



Audit, Risk and Improvement Committee Terms of Reference

Establishment

The Audit, Risk and Improvement Committee is established by the City of Subiaco under section 7.1A(1) of the *Local Government Act 1995*.

Objective

The objective of the Audit, Risk and Improvement Committee is to oversee the annual internal audit program, liaise with the City's internal and external auditors so that Council can be satisfied with the performance of the City in managing its financial and compliance obligations and advising on risks to local government operations.

Areas of responsibility

Regulation 16 of the *Local Government (Audit) Regulations 1996* provides that an Audit, Risk and Improvement Committee has the following functions:

- (a) to receive and review reports on, and recommend to the council actions to be taken in relation to —
 - (i) audits under Part 7 of the Act; and
 - (ii) compliance audits; and
 - (iii) reviews under regulation 17;
- (b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —
 - (i) financial management; and
 - (ii) legislative compliance; and
 - (iii) risk management;
- (c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —
 - (i) is required to take under section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and
 - (iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);
- (d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.

In addition to the legislative functions of an Audit Committee, the Audit, Risk and Improvement Committee is to:

- Oversee and recommend the adoption of a three year Strategic Internal Audit Plan;
- Review audit reports and monitor the implementation of their recommendations;
- Meet at least once with the City's external auditors to review their activities;
- Recommend the appointment to Council of the City's internal auditor;
- Monitor a risk identification program and recommend strategies to Council to address risk;
- Consider specific risks referred to it from Council.

Membership

- Three (3) Elected Members of Council.
- Two (2) independent members, to be appointed by Council as Presiding Member and Deputy Presiding Member.

The independent members are to be representatives of the community with local government experience and/or formal auditing, accounting or company director experience.

They are each to be remunerated \$450 per meeting. Independent members may also be eligible for reimbursement of expenses in connection to the role.

Meetings

The Committee meets as required, and at least three times per year. Special meetings can be initiated by any Committee Member or the internal auditor.

Delegated Authority

There are no powers delegated to this Committee.

Reporting

Recommendations from this Committee will be referred to Council for consideration.

Term

Appointment is for two years or until the next ordinary local government election day (whichever occurs first) and members are eligible for re-appointment.