

Audit and Risk Committee Policy

Local Government Act 2009

1. Policy Statement

The Audit and Risk Committee is established and operated in accordance with the requirements of Section 208 of the *Local Government Regulation 2012* and Section 105(2) of the *Local Government Act 2009*. To complement the scope areas in the legislation, the Committee objectives will also include risk management and governance.

2. Principles

The Audit and Risk Committee provides an independent forum where representatives of Council, independent external specialists and management work together to fulfill specific governance responsibilities as set out in the Terms of Reference.

3. Scope

This policy applies to Council Audit and Risk Committee. The responsibilities of the Audit and Risk Committee including assurance, oversight, and advisory responsibilities are outlined in the Audit and Risk Committee Terms of Reference.

4. Responsibility

The Audit and Risk Committee is an advisory body and has no line of authority however the Committee has full right of access to all levels of management through the Chief Executive Officer.

The Terms of Reference sets out the specific responsibilities as defined in section 105 (4) of the *Local Government Act 2009* and section 208 to 211 of the *Local Government Regulation 2012* delegated by Council to the Committee and details the manner in which the Audit and Risk Committee will operate.

5. Definitions

Independent External Specialist - a professional, experienced individual appointed to the Audit and Risk Committee by Council who is independent of the Council.

Internal Auditing - An independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

6. Policy

The Audit and Risk Committee operates in accordance with the requirements of section 105 (2) of the *Local Government Act 2009* and sections 208 to 211 of the *Local Government Regulation 2012*, and the Audit and Risk Committee Terms of Reference.

Council will appoint an Audit and Risk Committee, which will include Councillors and Independent External Specialists and may from time to time alter the membership of such Committee. The composition of the committee will be in accordance with section 210 of the *Local Government Regulation 2012*.

The Audit and Risk Committee provides independent assurance, oversight and advice to Council and Executive Management. The core functions and responsibilities of the Audit and Risk Committee will include, but are not limited to, review and monitoring the appropriateness of Council's:

- integrity of financial statement/documents;
- internal audit;
- effectiveness, independence and objectivity of internal auditors;
- engagement with external audit;
- risk management;
- adequacy of internal controls;
- legislative and policy compliance; and,
- governance.

The Audit and Risk Committee will review and make recommendations to Council on any matters that the Committee consider need action or improvement, within the scope of its responsibilities as outlined in the Audit and Risk Committee Terms of Reference.

The Audit and Risk Committee will develop and maintain with the approval of Council, an Audit and Risk Committee Terms of Reference setting out how the Audit and Risk Committee will operate including how it will fulfil the obligations imposed by the relevant regulations.

7. Review

This Policy shall be reviewed annually or when related legislation is amended or other circumstances as determined by Council.

8. Legal Parameters

Local Government Act 2009

Local Government Regulation 2012

9. Associated Documents

Audit and Risk Committee Terms of Reference

Internal Audit Charter

Internal Audit Policy