



# **Tatiara District Council**

## **Audit & Risk Committee**

### **TERMS OF REFERENCE**

A Committee of Council established pursuant to the provisions of Sections 126 and 41 of the Local Government Act 1999

Terms of Reference for the conduct of the business of the Council Committee were approved and adopted by Tatiara District Council at its meeting held on 11 April 2023, Council Res No. 2023/131.

# Audit & Risk Committee

## Powers and functions

The Committee is established for the following purpose:

To provide independent assurance and advice on accounting, financial management, internal controls, risk management and governance matters.

The functions of a council audit and risk committee include—

1. reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
2. proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
3. monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and
4. proposing, and reviewing, the exercise of powers under section 130A of the *Local Government Act 1999*; and
5. liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
6. reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
7. (i) if the council has an internal audit function—
  - (a) providing oversight of planning and scoping of the internal audit work plan; and
  - (b) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or(ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
8. reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
9. reviewing any report obtained by the council under section 48(1); and
10. performing any other function determined by the council or prescribed by the regulations.

# Audit & Risk Committee

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## 1. NAME

The name of the Council Committee shall be **Audit & Risk Committee** (in these Terms of Reference referred to as “the Committee”).

## 2. DEFINITIONS

- 2.1 For the purpose of these Terms of Reference, unless inconsistent with the subject matter or context: -
- 2.1.1 “Act” means the Local Government Act 1999 and includes all Regulations and Schedules.
  - 2.1.2 “Committee” means the Committee of Council established pursuant to clause 3.
  - 2.1.3 “Committee Member” means the persons appointed by the Council to the Committee pursuant to clause 5.
  - 2.1.4 “Commencement Date” means the date on which the Committee is established and becomes operative pursuant to clause 3.
  - 2.1.5 “Council” means the Tatiara District Council that established the Committee and to which the Committee reports.
  - 2.1.6 “Prescribed Committee” means a Prescribed Committee as defined in the Remuneration Tribunal Determination 7 of 2014 (or any replacement determination)
  - 2.1.7 “Presiding Member of the Committee of Council” means the person appointed to that position pursuant to clause 5.
  - 2.1.8 “Observers” means those persons attending any meeting of the Committee of Council, but not having a vote on any matter to be determined by the Committee and not having been appointed as Committee Members.
  - 2.1.9 “Sub-Committee” means a sub-committee established in accordance with the Act.
- 2.2 Any words, phrases or terms used in these Terms of Reference that are defined in the Act shall have the same meaning as are given in the Act.
- 2.3 A reference in these Terms of Reference to a “singular” includes a reference to the “plural” and a reference to a “plural” includes a reference to the “singular”.
- 2.4 These Terms of Reference shall be interpreted in line with the provisions of the Act.
- 2.5 Notices

All communication to be given to the Committee shall be addressed to: -

The Presiding Member  
Tatiara District Council Audit Committee  
PO Box 346  
43 Woolshed Street  
BORDERTOWN SA 5268  
Email: [office@tatiara.sa.gov.au](mailto:office@tatiara.sa.gov.au)

### 3. ESTABLISHMENT

- 3.1 The Audit Committee is established under Sections 126 and 41 of the Local Government Act 1999.
- 3.2 The Committee will be established and become operative from the time a resolution of the Council is passed.
- 3.3 The Audit Committee has been established with the following purpose:  
To provide independent assurance and advice on accounting, financial management, internal controls, risk management and governance matters.
- 3.4 The functions of a council audit and risk committee include—
  - 3.4.1 reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
  - 3.4.2 proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
  - 3.4.3 monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessments, including those raised by a council's auditor; and
  - 3.4.4 proposing, and reviewing, the exercise of powers under section 130A of the *Local Government Act 1999*; and
  - 3.4.5 liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
  - 3.4.6 reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
  - 3.4.7 (i) if the council has an internal audit function—
    - (c) providing oversight of planning and scoping of the internal audit work plan; and
    - (d) reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or(ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
  - 3.4.8 reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
  - 3.4.9 reviewing any report obtained by the council under section 48(1); and
  - 3.4.10 performing any other function determined by the council or prescribed by the regulations.
- 3.4 The Committee shall be a Prescribed Committee that is enduring to perform, assist and provide advice to Council on matters described in these Terms of Reference.

#### **4. MEMBERSHIP**

- 4.1 Members of the Committee are appointed by Council. The Committee shall consist of two (2) Elected Members and three (3) independent members.
- 4.2 The members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including in financial management, risk management, governance and any other prescribed matter.
- 4.3 Only members of the Committee are entitled to vote in Committee meetings.
- 4.4 Appointments to the Committee from among the Elected Members of Council shall be for a period of one year. Independent members of the Committee shall be appointed for a period of three years.
- 4.5 Council shall appoint an independent member as the Presiding Member of the Committee.

#### **5. MEETINGS OF THE COMMITTEE**

- 5.1 The Committee shall meet at least once each quarter at times and places determined by the Committee.
- 5.2 The Committee must liaise with Council's External Auditor by meeting with the auditor on at least one occasion each year on a confidential basis in circumstances where—
  - (a) a majority of the members of the Committee are present; and
  - (b) no members or employees of the Council are present (other than members who are members of the Committee).
- 5.3 Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than three clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.
- 5.4 The Presiding Member, when physically present, shall preside at all meetings of the Committee and at any other time the Committee shall appoint an Acting Presiding Member who shall preside at that meeting.
- 5.5 No business shall be transacted at any meeting of the Committee unless a quorum of Committee Members is present.
- 5.6 Each Committee Member including the Presiding Member present at any meeting of the Committee must vote on any matter requiring determination and all decisions shall be decided on a simple majority of votes cast.
- 5.7 Each Committee Member of the Committee including the Presiding Member present at any meeting of the Committee shall have one deliberate vote only.

#### **6. PROCEDURES AT MEETINGS**

- 6.1 The procedure to be observed in relation to the conduct of meetings of the Committee is as prescribed by regulation, or, insofar as the procedure is not prescribed by regulation, as determined by the Committee.
- 6.2 The Committee must—

- (a) provide a report to Council after each meeting summarising the work of the Committee during the period preceding the meeting and the outcomes of the meeting; and
- (b) provide an annual report to Council on the work of the Committee during the period to which the report relates. The Committee's annual report must be included in Council's Annual Report.

## **7. QUORUM**

- 7.1 At all Meetings of the Committee a quorum must be present.
- 7.2 A quorum shall consist of half the appointed members plus one.

## **8. ATTENDANCE AT MEETINGS BY TELEPHONE OR OTHER ELECTRONIC MEANS**

- 11.1 A Committee Member (including, subject to the operation of clause 11.2, the Presiding Member) may be considered as being present at a Committee Meeting despite not being physically present at the meeting, subject to the following conditions:
  - 8.1.1 Written approval to participate in the meeting by telephone or other electronic means has been sought and obtained from the Committee's Presiding Member and confirmed to the Chief Executive Officer not less than 24 hours prior to the meetings scheduled commencement time, and;
  - 8.1.2 The Chief Executive Officer having confirmed prior to the scheduled commencement time of that meeting that the necessary technologies are available to accommodate the Committee Member's participation in the meeting and compliance with the Act, and;
  - 8.1.3 A Committee Member participating by such means being for the specified meeting only and not for 2 or more consecutive meetings of the Committee, and;
  - 8.1.4 All Committee Members being able to hear each other Committee Member whilst a Committee Member is participating by telephone or other electronic means, and;
  - 8.1.5 The Committee Member that is participating by telephone or other electronic means expressing their vote on each and every question in a manner that can be identified by all other persons present at the meeting (whether all other persons at the meeting are physically present or present by telephone or other electronic means), and;
  - 8.1.6 The Presiding Member (or Acting Presiding Member) being authorised to disconnect the Committee Member in the event that the technology causes any disruption or inconvenience to the Committee meeting, and;
  - 8.1.7 Should the telephone or other electronic connection fail, any attempt(s) to re-connect are made at the discretion of the Presiding Member, and;
- 11.2 Whilst participating in a Committee Meeting in accordance with this clause a Committee Member shall be considered as being present at the meeting for all purposes.

## **12. MINUTES OF THE COMMITTEE**

- 12.1 The Chief Executive Officer or his/her appointee must cause minutes to be kept of the proceedings of the Committee.

- 12.2 Minutes of the Committee shall be available to all Committee Members, Council and the public.
- 12.3 The Minutes of the proceedings of a meeting are to comply with the requirements of the Act.
- 12.4 Minutes of the Committee Meeting shall be submitted for confirmation at the next meeting of the Committee and if confirmed, shall be signed by the Presiding Member or other person presiding at the subsequent meeting.
- 12.5 Minutes of the Committee Meeting and any recommendations (including the minutes and recommendations of any Sub-Committee established by the Committee) shall be submitted to Council and shall be of no effect until endorsed as a resolution of Council.

### **13. LIABILITY OF THE COMMITTEE**

- 13.1 A liability incurred by the Committee rests against Council.
- 13.2 No liability attaches to a Committee Member of the Committee for an honest act or omission by that Committee Member in the performance or discharge, or purported performance or discharge, of the Member's or the Committee's functions or duties.

### **14. CONFLICT OF INTEREST**

- 14.1 The provisions of Section 73, 74, 75 and 75A-75D of the *Local Government Act 1999* will apply to all members of the Committee, in relation to meetings and any business or proposed business of the committee.
- 14.2 If a member of the Committee believes that a conflict of interest exists or would be perceived to exist in respect of any matter placed before the Committee, that member should declare the interest and not take any part in the discussions or decisions in respect of that matter.

### **15. DISPUTES**

Should a dispute arise over any matter, then the Council shall determine the dispute and the decision of the Council shall be final and binding.

### **16. DELEGATION**

The Committee has no delegation to act, with all recommendations of the Committee (and of any Sub-Committees established by the Committee) to be considered by the full Council for final decision and resolution.

### **18. AMENDMENTS TO THESE TERMS OF REFERENCE**

- 18.1 The Council may by resolution revoke, vary or add to any of the provisions of these Terms of Reference at its own discretion within the parameters of the Local Government Act and other relevant legislation.
- 18.2 Notwithstanding clause 18.1, before the Council resolves to revoke, vary or add to any of the provisions of these Terms of Reference the opinion of the Committee shall be obtained.

### **19. TERM OF THE COMMITTEE**

The Committee is formed for the term of the Council.



### RECORD OF AMENDMENTS

Date	Revision No.	Comment
29 November 2022	Rev 01	Reformed Committee, adopted new TOR, due to Council elections
11 April 2023	Rev 02	To incorporate changes coming into force from November 2023 under the <i>Statutes Amendment (Local Government Review) Act 2021</i>