

TERMS OF REFERENCE

Shire of
Kellerberrin

Committee: Audit Committee

Responsible Officer: Deputy Chief Executive Officer **Version:** Current

1. INTRODUCTION

The Council of the Shire of Kellerberrin has established an Audit Committee (the Committee) pursuant to Part 7 of the *Local Government Act 1995* (the Act).

The Committee is established to fulfil the requirements of Local Government (Audit) Regulation 16, and provides oversight of the financial systems of the local government.

The Committee operates to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to financial reporting and audit, internal audit and risk management.

The Committee is to provide guidance and assistance to the local government as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and the process to select and appoint an auditor.

The Committee shall act in accordance with the provisions of the Act, the local laws and policies of the Shire of Kellerberrin and these Terms of Reference.

2. OBJECTIVE

The objectives of the Roadworks Committee are:

To monitor the annual external audit and to liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

To ensure openness in the local government's financial reporting and to liaise with the Chief Executive Officer (or his representative) to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

To facilitate:

- the enhancement of the credibility and objectivity of external financial reporting;
- compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
- the provision of an effective means of communication between the external auditor, the Chief Executive Officer (or his representative) and the Council; and
- the effective conduct of internal audit and risk management activities.

The following specific duties and responsibilities have been given to the Committee in order to facilitate the achievement of its objectives:

- to review the report prepared by the Chief Executive Officer on any actions taken in respect of any matters raised in the report of the auditor and to present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the auditor is received, whichever is the latter;
- to formally meet with the auditor in accordance with the requirements of Section 7.12(A)(2) of the Act on behalf of the local government;
- to review the compliance audit return in accordance with Audit Regulation 14(3A); and
- to review reports provided by the CEO relating to the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Regulation 16(c).

3. MEMBERSHIP

The full council will be appointed to the Audit Committee.

4. PRESIDING MEMBER

The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the *Shire of Kellerberrin Local Government (Council Meetings) Local Law 2016* and this document.

5. MEETINGS

- The Committee shall meet at least two times per year.
- Notice of meetings shall be given to members at least three days prior to each meeting.
- The Presiding Member shall ensure that minutes of all meetings are kept in accordance with the *Shire of Kellerberrin Local Government (Council Meetings) Local Law 2016* and presented to Council where all recommendations will be considered.
- All members of the Committee shall have one vote. If the vote of the members present is equally divided, the person presiding shall cast a second vote.

6. QUORUM

Quorum for a meeting shall be at least 50% of the number of offices, whether vacant or not.

7. DELEGATED POWERS

Pursuant to section 5.17 of the Act, the Committee is delegated the power to conduct the formal meeting with the Shire's Auditor required by Section 7.12(A)(2) on behalf of the local government.

In all other matters, Committee recommendations shall not be binding on Council and must be endorsed by Council to take effect.

8. TERMINATION OF COMMITTEE

Termination of the Committee shall be:

- a) In accordance with the *Local Government Act 1995*; and

9. AMENDMENT TO THE TERMS OF REFERENCE

This document may be altered at any time by the Council.

10. HISTORY

Council Adoption	Date	23 October 2019	Resolution #	MIN182/19
Previous Adoption	Date		Resolution #	