



Audit and Risk Committee Terms of Reference

Establishment

The Audit and Risk 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 and Risk 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* provides that an Audit Committee has the following functions:

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by 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 accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

In addition to the legislative functions of an Audit Committee, the Audit and Risk 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.
- One (1) representative of the community with local government experience and/or formal auditing, accounting or company director experience.

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.