



# CORPORATE POLICY NO 1.4 AUDIT & RISK COMMITTEE

## OBJECTIVES

To establish a Committee of the Regional Council for purposes of reviewing its audit, risk and compliance functions.

## POLICY

### 1. Role of the Audit & Risk Committee

- a) To review the scope of the internal and external audit function and review audit plans and performance.
- b) To recommend to the Council the appointment of the internal and external auditors.
- c) To appraise the effectiveness of the audit by discussing the audit with the internal and external auditors as necessary.
- d) To review the management letter provided by the External Auditor on any weaknesses in internal accounting, organisation and operating controls, and consider the recommendations made by the auditor and the action taken by management in response to the auditor’s suggestions.
- e) To review independent audit reports and/or initiate any other act necessary to ensure:
  - i. Compliance with policies, plans, procedures, laws and regulations.
  - ii. Safeguarding of Council Assets
  - iii. Fraud and misconduct processes
  - iv. Economic and efficient use of resources
  - v. Accomplishment of established objectives and goals for operations or programs
  - vi. To draw attention to any failure, and to take prompt remedial action relating to the previously identified shortcomings
  - vii. To advise Council on matters relating to its findings
- f) To ensure the evaluation of high strategic risks are in accordance with the Council’s Risk Management processes.

### 2. Powers of the Committee

The Committee is a formally appointed committee of Council and is responsible to the Council. The Committee does not have executive powers or the authority to implement actions in areas over which the CEO has legislative responsibility and does not have any management functions and cannot involve itself in the management processes or procedures.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its terms of reference, in order to facilitate informed decision-making by Council in relation to the legislative functions and duties that have not been delegated to the CEO.

### 3. Committee Membership

The Audit & Risk Committee shall meet at least quarterly and shall consist of the following members:

Three Regional Councillors and one external person not a Regional Councillor.

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All members shall have full voting rights

- a) Membership requires an absolute majority decision of the Council.
- b) The CEO and other employees may only attend as observers or at the discretion of the presiding person.
- c) External persons appointed to the committee will have business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements.
- d) Appointment of external persons may be by way of a public advertisement and/or by invitation, interviewed and recommended by the regional councillors appointed to the committee to the council for a maximum term of two years.
- e) Reimbursement fees determined by the Council for preparing for a meeting will be paid to each external person who is a member of the committee.
- f) The Committee shall have no delegated powers unless expressly given by the Council.
- g) The Committee membership shall have a term of two years.

#### 4. Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of Council.

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### REFERENCES & REVIEW

<b>Statutory Compliance</b>	Part 5 of the Local Government Act 1995, L Govt (Administration) Regulations, L Govt (Financial Management) Regulations, SMRC Standing Orders Amendment Local Law 2009	
<b>Organisational Compliance</b>	SMRC Code of Conduct for Committee and Advisory Group Members SMRC Internal Audit Charter	
<b>Approved by</b>	Regional Council – 24 August 2017	
<b>Next Revision Date</b>	August 2019	
<b>Related Documents</b>	Dept of Local Gov't Operational Guidelines No 9 (September 2013) – Audit in Local Government – The appointment, function and responsibilities of Audit Committees	
<b>Policy Administration</b>	<b>Responsible Officer</b>	<b>Review Cycle</b>
Corporate Services	Executive Manager Corporate Services	Biennial
<b>Risk Rating</b>	High	
<b>Location of document</b>	SMRC Website Members Area Staff Intranet SMRC, 9 Aldous Place, Booragoon – Corporate Services RRRC, 350 Bannister Road, Canning Vale – staff room	

### DOCUMENT CONTROL REGISTER

Date	Review		Author	Resp Officer	Audit Ctee	Council
2004	Original	1	MAF	MAF		25/11/04
2005	Review	2	MAF	MAF		22/09/05
2006	Review	3	MAF	MAF	22/05/06	25/05/06
2006	Review	4	MAF	MAF	22/05/06	28/09/06
2008	Review	5	MAF	MAF	21/11/08	27/11/08
2011	Review	6	DCS	DCS	20/06/11	25/08/11
2013	Review	7	EMCS	EMCS	12/08/2013	22/08/2013
2015	Review	8	EMCS	EMCS	08/06/2015	25/06/2015
2017	Review	9	EMCS	EMCS	21/08/2017	24/08/2017

MAF – Manager Administration & Finance

DCS – Director Corporate Services

EMCS – Executive Manager Corporate Services

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