

ADOPTED	
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Purpose

The Audit, Risk and Improvement Committee (ARIC) is established to provide the elected Council with advisory assurance in respect of Mid-Western Regional Council's risk profile, management controls and compliance frameworks.

Membership

Voting Members

- One Councillor elected by the Council. All other Councillors are welcome to attend as observers with no voting rights unless appointed as an alternate voting member.
- Two independent members appointed by Council.

Attendees (Non-voting)

- General Manager
- Executive Manager People and Performance
- Director Community Chief Financial Officer
- Internal Auditor
- NSW Audit Office and External Auditor
- Other officers of Council may attend by invitation as requested by the Committee
- Councillors and independent members will be appointed for the term of the Council (usually 4 years).
- Independent members will be eligible for re-appointment.
- Council will also appoint an alternate Councillor member to the Committee who will act as a stand-in as required.
- Other Councillors are encouraged by way of open invitation to attend the Committee meetings as observers (non-voting).
- The Chair of the Committee will be an independent member and be elected by the Committee for a two year term.
- A Deputy Chairperson will be an independent member and be elected by the committee.
- Where the Committee is unable to decide who the Chair is to be then the decision will be made by Council.
- The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Council.
- At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

Role of the Committee

The Committee has no delegated powers, except those expressly provided by Council.

The Committee shall:

- Report to Council and provide appropriate advice and recommendations on matters relevant to this Charter.
- Assist Council by providing independent advice to Council on it fulfilling its responsibilities by ensuring that management has an appropriate governance and business framework in place across Council.
- Specifically the ARIC should advise the Council on the following matters:
 - Effectiveness of Council's Enterprise Risk Management Framework in terms of identifying and managing Council's financial and business risks.
 - Effectiveness of key controls including policy, procedure and governance processes.
 - Legislative compliance by the organisation.
 - Effectiveness of external accountability mechanisms.
- At all times recognise that the primary responsibility for the management of Council rests with the Council and the General Manager as defined by the Local Government Act.
- Assist Council to ensure that the services and facilities provided by the Council are managed efficiently and effectively.
- Identify strategies to assist with the continuous improvement of the provision of services and facilities to the community.
- Promote continuous improvement across business processes with a focus on efficiencies and savings.
- The focus of the Committee should only be on matters of significance and materiality.

Responsibilities of the Committee

Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the scope of the Internal Audit Plan.
- Recommend for approval to Council the Internal Audit Plan after consultation with the General Manager.
- Consider the adequacy of Internal Audit resources/funding to carry out its responsibilities including completion of the approved Internal Audit Plan.
- Monitor the status of planned activities of Internal Audit as set out in the adopted Internal Audit Plan.
- Review audit reports and consider significant issues identified and action taken on issues raised.
- Monitor the implementation of internal audit recommendations by management.
- Monitor and assess the performance and effectiveness of Internal Audit.
- Make recommendations on the appointment or removal of the internal auditor.
- Provide strategic advice and guidance to Council to identify, recommend and support initiatives that will provide cost savings to Council.
- Co-operatively engage with other relevant bodies to further promote efficiencies and continuous improvement across Mid-Western Regional Council.

External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Provide input and feedback on the financial statements and performance by external audit and the external audit services provided.
- Consider significant issues raised in relevant external audit reports and provide independent advice on appropriate action to be taken.

Enterprise Risk Management

- Provide advice on the adequacy of Council's current risk management framework, and associated procedures for effective identification and management of Council's financial and business risks,

Members of the committee are encouraged to undertake all relevant training as identified.

Meeting Frequency

- The ARIC will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.
- The need for any additional meetings will be decided by the Chair of the Committee. Reasons could include:
 - Requirements by the NSW Audit Office
 - Committee members may make requests to the Chair for additional meetings.
- A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit Committee Charter.

Independence and Access

- The Committee is to liaise closely with senior management and Internal and External Auditors to carry out its responsibilities. Whilst the primary responsibility for financial and other reporting, internal control and compliance with laws, regulations and ethics within Council rests with the General Manager, the Committee will assist the General Manager through its monitoring and review role.
- The Committee will have, subject to the requirements of the Act, access to relevant information associated with its responsibilities.
- Members of the Committee are encouraged to proactively discuss relevant issues with the General Manager, the External Auditor and/or the Internal Auditor as they arise from time to time.
- The full Committee will meet separately with the External Auditor on at least one occasion each financial year.

Reporting

- The Committee shall report to the Council at the first opportunity (dependant on meeting

- schedules) after each meeting held.
- The Committee may receive and consider reports on:
 - Audit Plans
 - Financial statements
 - Quarterly Management performance against annual plan
 - Special Investigations
 - Reports arising from action items
 - Audit reports prepared quarterly by the Internal Auditor
 - Each year the Committee Chair will provide an annual report to Council including information on the Committee's principal activities during the year.

Meeting Practice

ARIC will establish its own meeting practice ensuring meetings are conducted in accordance with the Local Government Act, comply with Council's Policies but are conducive to open debate.

Attendance and Quorum

A quorum will consist of a majority of Committee members. Meetings can be held in person, by telephone or by video conference.

Voting

As the Committee has an advisory role, its recommendations are made by consensus and no recommendation is deemed to be a decision of Council, unless the matter is referred to the Council for determination. If consensus is not achieved and if required, the matter shall be referred to Council for determination.

Chairperson Role

- The Chairperson shall be an Independent Member
- Should the elected Chairperson be absent, the Deputy Chair shall be the Chairperson
- The agenda will be set by the Chairperson in consultation with the General Manager. Items shall be submitted to the nominated secretary 14 days before the next scheduled meeting date.
- If a Committee member wishes to raise an urgent/late item that is not on the agenda, the Chairperson shall determine the appropriate manner for dealing with the matter in accordance with Council's adopted Code of Meeting Practice.

Administrative Support and Facilitator

Council will ensure appropriate administrative support is available to the Committee. A Facilitator shall be appointed by the General Manager who is responsible for coordinating the preparation of agendas, invitations and minutes of the Committee.

Agenda

The Agenda shall be set by the Chair of the Committee in consultation with the General Manager and will be sent to each member at least one week before each meeting of the Committee, specifying the time and place at which and the date on which the meeting is to be held and the business proposed to be transacted at the meeting.

Minutes

- Minutes of all ordinary/extraordinary Committee meetings will be kept in the Council's Electronic Documents Management System.
- The Facilitator is responsible for recording the minutes, which shall contain:
 - Description of the meeting (i.e. name of Committee, ordinary meeting, etc.), date, time and venue at which the meeting was held.
 - A list of persons present.
 - Notification of endorsement of minutes from previous the meeting.
 - Whether there was business arising from the minutes.
 - Notation of reports or correspondence.
 - Items of general business.
 - Time meeting closed, date and venue for next meeting.
- All minutes must be approved by the Chairperson in consultation with the General Manager and distributed to all members.

Procedure for Changing the Charter

The Charter can only be changed by Council resolution at any time.

The following procedures shall apply for the Committee to propose an amendment of the Charter to Council.

- a) Proposed changes to the Charter shall be submitted to the Committee Facilitator at least 21 days before any Committee meeting so that notice may be given to all members at least 14 days in advance of any meeting.
- b) Proposed changes will require a majority vote of the Committee membership.
- c) Amendments to the Charter will only be effective after a resolution of approval by the Council.

Term of Office

- The Committee shall be appointed for the term of Council within nine calendar months of the Council taking office after an election.
- Council may also dissolve or amend the Committee in anyway by adopting a resolution at any time.

Conflicts of Interest

Committee members must declare any conflict of interest and take appropriate action in accordance with the Code of Conduct at the start of each meeting or before discussion of the

relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Independent members are deemed to be designated persons under Section 441 of The Act and will be required to complete a pecuniary interest return in accordance with Section 449 of the Act.

Induction and Training

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

Vacancy

If for any reason a vacancy in the Committee membership occurs, the position shall be filled by appointment by Council.

Performance

The Chair of the Committee, in consultation with the Mayor and General Manager, will initiate a review of the performance of the Committee every four years.

Confidentiality

Independent members will be required to sign a Declaration of Confidentiality.

Review of the Charter

- This Charter shall be reviewed every four years by Council to ensure it remains current, professional and meets legislative requirements.
- Any Proposed amendments to the Charter can only be implemented following the approval by Council.