strategic and operational risk registers.
- 4.3. Monitor emerging strategic risks.
- 4.4. Monitor the implementation of risk mitigation strategies.

## 5. Internal Audit / Review Functions

The Committee is to:

- 5.1. Review and endorse internal audit plans prior to implementation (where delegated).
- 5.2. Receive and review internal audit reports.
- 5.3. Monitor management's implementation of internal audit recommendations.
- 5.4. Review the effectiveness of the internal audit function.

## 6. Governance and Improvement

The Committee is to:

- 6.1. Promote continuous improvement in governance, financial management and compliance systems.
- 6.2. Review policies and frameworks relevant to audit, risk and compliance.
- 6.3. Provide advice to Council on emerging regulatory requirements.
- 6.4. Monitor the implementation of recommendations from external reviews and investigations where referred to the Committee.

## **Membership**

1. The Committee will consist of four (4) members, comprising:
  - One (1) Independent Member, who will act as Presiding Member; and
  - Three (3) Council Members [s.7.1A(3) of the Act].
2. All Committee members shall have full voting rights and will be appointed by an absolute majority of the Council [s5.10(1)(a) of the Act].
3. The CEO and/or their nominee is to attend all meetings to provide advice and guidance to the Committee.
4. Council must appoint one (1) Independent Deputy Member and may appoint up to three (3) Council Deputy Members.
5. The Independent Deputy Member must attend when the independent member is absent, and must act as the Presiding Member.
6. A deputy of a member of a committee, while acting as a member, has all the functions of and all the protection given to a member [s.5.11A(2)(a)(3) and (4) of the Act].
7. Council Deputy Members are not deputies to specific Council Members. In the circumstances of more than one Council Deputy Member being present, the Committee shall vote to determine the Council Deputy Member entitled to exercise the functions of the absent member.
8. A deputy member may attend as a voting member only in place of an appointed council member.
9. All Council Members may attend the Committee.
10. Committee Membership will cease on the day of the first Ordinary Election following appointment. Council may reappoint a Committee Member.
11. The Independent Member and Deputy Member are entitled to a sitting fee per meeting as set by Council in accordance with the Salaries and Allowances Tribunal determination. The Shire will meet the costs of travel associated with attendance.

## **Meetings**

1. The Committee shall meet at least four (4) times each year, generally on a quarterly basis, as set by the Committee.

2. The Chief Executive Officer is to call a meeting of the Committee when requested by the President, the Presiding Member of the Committee or any two (2) members of the Committee [cl.3.4 *Shire of East Pilbara Meeting Procedures Local Law 2019*].
3. A Notice of Meeting, including an Agenda, will be circulated to all Committee Members and Council Members at least 72 hours prior to each meeting, and must be published on the Shire's website.
4. The Chief Executive Officer shall ensure that detailed minutes of all meetings are kept and shall provide Council Members with a copy of the unconfirmed minutes, which must be published on the Shire's website within seven (7) days after the meeting is held [r.13(3) of the Regulations].
5. All Committee meetings shall be conducted in accordance with the *Shire of East Pilbara Meeting Procedures Local Law 2019*.

## **Quorum**

The quorum for a meeting of the Committee shall be at least 50% plus one (1) of the appointed members (or deputy member in the absence of a member). The Presiding Member or Independent Deputy Member must be one of the members in attendance to form quorum.

## **Code of Conduct and Conflicts of Interest**

Committee members must conduct themselves in accordance with the *Shire of East Pilbara Code of Conduct for Council Members, Committees and Candidates*.

Committee members must disclose any conflicts of interest and details of the manner in which it is proposed to manage the conflict of interest [s5.65 of the Act].

## **Reporting**

1. The Minutes of each Committee meeting will be reported to Council and published on the Shire's website.
2. Any Committee resolution or recommendation requiring consideration by Council will be reported to Council as soon as practicable.
3. The Committee's Terms of Reference will be published on the Shire's website.

## **Statutory Framework**

The Committee is established under section 7.1A of the Act.

## **Delegated Authority**

1. The Committee has no delegated authority to make decisions on behalf of Council unless expressly delegated in accordance with section 7.1C of the Act.
2. The Committee does not direct the day-to-day operations of the local government or the CEO.
3. Final decision-making authority remains with Council.

## Authorisation Details

<b>References:</b>	<i>Local Government Act 1995</i> <i>Regulation 16 of the Local Government (Audit) Regulations 1996</i> <i>Local Government (Model Code of Conduct) Regulations 2021</i> <i>Shire of East Pilbara Code of Conduct for Council Members, Committee Members and Candidates</i>		
<b>Authorised by:</b>	Council		
<b>Date:</b>	27 February 2026	<b>Minute No.</b>	2026/86
<b>Review/Amendment Date</b>		<b>Minute No.</b>	
<b>Next Review</b>	Following each ordinary council election		
<b>Responsible Directorate</b>	Executive Services		
<b>Responsible Officer</b>	Manager Governance, Risk and Procurement		
<b>File No.</b>			