



POLICY NO. CP 4.1.11

POLICY STATEMENT AUDIT, RISK AND IMPROVEMENT COMMITTEE - TERMS OF REFERENCE

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

POLICY

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

1. PURPOSE OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE

The ARIC is established to provide assurance, oversight and guidance in relation to:

- 1.1 Financial management and reporting;
- 1.2 Performance auditing;
- 1.3 Risk management;
- 1.4 Systems of internal control;
- 1.5 Legislative compliance; and
- 1.6 Opportunities for improvement.

2. FUNCTIONS OF THE AUDIT AND RISK COMMITTEE

The functions of the ARIC 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 proposals to undertake performance audits of City functions or projects and receive reports on those audits.
- 2.3 Consider reports prepared by the Chief Executive Officer in response to the matters outlined in clauses 1.1 to 1.6 and make recommendations in respect of those matters to Council.
- 2.4 Monitor the implementation of any actions Council has approved to address issues identified in reports prepared in accordance with clauses 1.1 to 1.6.
- 2.5 Support the Office of the Auditor General to conduct its audits and carry out the auditor's other duties under the Act.
- 2.6 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.
- 2.7 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.



- 2.8 Receive the annual financial statements and any associated report or management letter, and ensure appropriate action is taken in respect of any matters raised.
- 2.9 Review the City's annual Compliance Audit Return and make recommendations to Council in respect of that Return.

3. EXTENT OF AUTHORITY

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

4. MEETINGS OPEN TO THE PUBLIC

Section 5.23 of the *Local Government Act* prescribes that meetings of committees are open to members of the public.

5. MEMBERSHIP

- 5.1 The ARIC shall be comprised of:
 - (a) An Independent Presiding Member (Chair);
 - (b) An Independent Deputy of the Presiding Member (if the Independent Presiding Member is unable to attend);
 - (c) Mayor;
 - (d) Deputy Mayor; and
 - (e) A number of Councillors as considered appropriate by the Council, but not fewer than one.

- 5.2 Only members of the ARIC are entitled to vote at Committee meetings.

6. OBSERVERS, PERSONS PRESENT BY INVITATION

- 6.1 The Chief Executive Officer, Director Business Services and Chief Financial Officer will generally attend meetings of the ARIC and may also invite other members of staff to attend where appropriate.
- 6.2 The Presiding Member may invite the Auditor (or his or her representative) to attend particular meetings or parts of meetings.
- 6.3 Councillors who are not members of the ARIC may attend meetings as observers.

7. FREQUENCY OF MEETINGS

Meetings of the ARIC will generally be held on a quarterly basis.

8. PUBLICATION OF DOCUMENTS

Agendas and Minutes of ARIC meetings are to be published on the City's website.

**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 - 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	2028
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.			
8.	OCM 02/05/2026 – Res 2026/117	Amended to accommodate legislative changes introduced for the Audit, Risk and Improvement Committee.			