



POLICY NO. CP 4.1.11

POLICY STATEMENT AUDIT AND RISK COMMITTEE - TERMS OF REFERENCE

PURPOSE To establish Terms of Reference for the effective operation of the Audit and Risk Committee.

POLICY

Council will establish an Audit and Risk Committee as required by Section 7.1A(1) of the *Local Government Act 1995*.

1. PURPOSE OF THE AUDIT AND RISK COMMITTEE

The Audit and Risk Committee is established to provide assurance and oversight in relation to:

- 1.1 Financial management and reporting;
- 1.2 Performance auditing;
- 1.3 Risk management; and
- 1.4 Systems of internal control.

2. FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The functions of the Audit and Risk Committee are to:

- 2.1 Guide and assist the City in carrying out its functions in relation to audits conducted under Part 7 – Audit of the Act.
- 2.2 Consider and approve terms of reference for reviews to be undertaken by the Chief Executive Officer in respect of the effectiveness and appropriateness of systems and procedures in relation to:
 - 2.2.1 risk management
 - 2.2.2 internal control
 - 2.2.3 legislative compliance
 - 2.2.4 financial management systems.
- 2.3 Consider reports prepared by the Chief Executive Officer in response to the matters outlined in clause 1.2 and make recommendations in respect of those matters to Council.
- 2.4 Consider proposals to undertake performance audits of City functions or projects and receive reports on those audits.
- 2.5 Monitor the implementation of any actions the Committee believes should be taken to address issues identified in reports prepared in accordance with clauses 1.3 and 1.4.
- 2.6 Support the Office of the Auditor General to conduct its audits and carry out the auditor’s other duties under the Act.



- 2.7 Monitor the implementation of any actions required to be undertaken to address matters identified as significant in any audit report by the Office of the Auditor General.
- 2.8 Consider the findings of performance audits of local governments that are undertaken by the Office of the Auditor General to determine whether those audits offer improvement opportunities for the City.
- 2.9 Receive the annual financial statements and any associated report or management letter, and ensure appropriate action is taken in respect of any matters raised.
- 2.10 Review the City's annual Compliance Audit Return and make recommendations to Council in respect of that Return.

3. EXTENT OF AUTHORITY

The Audit and Risk Committee has no delegated authority to make decisions on behalf of Council. Recommendations of the Audit and Risk Committee will be presented to Council for a decision.

As the Audit and Risk Committee does not have delegated authority, meetings of the Committee will not be open to members of the public.

4. MEMBERSHIP

4.1 The Audit and Risk Committee shall be comprised of:

- (a) Mayor;
- (b) the Deputy Mayor;
- (c) a number of Councillors as considered appropriate by the Council; and
- (d) a Councillor as a Deputy Member.

4.2 Only members of the Audit and Risk Committee are entitled to vote at Committee meetings.

5. OBSERVERS, PERSONS PRESENT BY INVITATION

5.1 The Chief Executive Officer, Director Business Services and Chief Financial Officer will generally attend meetings of the Audit and Risk Committee, and may also invite other members of staff to attend where appropriate.

5.2 The Presiding Member or staff listed in clause 4.1 may invite the Auditor (or his or her representative) to attend particular meetings or parts of meetings.

5.3 Councillors who are not members of the Audit and Risk Committee may attend meetings as observers.

6. FREQUENCY OF MEETINGS

Meetings of the Audit and Risk Committee will generally be held on a quarterly basis.

**GOVERNANCE REFERENCES**

Statutory Compliance	Local Government Act 1995 Parts 6 and 7 Local Government (Administration) Regulations 1996 Local Government (Audit) Regulations 1996 Local Government (Financial Management) Regulations 1996 Standing Orders Local Law 2016
Industry Compliance	Department of Local Government and Communities: Local Government Operational Guidelines <ul style="list-style-type: none"> No. 5 Council Forums No. 9 Auditing Local Government – The appointment, function and responsibilities of Audit and Risk Committees
Organisational Compliance	Nil
Process Links	Nil.

POLICY ADMINISTRATION

Directorate		Officer Title		Contact	
Business Services		Director Business Services		9397 3000	
Risk Rating	Medium	Review Cycle	Biennial	Next Due	2026
Version	Decision Reference	Synopsis			
1.	OCM 417/24/09/2013	Policy to formalise the constitution of the Audit and Risk Committee			
2.	OCM 375/22/09/2015	Reviewed with no amendments.			
3.	OCM 317/26/09/2017	Reviewed and amended the membership to include a Councillor as a Deputy Member.			
4.	OCM 302/11/09/2018	Reviewed with amendments.			
5.	OCM 251/08/09/2020	Reviewed and amended.			
6.	OCM 281/08/11/2022	Reviewed and amended.			
7.	OCM 64/26/03/2024	Reviewed and amended.			