

**AUDIT, RISK AND GOVERNANCE COMMITTEE**  
**TERMS OF REFERENCE**  
**(Adopted 24 February 2023)**

<b>Name</b>	Audit, Risk and Governance Committee
<b>Definitions</b>	<p><b>CEO</b> means the Chief Executive Officer</p> <p><b>Committee</b> means the Audit, Risk and Governance Committee</p> <p><b>Shire</b> means the Shire of East Pilbara</p> <p><b>The Act</b> means the <i>Local Government Act 1995</i></p>
<b>Purpose</b>	<p>The objectives of the Committee are to oversee:</p> <ol style="list-style-type: none"> <li>1. The credibility and objectivity of financial reporting;</li> <li>2. The effective management of financial and other risks and protect Council assets;</li> <li>3. Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;</li> <li>4. The provision of an effective means of communication between the external auditor, the CEO and Council;</li> <li>5. The scope of work, objectivity, performance and independence of the external and internal auditors; and</li> <li>6. The process and systems which protect against fraud and improper activities.</li> </ol>
<b>Powers</b>	<p>The Committee has the authority to undertake the following:</p> <ol style="list-style-type: none"> <li>1. Review the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken;</li> <li>2. Request the CEO to seek information or advice in relation to matters considered by the Committee;</li> <li>3. Formally meet with internal and external auditors as necessary;</li> <li>4. Seek resolution on any disagreements between management and the external auditors on financial reporting; and</li> <li>5. Make recommendations to Council with respect to matters within its scope of responsibility.</li> </ol>
<b>Membership</b>	<ol style="list-style-type: none"> <li>1. The Committee will consist of three (3) Councillors as members. All members shall have full voting rights and will be appointed by an absolute majority of the Council [s5.10(a)(1) of the Act]. <ol style="list-style-type: none"> <li>a. At any given time each Councillor is entitled to be a member of at least one committee of the Council (where either only Councillors or only Councillors and employees are members of such a committee) and if a Councillor nominates themselves to be a member of the Committee and is not a member of any other committee (constituted only by Councillors or by Councillors and Shire employees), Council must appoint that Councillor to the Committee as one of the three (3) members [s.5.10(2)].</li> </ol> </li> </ol>

	<ol style="list-style-type: none"> <li>2. The CEO and employees are not members of the Committee [s.7.1A(3)&amp;(4) of the Act].</li> <li>3. The CEO and/or their nominee is to attend all meetings to provide advice and guidance to the Committee.</li> <li>4. Council may appoint by an absolute majority up to three (3) Councillors to be deputy members of the Committee. Any deputy member may perform the functions of any Councillor member when the member is unable to do so by reason of illness, absence or other cause. A deputy of a member of a committee, while acting as a member, has all the functions of and all the protection given to a member [ss.5.11A(2)(a),(3) and (4) of the Act].</li> <li>5. Deputy members are not deputies to specific members. In the circumstances of more than one deputy member being present at a meeting of the Committee, the Committee shall vote to determine the deputy member entitled to exercise the functions of the absent member.</li> <li>6. A deputy member may attend only in place of an appointed councillor member.</li> </ol>
<b>Meetings</b>	<ol style="list-style-type: none"> <li>1. The Committee shall meet as required, but must hold a minimum of four (4) meetings in any one calendar year as set by Council.</li> <li>2. Additional meetings may be scheduled by decision of the Council or the Committee, or at the request of the President, the Presiding Member of the Committee or any two (2) members of the Committee [cl.3.4 <i>Shire of East Pilbara Meeting Procedures Local Law 2019</i>].</li> <li>3. A Notice of Meeting, including an Agenda, will be circulated to the Committee Members (including any deputy members) at least 72 hours prior to each meeting, and must be published on the Shire's website.</li> <li>4. The Chief Executive Officer shall ensure that detailed minutes of all meetings are kept and shall provide the Committee members (including deputy members) with a copy of such minutes.</li> <li>5. All Committee meetings shall be conducted in accordance with the <i>Shire of East Pilbara Meeting Procedures Local Law 2019</i>.</li> </ol>
<b>Quorum</b>	The quorum for an Audit Committee meeting shall be at least (3) of the endorsed members.
<b>Reporting</b>	<ol style="list-style-type: none"> <li>1. The Minutes of each Committee meeting will be reported to Council and published on the Shire's website.</li> <li>2. Any Committee resolution or recommendation requiring consideration by Council will be reported to Council as soon as practicable.</li> <li>3. The Committee's Terms of Reference will be published on the Shire's website.</li> </ol>

<b>Legislative Reference</b>	The Committee is established under section 7.1A of the Act.
<b>Delegated Authority</b>	The Committee is an advisory committee appointed by and reports to Council. The Committee provides appropriate advice and recommendations to the Council on matters relevant to its Terms of Reference. This is in order to facilitate informed decision making by the Council in relation to legislative functions and duties of the local government that have not been delegated to the CEO.

<b>References:</b>	Local Government Operational Guidelines Number 09 (September 2013) – Appendix 1 Model Terms of Reference – Audit Committees		
<b>Authorised by:</b>	Council		
<b>Date:</b>	24 February 2023	<b>Item No.</b>	11.1.3
<b>Review/Amendment Date</b>		<b>Item No.</b>	
<b>Review/Amendment Date</b>		<b>Item No.</b>	
<b>Next Review</b>	Following each ordinary local government election		
<b>Responsible Directorate</b>	Office of the Chief Executive Officer		
<b>Responsible Officer</b>	Manager Governance, Risk and Procurement		
<b>File No.</b>			