

AUDIT AND RISK COMMITTEE CHARTER

CITY OF JOONDALUP

1.0 INTRODUCTION

- 1.1 The City has established an Audit and Risk Committee (Committee) under Section 7.1A of the *Local Government Act 1995*. The Committee is a formally appointed committee of Council in accordance with the *Local Government Act 1995* and is responsible to Council.

2.0 ROLE

- 2.1 The Committee assists the City in fulfilling its responsibilities in relation to systems of risk management and internal control, the City's processes for monitoring compliance with laws and regulations, including the City's Codes of Conduct, financial and performance reporting and external and internal audit. The Committee is not responsible for the management of these functions.
- 2.2 The Committee will engage with the Administration in a constructive and professional manner to perform its oversight responsibilities. The Presiding Member of the Committee is responsible to, and reports to Council.
- 2.3 Members of the Committee are expected to:
- understand the legal and regulatory obligations of Council for governing the City.
 - understand governance arrangements that support achievement of the City's strategies and objectives.
 - exercise due care, diligence and skill when performing their duties.
 - adhere to the *City's Code of Conduct for Council Members, Committee Members and Candidates*, and any applicable code of ethics of any professional body which they may be a member of.
 - help to set the right tone by demonstrating behaviours which reflect the City's Vision, Primary Values and Distinguishing Values.
 - be aware of contemporary and relevant issues impacting the local government sector.
 - only use information provided to the Committee to carry out their responsibilities, unless expressly agreed by Council.

3.0 AUTHORITY

- 3.1 The Committee does not have executive powers or authority to implement actions in areas over which the Chief Executive Officer has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

4.0 MEMBERSHIP

- 4.1 The Committee comprises of eight (8) members as follows:

Mayor

North Ward (one member and one deputy)

North-Central Ward (one member and one deputy)

Central Ward (one member and one deputy)

South-West Ward (one member and one deputy)

South-East Ward (one member and one deputy)

South Ward (one member and one deputy)

One Independent Member (external to the operations of the City)

- 4.2 The Committee will be led by a Presiding Member, appointed by Council. The Presiding Member will be appointed for an initial period of two (2) years after each Council election and may be extended or reappointed for further periods as determined by Council.
- 4.3 Committee members will be appointed for an initial period of two (2) years after each Council election as appointed by Council. Council will review the membership of the Committee every two (2) years to ensure that there is an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience. Council may choose to re-appoint members based on their ability to contribute to the work of the Committee.
- 4.4 The quorum of the Committee shall be determined in accordance with the requirements of the *Local Government Act 1995*.
- 4.5 All Committee members shall have full voting rights.
- 4.6 Appointment of an external member shall be made by Council by way of a public advertisement and be for a maximum term as defined by the *Local Government Act 1995*.
- 4.7 Council will determine the qualifications, skills, knowledge and experience required to be considered as an external member.
- 4.8 Council may prefer to appoint a person as the external member who is enrolled to vote in the elections for the City of Joondalup in accordance with the provisions of the *Local Government Act 1995*.
- 4.9 The external member is entitled to claim legitimate expenses as defined by *the Local Government Act 1995*.

- 4.10 The Chief Executive Officer and employees of the City shall not be members of the Committee and the Chief Executive Officer or his/her nominee shall attend all meetings to provide advice and guidance to the Committee
- 4.11 Council may remove a Committee member at any time before their term expires, or a member may resign from the Committee.

5.0 RESPONSIBILITIES

The terms of reference for the Committee are:

- 1 guide and assist the City in carrying out its functions:
 - under part 6 – Financial Management, of the *Local Government Act 1995*;
 - in relation to audits conducted under Part 7 – Audit, of the *Local Government Act 1995*;
 - relating to other audits and other matters related to financial management;
- 2 review the CEO's report into the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance, presented to it by the CEO under regulation 17 of the *Local Government (Audit) Regulations 1996* and:
 - report to the Council the results of that review;
 - give the Council a copy of the CEO's report;
- 3 review the CEO's report into the appropriateness and effectiveness of the City's financial management systems and procedures under regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* and:
 - report to the Council the results of that review;
 - give the Council a copy of the CEO's report;
- 4 support the auditor of the City to conduct an audit and carry out the auditor's other duties under the *Local Government Act 1995* in respect of the City and to oversee the implementation of any actions in accordance with regulation 16(f) of the *Local Government (Audit) Regulations 1996*;
- 5 consider the adequacy and effectiveness of internal controls by reviewing reports from the Internal Auditor, the Administration, Office of the Auditor General, consultants and other external oversight agencies as appropriate;
- 6 enquiring with the Internal Auditor or the Administration about processes to detect and prevent fraud or corruption and to their awareness of any suspected, alleged or actual fraud or corruption and the City's response to it (subject to confidentiality considerations);
- 7 assessing the adequacy of the annual internal audit plan and the three-year internal audit plan.
- 8 identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the Internal Auditor and the Council if appropriate and receive any reports detailing the results of those investigations.

6.0 MEETINGS

- 6.1 The Committee shall meet at least quarterly as set by Council. As an indicative guide, meetings would be arranged to coincide with relevant Council reporting deadlines, for example in March to coincide with legislative requirements for the annual compliance audit return.
- 6.2 Additional meetings shall be convened in accordance with the requirements of the *City of Joondalup's Meeting Procedures Local Law 2013*.
- 6.3 A decision of Committee is to be made by simple majority.

7.0 REPORTING

- 7.1 All decisions made at a meeting of the Committee are to be considered at the next ordinary Council meeting, or if that is not practicable:
 - a) at the first ordinary Council meeting after that meeting; or
 - b) at a special meeting called for that purpose.