

Terms of Reference

Audit, Risk and Improvement Committee

Purpose

The Audit, Risk and Improvement Committee (ARIC) is established in accordance with section 7.1A of the *Local Government Act 1995* (the Act). The Committee operates in accordance with all relevant provisions of the Act, the *Local Government (Audit) Regulations 1996* and the *Local Government (Administration) Regulations 1996*.

As prescribed in Regulation 16 of the *Local Government (Audit) Regulations 1996*, the Committee is to provide guidance and assistance to Council on matters relevant to its terms of reference. This role is designed to facilitate informed decision-making by Council in relation to its legislative functions and duties that have not been delegated to the Chief Executive Officer (CEO).

Objective

The objective of the Committee is to support Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and audit functions.

Areas of Responsibility

The Committee is to guide and assist Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems and audit functions.

The Committee is to guide and assist the Council to fulfil their oversight responsibilities relating to:

- External and Internal Audit activities;
- Financial management processes and controls;
- Risk Management activities;
- Internal control effectiveness;
- Compliance and Integrity; and
- Performance reporting.

Functions

The Committee will operate in accordance with all relevant provisions of the Act, the *Local Government (Audit) Regulations 1996* and the *Local Government (Administration) Regulations 1996*.

As prescribed in regulation 16 of the *Local Government (Audit) Regulations 1996*, the Committee is to provide guidance and assistance to Council on matters relevant to its terms of reference. This role is designed to facilitate informed decision-making by Council in relation to its legislative functions and duties that have not been delegated to the CEO.

The Committee's responsibilities include, but are not limited to:

External Audit

The Committee is responsible for communicating and liaising with the Office of the Auditor General (OAG). This includes understanding the results of financial and performance audits conducted within the City and overseeing whether recommendations are implemented by management.

Internal Audit

The Committee is responsible for guiding and overseeing the activities, resources and structure of the internal audit function.

Financial Management

The Committee oversees the integrity of financial and performance reporting processes within the City.

Risk Management

The Committee oversees the City's system of risk management.

Internal Controls

The Committee oversees the City's system of internal controls. The Committee will monitor and review the effectiveness of the City's systems for internal control, as well as its systems for compliance with laws, standards, legislation and policy, and other requirements.

Compliance and Integrity

The Committee oversees the City's processes to ensure compliance with relevant laws and regulations and for promoting a strong governance culture within the City.

Performance Reporting

The Committee oversees the monitoring of service and performance against the Corporate Business Plan.

Membership

Voting Members

The Committee consists of the following members:

A Presiding Member (Independent)

A Deputy of the Presiding Member (Independent) - noting that this member will only attend meetings in place of the Presiding Member.

A Deputy Member (Independent); and

Four Elected Members

The quorum for this Committee is three members, including at least one independent member.

All remaining Councillors are appointed as Deputies.

Members must abide by the City of Bayswater Code of Conduct for Council Members, Committee Members and Candidates.

Delegated Authority

This Committee does not have any delegated authority. The Committee will make recommendations to Council on report items. Report items will then be presented for Council's consideration at the next available Ordinary Council meeting.

Meetings

Committee meetings are to be held in accordance with the City of Bayswater *Standing Orders Local Law 2021*.

The Committee shall meet at least quarterly (minimum annually under legislation) at the City of Bayswater Civic Centre.

Liaison Officer

Chief Executive Officer