



AUDIT, RISK AND IMPROVEMENT COMMITTEE TERMS OF REFERENCE

1. Purpose

The purpose of the Audit, Risk and Improvement Committee (ARIC) is to advise the Council in relation to internal and external audit, compliance, risk management and improvement matters as well as the Shire of Brookton financial statements.

2. Objectives

The ARIC is a Committee of Council established under s7.1A and s5.8 of the *Local Government Act 1995*, with the following responsibilities:

- a. The integrity of the Shire's annual financial statements;
- b. Compliance with legal and statutory audit requirements, including the Department of Local Government annual Compliance Audit Return;
- c. External audit;
- d. The Shire's internal audit program, including Service Reviews and improvement opportunities; and
- e. The Shire's risk management framework.

3. ARIC Members

3.1 Membership of the ARIC will include

- a. all Councillors
- b. two External Members.

3.2 In accordance with 7.1A(2) of the *Local Government Act 1995* all members of the ARIC will be appointed by an absolute majority decision of the Council.

3.3 Shire of Brookton employees, whilst not permitted to be members of the ARIC, will be required to attend meetings of the ARIC to provide advice, guidance and responses to the Committee.

3.4 External presenters may be invited to attend the meetings, based on topical matters.

4. External Members

- 4.1 External Members will not have a direct association with the Shire of Brookton as a business entity, either as an Elected Member, an officer or as a closely associated person

of an Elected Member or Officer.

- 4.2 The appointment of an External members shall be made by the Council, by way of a public advertisement and be for a term of two years.
- 4.3 A review of applications for the positions of External Members will be completed by the CEO for recommendation to Council.
- 4.4 Appointments of External Members will be approved through absolute majority of Council based on experience and qualifications in any or all of the following:
 - a. Financial Management/reporting;
 - b. Risk Management;
 - c. Information and Systems Technology;
 - d. Audit Committee practices;
 - e. Internal audit; and
 - f. Experience in or knowledge of regional local government.
- 3.5 The external member shall be paid in accordance with s.5.100 of the Local Government Act and as determined by the Salary and Allowance Tribunal.
- 4.5 Council will appoint one of the ARIC External Members as Presiding Member. The Presiding Member will:
 - ensure an efficient and effective meeting process in accordance with the relevant Meeting Procedures Local Law;
 - foster a positive culture within the meeting that provides an opportunity for all attendees to participate, and promotes openness and honesty,
 - encourage appropriate questioning;
 - ensure the clarity of the roles of Elected Members and Officers; and
 - ensure clarity of the recommendations to the Council.
- 4.6 Council will appoint the remaining External Member as the Deputy Presiding Member who, in addition to their role as ARIC External Member, will also act as Presiding Member if the Presiding Member is unwilling or unable to act in the role.

5. Meetings

- 5.1 ARIC Meetings will be held at least quarterly and a schedule will be set annually in advance.
- 5.2 Additional meetings may be convened at the request of the Presiding Member and CEO to deal with topical or urgent matters.
- 5.3 Where there are no items for discussion at a particular ARIC meeting, the meeting may be cancelled at the direction of the Presiding Member and the CEO.
- 5.4 ARIC meetings will be convened by the CEO, as required by the Meeting Schedule above.
- 5.5 The ARIC deliberations will be resolved by simple majority vote with each Committee

member being entitled to one vote. The Presiding Member of the Committee will have a casting vote in addition to his/her deliberative vote in the case of an equality of votes for and against a motion.

5.6 A quorum for the ARIC is at least 50% of the members.

5.7 The ARIC's recommendations must be considered and adopted by the Council before implementation.

6. Delegated Authority

There is no delegated authority (under s5.16 of the *Local Government Act*) associated with ARIC.

7. Remuneration of External Members

7.1 Remuneration of ARIC External members will be in accordance with section 5.100 of the Local Government Act.

7.2 The extent to which external members can be reimbursed shall be as determined by the Salaries and Allowances Tribunal.

8. Administration

Shire officers, under the general direction of the CEO, will:

- a. be responsible for coordinating ARIC meetings;
- b. prepare and circulate a Meeting agenda to all Committee members and required officers;
- c. record minutes of the ARIC meeting, including any actions to be taken, under the guidelines of the Shire of Brookton's Record Keeping Plan;
- d. take and record an audio record of any ARIC Meeting under the guidelines of the Shire of Brookton's Record Keeping Plan;
- e. make ARIC Minutes available to all ARIC Members and required officers and publish on the Shire of Brookton's website; and
- f. Present any ARIC Recommendations to Council meetings for determination.

9. Code of Conduct

Elected Members and external ARIC Members are bound by the Shire of Brookton's Code of Conduct for Elected Members, Committee Members and Candidates.

Shire Officers are bound by the Shire of Brookton's Code of Conduct Employees.