



## 1. Purpose

The audit, risk and improvement committee (ARIC) is established by Council to support the Council in fulfilling its governance and oversight responsibilities as they relate to internal and external audit functions, risk management systems, financial reporting, internal control, and continuous improvement.

## 2. Authority

As prescribed in Regulation 16 of the *Local Government (Audit) Regulations 1996*, ARIC is to provide guidance and assistance to Council on matters relevant to its terms of reference.

ARIC is a formally appointed Committee of Council and is responsible to the Council.

ARIC does not have executive powers or authority to implement actions in areas over which the Chief Executive Officer (CEO) has legislated responsibility, and it does not have any delegated financial responsibility, ARIC does not have management functions and cannot involve itself in management processes or procedures.

## 3. Membership

3.1. ARIC will consist of seven members. The membership shall consist of:

- a) A Presiding Member
- b) Deputy Presiding Member
- c) The Mayor
- d) Four Councillors

ARIC members must declare conflicts of interest in accordance with regulation 22 of the *Local Government (Model Code of Conduct) Regulations 2021*, in a written notice given to the CEO before the meeting or at the meeting immediately before the matter is discussed. All members of ARIC are bound by the Code of Conduct for Elected Members, Committee Members and Candidates.

3.2 Presiding and Deputy Presiding Member

Appointment of independent Presiding and Deputy Presiding Member will be made following a public advertisement. The evaluation of potential members will be reviewed by the CEO for recommendation to Council.

Appointments will be approved through absolute majority of Council based on the potential member's experience and qualifications in any or all the following:

- a) Internal and external audit
- b) Risk management



- c) Financial management/reporting
- d) Information and Systems Technology
- e) Audit Committee practices
- f) Understanding of complexities associated with the City.

A presiding or deputy presiding member cannot:

- a) Be a council member of the City or a council member of any other local government
- b) Be an employee of the City or someone who is nominated by, or is to be appointed to represent, any employee of the City
- c) Have any operating responsibilities with the City
- d) Provide paid services to the City either directly or indirectly in any other role

Per section 7.1B (3) of the Local Government Act 1995 (the Act), if the office of Presiding Member is vacant; or the Presiding Member is not available or is not able or unwilling to perform the functions of Presiding Member, then ARIC Members present at the meeting must choose the deputy of the Presiding Member, if present, to preside at the meeting.

### 3.3 Tenure

Members are appointed for up to two (2) year terms to coincide with the local government election cycle.

Council may terminate the appointment of any member prior to the expiry of their term if:

- a) Presiding Member considers that the member is not making a positive contribution to the committee
- b) The member is found to be in breach of the Council's Code of Conduct for Elected Members, Committee Members and Candidates or a serious contravention of the Act
- c) A member's conduct, action or comments bring the City into disrepute

## 4. Functions of ARIC

### 4.1 Review and report recommendations to Council on:

- a) audits under Part 7 of the Act
- b) compliance audits (including compliance audit return under Regulation 14 of Local Government (Audit) Regulations 1996)
- c) CEO reviews conducted under Regulation 17 of Local Government (Audit) Regulations 1996

### 4.2 Review and report to Council on the appropriateness and effectiveness of the City's:

- a) financial management systems and procedures
- b) legislative compliance systems and procedures
- c) risk management systems and procedures

### 4.3 Monitor and report to Council on improvements to, and implementation of



actions arising from:

- a) audits
- b) compliance audits
- c) reviews under Regulation 17 of Local Government (Audit) Regulations 1996
- d) any statutory audit or review recommendations (including Inspectors' reports)

4.4 Review the performance of the City and provide direction and input on efficiency and effectiveness in achieving outcomes from the Remediation Plan.

4.5 Consider (at least twice annually) reports in relation to the management of risk within the City and satisfy itself that appropriate controls and processes are in operation and are adequate for dealing with the risks that impact on the City. Address any specific requests referred to it from Council in relation to issues of risk and risk management.

4.6 Perform any function conferred by the Act, regulations or another written law.

## **5. Decisions of ARIC**

5.1 A decision of ARIC is to be made by simple majority.

## **6. Staff**

6.1 The following staff will usually attend ARIC meetings to provide technical support and advice:

- a) Chief Executive Officer
- b) Director, City Performance and Community Development
- c) Manager, Governance and Risk Management Office
- d) Other staff, when requested by the ARIC through the CEO

6.2 Where necessary the CEO or the CEO delegate will act as the independent observer for any secret ballots of the ARIC members.

## **7. Invitees/Attendees**

7.1 The ARIC may invite non-voting external experts, community members, representatives of auditors and/or other relevant persons with appropriate qualifications to attend, address or advise the ARIC, within the ambit of its tasks.

7.2 The scope, duration and terms of external persons input will be determined by election amongst the members of ARIC and where necessary with the approval of Council (e.g. if authorisation of funding is required).

## **8. ARIC Meetings**

8.1 The ARIC operates under the Council's Standing Orders Local Law. The order of business shall reflect that set out in 3.2 (1), with scope for items



k, l, m, n, p, and q to be excluded at the discretion of the CEO.

8.2 The ARIC shall formally meet at least quarterly. It is the responsibility of the presiding member to call the meetings of the ARIC.

8.3 The quorum for a meeting will be 50% of the members of the ARIC as per section 5.19 of the Act.

## 9. Delegation

9.1 The ARIC is delegated the authority to meet with the appointed external auditor, as required by section 7.12A (2) of the Act.

## 10. Reporting to the Council

10.1 All ARIC draft minutes are to be provided to Council.

| Document Control box       |                                                                                                                               |                      |            |
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| Delegation:                | The ARIC is delegated the authority to meet with the appointed external auditor, as required by section 7.12A (2) of the Act. |                      |            |
| Council Plan 2023 - 2033   | Performance<br>11. Effective leadership and governance.                                                                       |                      |            |