

AUDIT RISK AND IMPROVEMENT COMMITTEE

TERMS OF REFERENCE

1. PURPOSE

The Audit, Risk and Improvement Committee has the role and responsibilities of an Audit Committee as defined by Section 105 the *Local Government Act 2009* and Subdivision 2 of Chapter 5 of the *Local Government Regulation 2012*. The Committee has an oversight role in the areas of:

- Reviewing financial statements and public accountability performance reporting
- Monitoring and reviewing the internal audit function
- Monitoring and reviewing the effectiveness and objectivity of the internal auditors
- Reviewing the effectiveness of governance, risk management & controls and fraud control measures
- Reviewing reports from the Queensland Auditor-General and their appointed external auditors about external audit findings
- Reviewing reliability of management information
- Promoting economy, efficiency, effectiveness and ethical culture
- Monitoring compliance with laws, regulations, standards and good practice
- Reviewing reports from regulatory bodies and associated recommendations.

2. MEMBERSHIP

- 2.1 In accordance with Section 210 of the *Local Government Regulation 2012*, membership of the Committee will consist of at least three members but no more than six and will include no more than two Councillors. One of the members will have significant skills in financial matters.
- 2.2 Council will appoint one of the Committee members as Chairperson. It is Council preference that the Chairperson be one of the external Committee Members.
- 2.3 Council will consider the rotation of Committee memberships, which is accepted as the best practice model for ensuring ongoing independence and objectivity whilst retaining a degree of continuity via a core of experience.

Councillor Appointments

- 2.4 Council will nominate two Councillor appointments on a voluntary rotational basis with a minimum appointment period of 18 months. In addition, Council will nominate two alternative proxy members to attend on behalf of a current Councillor representative who is unable to attend. It is desirable and beneficial for proxy members to always attend and observe meetings for continuity of knowledge if required to participate due to an absence.
- 2.5 Council considers there is benefit in elected member representation being a mix of new and experienced Councillors where practical and accordingly will rotate Councillor appointments in the middle of an election term.
- 2.6 The Mayor is a non-voting Ex Officio member of the Committee.
- 2.7 Elected Councillors who are not sitting members of the Committee may attend meetings as Observers.

External Appointments

- 2.8 Council will appoint a minimum of two external members to the Committee through an expression of interest process.
- 2.9 External appointments will be for a maximum five-year term, unless sooner terminated by the resignation or dismissal of a member. Appointment of external members will be for an initial period of up to 18 months as determined by Council, with a further term up to the maximum tenure being subject to mutual agreement between Council and the external appointee.
- 2.10 Replacement appointments for a member who resigns or is dismissed, will be limited to the end of the original serving member's term. *(For example, if a member resigns at the end of their fourth year, the replacement appointment will be for one year only.)*
- 2.11 Recruitment for external appointments will be undertaken on a staged basis. This staged approach will continue on a rolling basis with recruitment anticipated to commence within 12 months prior to expiry of an external member's term.

Other Attendees

- 2.12 The Chief Executive Officer, the General Manager Finance Governance and Risk, Principal Internal Auditor and the Manager Governance and Risk should attend all meetings but are not members and have no voting rights.
- 2.13 General Managers and their nominated officers will attend to present relevant agenda report items.
- 2.14 External Auditors and representatives of the Queensland Audit Office are invited to attend any or all meetings as they consider appropriate and as it relates to Audit and Finance matters.
- 2.15 Ethics Integrity and Audit representatives may attend meetings as observers.

Training

- 2.16 New members of the Audit, Risk and Improvement Committee will be inducted by Ethics Integrity and Audit and will be provided with material to allow the member to familiarise themselves with the environment and to facilitate their understanding of its principal operations and activities, corporate practices and culture.
- 2.17 External Members are responsible for managing and funding their own ongoing professional training and development.

3.0 ROLE OF MEMBERS

- 3.1 Members of the Committee must discharge their duties and responsibilities as outlined in the purpose above with integrity, objectivity and without bias or prejudice and not engage knowingly in acts or activities that have the potential to bring discredit to Council or be considered a conflict of interest.
- 3.2 Members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must act in a proper and prudent manner in the use of information acquired in the course of their duties.

- 3.3 Members must not use information obtained through their position on the Committee for any personal gain for themselves or their immediate family, or in any manner that would be contrary to law, or detrimental to the welfare and goodwill of Council.
- 3.4 Members must not publicly comment on matters relative to activities of the Committee other than as authorised by Council.
- 3.5 The Audit, Risk and Improvement Committee will uphold the Audit, Risk and Improvement Committee Charter and will review the Charter at least annually.

4.0 MEETINGS AND ADMINISTRATION

- 4.1 The Committee will meet at least four times per financial year and the Chief Executive Officer may call additional meetings if requested to do so by any Committee member, or the internal or external auditors.
- 4.2 The committee will be invited to present informally to Council on progress of the committee every six months.
- 4.3 A meeting quorum shall consist of three members and a quorum is required for the Committee to meet.
- 4.4 External audit shall be given notice of all meetings and sent an agenda and have the right to attend and speak at meetings.
- 4.5 Agendas will be circulated at least five working days before the day of a meeting, if practicable, to the Audit, Risk and Improvement Committee members and other attendees included under Section 2 – Membership.
- 4.6 Minutes will be kept for each meeting and prepared by Governance and Risk as soon as possible after the meeting but no later than one month following the meeting.
- 4.7 Members of the committee are required to provide declarations of any conflicts of interest or related parties they may have in relation to their responsibilities. Declarations will be recorded in the minutes. Where there is a conflict of interest declared and the member wishes to remain for consideration of the relevant agenda item, the committee will decide if it is appropriate to do so.
- 4.8 Meetings will provide the opportunity for the Audit, Risk and Improvement Committee members to meet with internal audit and/or external audit without management being involved.
- 4.9 The Committee will provide Council with a summary of the issues and achievements for the year and will contribute to Council's Annual Report where required.

5.0 DECISION-MAKING

- 5.1 The Committee is not a decision-making body, but it can make recommendations to Council that aligns with its purpose.

DATE OF ADOPTION: xx/xx/2025