

AUDIT, RISK AND IMPROVEMENT COMMITTEE

TERMS OF REFERENCE

KEY FOCUS AREA LEADERSHIP AND GOVERNANCE

OBJECTIVES OF THE COMMITTEE

1. The Audit, Risk and Improvement Committee (**ARIC**) is a formally appointed committee of Council and is responsible to that body.
2. The ARIC was established to provide an independent oversight of the financial systems of the Town on behalf of Council.
3. The ARIC's functions are as outlined in Regulation 16 of the *Local Government (Audit) Regulations 1996 (Audit Regulations)* and include advising Council on all matters relating to:
 - a. Audits;
 - b. Regulation 5 and 17 reviews;
 - c. Compliance with legal and statutory requirements; and
 - d. Risk management.

COMMITTEE MEMBERSHIP

4. The ARIC is to be comprised of:
 - a. an Independent Presiding Member
 - b. an Independent Deputy Presiding Member
 - c. three (3) Elected Members, of which one is to be the Mayor.
5. Independent Members appointed to the ARIC shall:
 - a. Have current qualifications and/or demonstrate experience relevant to one or more of the following:
 - i. Financial management
 - ii. Audit and assurance
 - iii. Governance, compliance
 - iv. Risk Management
 - v. Fraud, cyber security, internal controls.
 - b. Not have been subject to bankruptcy or insolvency proceedings under the *Bankruptcy Act 1966* (Cth).
 - c. Not have been convicted of a serious local government offence or convicted of a criminal offence for which the indictable penalty was or included imprisonment for more than 5-years.
 - d. Have demonstrated knowledge and/or experience in working in or with Local Government (desirable).
 - e. Have demonstrated leadership, facilitation and communication skills (desirable).
6. Following each biennial local government election, Council will appoint members to the ARIC as outlined above.
7. Membership to the ARIC will be for a period of two years with the nomination year coinciding with biennial local government elections.

8. In the event of a vacancy due to the resignation of an ARIC member, Council may resolve to fill the vacancy by appointing a replacement.
9. Members of the ARIC are bound by the Town's Code of Conduct for Council Members, Committee Members and Candidates.
10. If the Presiding Member is absent from an ARIC Meeting, the Independent Deputy Presiding Member is to preside at the meeting in accordance with section 5.14 of the Act.
11. The Independent Presiding Member's responsibilities are:
 - a. To provide leadership and facilitate the achievement of the ARIC's objectives;
 - b. To ensure that appropriate conduct is observed at ARIC meetings in line with the Town's *Meeting Procedures Local Law 2018*; and
 - c. To promote full participation and open debate at ARIC meetings so that relevant matters are discussed, and effective recommendations are made to Council.
12. The Chief Executive Officer (**CEO**) and employees are not members of the ARIC however the CEO or their nominee shall attend all meetings to provide advice and guidance to the ARIC.
13. The CEO will ensure there is governance support provided to the ARIC by employees of the Town to:
 - a. Provide administrative support for the purposes of the ARIC;
 - b. Prepare agendas and minutes, and ensure timely distribution to all members; and
 - c. Ensure that meetings are effectively organised

MEETINGS

14. The ARIC shall formally meet at least quarterly. Meetings will be convened by the Presiding Member in consultation with the CEO (or the CEO's representative).
15. Any informal meetings called by the Presiding Member are not considered as formal meetings of the ARIC.
16. All meetings of the ARIC are to be conducted in accordance with the Act, its associated Regulations and the *Town of Claremont Meeting Procedures Local Law 2018*.
17. Quorum for a meeting of the ARIC shall be at least 50% of the number of ARIC Members (whether any positions are vacant or not) in accordance with section 5.19 of the Act.

REPORTING

18. All recommendations of the ARIC 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 Council Meeting called for that purpose.

DELEGATED POWERS

19. The ARIC has no delegated powers and no authority to implement its recommendations without resolution of Council.

20. The ARIC does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The ARIC does not have any management functions and cannot involve itself in management processes or procedures.

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