

# LODDON SHIRE COUNCIL

## AUDIT AND RISK COMMITTEE CHARTER 2023-2025



LODDON  
SHIRE

# DOCUMENT INFORMATION

DOCUMENT TYPE: Controlled document

DOCUMENT STATUS: Approved

POLICY OWNER POSITION: Director Corporate

INTERNAL COMMITTEE ENDORSEMENT: Audit and Risk Committee

APPROVED BY: Council

DATE ADOPTED: 23/05/2023

VERSION NUMBER: 11


REVIEW DATE: 23/05/2025

DATE RESCINDED:

RELATED STRATEGIC DOCUMENTS, POLICIES OR PROCEDURES: Risk Management Framework  
Risk Management Policy  
Anti Fraud and Corruption Policy

RELATED LEGISLATION: Local Government Act 2020

EVIDENCE OF APPROVAL:

  
Signed by Chief Executive Officer

FILE LOCATION: K:\EXECUTIVE\Strategies policies and procedures\Strategies - adopted PDF and Word\STR Audit and Risk Committee Charter v11docx.docx

**Strategic documents are amended from time to time, therefore you should not rely on a printed copy being the current version. Please consult the Loddon Shire website to ensure that the version you are using is up to date.**

**This document is available in alternative formats (e.g. larger font) if requested.**

## ACKNOWLEDGEMENT OF COUNTRY

**Loddon Shire Council acknowledges the Traditional Custodians of the land comprising the Loddon Shire Council area. Council would like to pay its respect to Elders both past and present.**

# CONTENTS

<b>1</b>	<b>PURPOSE</b> .....	<b>4</b>
<b>2</b>	<b>BUDGET IMPLICATIONS</b> .....	<b>4</b>
<b>3</b>	<b>RISK ANALYSIS</b> .....	<b>4</b>
<b>4</b>	<b>AUTHORITY</b> .....	<b>5</b>
	4.1 Authority .....	5
<b>5</b>	<b>MEMBERSHIP AND TENURE</b> .....	<b>5</b>
	5.1 Composition .....	5
	5.2 Independent Members .....	5
	5.3 Councillor Members .....	6
	5.4 Chairperson.....	6
	5.5 Role of the Chairperson .....	6
	5.6 Obligations .....	6
	5.7 Remuneration.....	7
<b>6</b>	<b>MEETINGS</b> .....	<b>7</b>
	6.1 General .....	7
	6.2 Quorum for Meetings .....	7
	6.3 Preparation for Meeting.....	7
	6.4 Required attendance.....	7
<b>7</b>	<b>RESPONSIBILITIES</b> .....	<b>7</b>
	7.1 Financial and Performance Reporting.....	8
	7.2 Internal Control Environment .....	8
	7.3 Risk Management .....	8
	7.4 Fraud Prevention Systems and Controls .....	8
	7.5 Internal Audit.....	8
	7.5 External Audit.....	9
	7.6 Compliance Management .....	9
<b>8</b>	<b>PERFORMANCE EVALUATION</b> .....	<b>9</b>
<b>9</b>	<b>REPORTING TO COUNCIL</b> .....	<b>9</b>
<b>10</b>	<b>REVIEW OF THE CHARTER</b> .....	<b>9</b>
<b>11</b>	<b>COSTING AND FUNDING OF ACTIONS</b> .....	<b>10</b>
	<b>APPENDIX 1: TERMS OF APPOINTMENT</b> .....	<b>11</b>
	<b>APPENDIX 2: COMMITTEE MEMBER REGULATORY OBLIGATIONS</b> .....	<b>12</b>
	<b>APPENDIX 3: 2023-24 ANNUAL WORK PLAN</b> .....	<b>13</b>
	<b>APPENDIX 4: INTERNAL CONTROL ENVIRONMENT (ICE) PLAN</b> .....	<b>15</b>
	<b>APPENDIX 5: AUDIT AND RISK COMMITTEE SELF-ASSESSMENT SURVEY</b> .....	<b>16</b>

## LIST OF TABLES

<b>Table 1: Audit and Risk Committee Costs</b> .....	<b>10</b>
<b>Table 2: Details of membership</b> .....	<b>11</b>

## **1 PURPOSE**

Loddon Shire Council has established an Audit and Risk Committee (ARC) pursuant to Section 53 of the *Local Government Act 2020* (the Act) to support Council in discharging its oversight responsibilities related to financial and performance reporting, risk management, fraud prevention systems and control, maintenance of a sound internal control environment, assurance activities including internal and external audit and Council's performance with regard to compliance with its policies and legislative and regulatory requirements. It acts in this capacity by monitoring, reviewing, endorsing and advising on the above matters as set out in this Charter. This Charter has been developed in accordance with Section 54 of the Act.

The appointment of independent members to the Committee as outlined in this Charter enables the Committee to provide advice to Council on matters related to its responsibilities based on broader skills and experience than might otherwise be the case and in so doing bring additional benefits to Council.

The Committee has no executive authority and no delegated financial responsibilities and is therefore independent of management.

## **2 BUDGET IMPLICATIONS**

The ARC is funded from the operational budget. The benefit of an audit and risk committee charter is compliance with the Local Government Act and good governance.

## **3 RISK ANALYSIS**

The risks of implementing this charter are low and outweighed by the benefits of compliance and good governance.

## 4 AUTHORITY

### 4.1 Authority

The ARC is directly responsible to Council for discharging its responsibilities as set out in this Charter. The Committee has no delegated authority from Council unless specifically provided by Council from time to time and any such authority shall be temporary and may only relate to specific matters as directed by Council.

The Committee has the authority to:

- 4.1 endorse key documents and reports that must be approved by Council, including annual financial reports, annual performance statements, new or revised policies and other documents that assist in maintaining a strong internal control environment
- 4.2 approve internal and external audit plans, including internal audit plans with an outlook of greater than one year
- 4.3 provide advice and make recommendations to Council on matters within its areas of responsibility
- 4.4 retain counsel of relevant independent experts where it considers that is necessary in order to execute its responsibilities, subject to prior agreement with the Chief Executive Officer
- 4.5 seek any relevant information it requires from Council, Council Officers (who are expected to co-operate with the Committee's requests) and external parties
- 4.6 meet with Council Officers, internal and external auditors and other parties as required to discharge its responsibilities.

The Committee will, through the Chief Executive Officer, have access to appropriate management support to enable it to discharge its responsibilities effectively.

## 5 MEMBERSHIP AND TENURE

### 5.1 Composition

The ARC will consist of five members appointed by Council, four of whom must be independent members. Details of membership and tenure are set out in **APPENDIX 1**.

### 5.2 Independent Members

Independent members:

- 5.2.1 will be appointed for four-year terms
- 5.2.2 may be reappointed for two additional four-year terms subject to satisfactory performance, that is, a maximum of twelve years
- 5.2.3 must collectively have expertise in financial management and reporting and risk management and also experience in public sector management
- 5.2.4 term of appointment will be set so that as far as possible only one member retires at a time in order to minimise the loss of knowledge of Council's business that may occur on change of membership
- 5.2.5 remuneration will be paid as approved by Council from time to time
- 5.2.6 must not be employees of Loddon Shire Council.

- 5.2.7 Council will indemnify and keep indemnified each independent member of the Committee against all actions or claims whether arising during or after their term of appointment in respect of anything necessarily done or reasonably done or omitted to be done in good faith:
- a) in the performance of a duty or function or the exercise of any matter under the Act, regulations, a local law or this Charter
  - b) in the reasonable belief that the action or omission was in the performance of a duty or a function or the exercise of a matter under the Act, regulations, a local law or this Charter
- 5.2.8 An online ARC Induction module is set up for new members to complete upon appointment to the Audit and Risk Committee.

### **5.3 Councillor Members**

- 5.3.1 A substantive and alternate Councillor member will be appointed to the ARC by Council at its meeting to elect the Mayor held annually
- 5.3.2 Should the appointed Councillor member not be able to attend a Committee meeting, the alternate member must attend, either on a meeting by meeting basis or for the entire year
- 5.3.3 Councillors appointed to the Committee for the first time will also be invited to complete the online ARC Induction module.

### **5.4 Chairperson**

- 5.4.1 The Chairperson of the ARC must be an independent member
- 5.4.2 Council will appoint the Chairperson of the Committee on recommendation of the Committee
- 5.4.3 If the Chairperson is unable to attend a meeting, the members in attendance at the meeting will appoint a Chairperson by resolution for that meeting from among the attending members.

### **5.5 Role of the Chairperson**

The Chairperson of the ARC will:

- 5.5.1 in consultation with the CEO (or delegate), set the matters to be included on the agenda for each meeting of the Committee
- 5.5.2 chair all meetings of the Committee
- 5.5.3 be responsible for ensuring that meetings are conducted in an appropriate manner
- 5.5.4 participate in the appointment of Council's internal audit service provider
- 5.5.5 provide clearance for summary of Committee meetings to be provided to Council
- 5.5.6 lead the annual evaluation of the Committee's performance and report on the outcomes to Council through the CEO.

### **5.6 Obligations**

The ARC members are expected to be aware of their obligations under Section 53 of the Act. These obligations relate to misuse of position as a member of the Committee (Section 123), confidential information (Section 125) and conflict of interest (Sections 126 to 131). Details of these obligations are included in **APPENDIX 2** to this Charter.

## **5.7 Remuneration**

Councillors appointed to the ARC by Council are not remunerated for their time on the Committee.

Remuneration will be paid to each Independent Committee member in accordance with Section 53(6) of the Act.

A letter of offer must be signed by the Council and co-signed by the Independent Committee members acknowledging acceptance of the roles. The letter must describe any remuneration arrangements and be signed prior to appointment to the Committee.

## **6 MEETINGS**

### **6.1 General**

- 6.1.1 The ARC will meet at least four times a year, with authority to convene additional meetings, as circumstances require.
- 6.1.2 A schedule of meetings will be developed annually and agreed by members.
- 6.1.3 All Committee members are expected to attend each meeting in person, although in special circumstances members can attend through electronic means
- 6.1.4 The Committee will invite relevant staff via the Director Corporate who were involved or responsible for the latest Internal Audit review and its recommendation/s as appropriate to attend meetings.
- 6.1.5 Committee members and the internal and external auditors can request the Chairperson to convene additional meetings if they feel that is justified to address unexpected matters that may have arisen.
- 6.1.6 Meeting agendas and appropriate briefing materials will be compiled and provided to members at least one week before each meeting.
- 6.1.7 Minutes will be prepared for all meetings.
- 6.1.8 A report on the status of actions generated during meetings will be presented to each Committee meeting.

### **6.2 Quorum for Meetings**

A quorum shall comprise one Councillor and two independent members. The CEO is not required to be present for a quorum to be achieved.

### **6.3 Preparation for Meeting**

The ARC members are obligated to prepare for participation in meetings. If a Committee member is attending via video/audio conferencing they will retain full voting rights.

### **6.4 Required attendance**

The Chief Executive Officer and the Director Corporate (or their delegate in exceptional circumstances) must attend all meetings in full, except for relevant confidential matters.

## **7 RESPONSIBILITIES**

The ARC's responsibilities are documented in the Audit and Risk Committee Annual Work Plan in **APPENDIX 3**. This Plan includes frequency and timing of reports to the Committee. The Committee's Charter reference numbers appear in the Annual Work Plan illustrating the relationship between the Work Plan and Charter. The Annual Work Plan is supported by the Internal Control Environment Plan (**APPENDIX 4**).

The Committee will carry out the following responsibilities:

## **7.1 Financial and Performance Reporting**

- 7.1.1 Review significant changes in accounting standards and reporting
- 7.1.2 Review changes to the Local Government Performance Reporting Framework (LGPRF) / Local Government Model Sector Performance Report (LGMSPR)
- 7.1.3 Review outcomes of the external audits with management and the auditors
- 7.1.4 Review and recommend to Council the adoption of the annual financial statements and annual performance statements
- 7.1.5 Review quarterly finance report (including Income Statement, Balance Sheet, Statement of Cash Flow and Statement of Capital Works) – September, December and March quarters
- 7.1.6 Review reimbursement of Councillor expenses in accordance with section 40(2) of the Act.

## **7.2 Internal Control Environment**

- 7.2.1 Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment
- 7.2.2 Determine whether systems and controls are reviewed regularly and updated where required (Refer to the Audit and Risk Committee Internal Control Environment (ICE) Plan in **APPENDIX 4** for identified relevant policies)
- 7.2.3 Review significant changes to key systems and consider impact of changes on Council's risk profile
- 7.2.4 Ensure a program is in place to test compliance with systems and controls
- 7.2.5 After Council's Governance Principles have been defined, assess whether the internal control environment is consistent with Council's Governance Principles.

## **7.3 Risk Management**

- 7.3.1 Review the effectiveness of Council's Risk Management Framework
- 7.3.2 Review Council's Risk Appetite Statement and the degree of alignment with Council's risk profile
- 7.3.3 Review and approve strategic risks to Council's operations, including their likelihood and consequence of occurring and risk mitigation strategy
- 7.3.4 Review and endorse Council's overall risk profile, including very high and high rated risks and risk treatment plans in place and new and emerging risks
- 7.3.5 Review operational risks
- 7.3.6 Review the insurance programme annually prior to renewal
- 7.3.7 Review the Business Continuity Framework and testing regime.

## **7.4 Fraud Prevention Systems and Controls**

- 7.4.1 Review Council's Fraud Prevention policies and controls
- 7.4.2 Review Council's fraud control plan and awareness programme
- 7.4.3 Review reports on any instances of unethical behaviour, fraud or corruption
- 7.4.4 Review actions taken to report any incidents of fraudulent or corrupt behaviour to the appropriate integrity bodies.

## **7.5 Internal Audit**

- 7.5.2 Review and approve the strategic and internal audit plans
- 7.5.3 Review status of delivery of strategic internal audit plan
- 7.5.4 Review scopes of proposed internal audit reviews
- 7.5.5 Review reports on internal audit reviews
- 7.5.6 Meet with internal auditor in the absence of management
- 7.5.7 Review progress by management on open audit recommendations
- 7.5.8 Review the effectiveness of the internal audit function
- 7.5.9 Recommend to Council, if necessary, the termination of the internal audit contractor.



## **7.5 External Audit**

- 7.6.1 Review and approve the external audit scope and plan
- 7.6.2 Discuss any audit issues encountered during the course of the interim audit
- 7.6.3 Discuss any audit issues encountered during the course of the final audit
- 7.6.4 Ensure that management responses to any audit findings are appropriate and timely
- 7.6.5 Review the effectiveness of the external audit function
- 7.6.6 Review other VAGO performance audit reports for impacts on Council
- 7.6.7 Meet with the external auditor in the absence of management.

## **7.6 Compliance Management**

- 7.7.1 Review systems and processes to monitor compliance with legislation and regulations and management follow up of instances of non-compliance
- 7.7.2 Review processes for communicating Council's Employee Code of Conduct to employees and contractors and for monitoring compliance with the Code
- 7.7.3 Obtain briefings on any significant compliance matters
- 7.7.4 Review Gifts, Benefits and Hospitality Register
- 7.7.5 Consider reports on investigations undertaken by regulatory and integrity agencies relevant to Council (whether related to investigations at Loddon Shire Council or other councils/organisations), such as the Ombudsman, IBAC, Local Government Inspectorate, etc. and monitor Council's responses.

## **8 PERFORMANCE EVALUATION**

The ARC shall undertake a process to evaluate its performance annually in accordance with the survey in **APPENDIX 5** and report the outcomes of the evaluation process to Council through the Chief Executive Officer, including recommendations for any opportunities for improvement.

The evaluation will include feedback from both Committee members and senior officers who have regular interactions with the Committee.

## **9 REPORTING TO COUNCIL**

A summary of each ARC meeting will be reported at the next meeting of the Council.

A biannual audit and risk report including the activities of the Committee and its findings and recommendations, will be tabled at the next meeting of Council in accordance with section 54(5) of the Act.

## **10 REVIEW OF THE CHARTER**

The ARC shall review and assess the adequacy of this Charter every two years or earlier if necessary and submit a revised document to Council for approval through the Chief Executive Officer.

## 11 COSTING AND FUNDING OF ACTIONS

**Table 1: Audit and Risk Committee Costs**

Action	Cost of project	Total expected funding	Net cost to Council	Proposed funding source	Completion timeframe
Maintain appropriately skilled and experienced independent members	Remuneration as approved by Council Travel reimbursement as approved by Council Catering costs Training costs	0	As approved in budget	Not applicable	Annually
Engage internal auditors	4 year contract	0	As approved in budget	Not applicable	Annually

# APPENDIX 1: TERMS OF APPOINTMENT

## 1. CHAIRPERSON

The current Chairperson is Rod Baker.

The term of the current Chairperson is to 28 February 2024 or the date of the Meeting of Council in February 2024 where resolution for appointment of Chairperson for the new term will be made, whichever is the earlier.

## 2. COMMITTEE MEMBERS

Details of membership and tenure are set out below:

**Table 2: Details of membership**

Member	Appointment date	End of current term
Rod Baker	1 May 2020	30 April 2024
Rachelle Tippett	1 May 2021	30 April 2025
Rod Poxon	1 May 2018	30 April 2026
Vacant		

*\*These are four-year terms to ensure only one committee member term expires per year.*

## 3. COUNCIL REPRESENTATIVES

The current Councillor representatives are:

- **Substantive:** Councillor Gavan Holt for the period from 8 November 2022 to the date of the special meeting of Council to elect the Mayor conducted annually
- **Alternate:** Councillor Neil Beattie for the period from 8 November 2022 to the date of the special meeting of Council to elect the Mayor conducted annually.

## 4. REVIEW

Appendix 1 is updated in approximately April each year following the confirmation by Council of:

- the appointment of the Chairperson and
- the appointment of the new independent member and
- appointment of the substantive and alternate Councillor.

# APPENDIX 2: COMMITTEE MEMBER REGULATORY OBLIGATIONS

## Guidance to Members

LGA Section	LGA Requirement
<b>Misuse of Position</b>	
123(1)	A Committee member must not intentionally misuse their position to: <ul style="list-style-type: none"> <li>a) Gain or attempt to gain, directly or indirectly, an advantage for themselves or for any other person; or</li> <li>b) Cause, or attempt to cause, detriment to the Council or another person</li> </ul>
123(3)	Circumstances involving misuse of a position by a member of the Committee include: <ul style="list-style-type: none"> <li>a) Making improper use of information acquired as a result of being a member of the Committee; or</li> <li>b) Disclosing information that is confidential information; or</li> <li>c) Directing or improperly influencing, or seeking to direct or improperly influence, a member of Council staff; or</li> <li>d) Exercising or performing, or purporting to exercise or perform, a power, duty or function that the person is not authorised to exercise or perform; or</li> <li>e) Using public funds or resources in a manner that is improper or unauthorised; or</li> <li>f) Participating in a decision on a matter in which the member has a conflict of interest.</li> </ul>
<b>Confidential Information</b>	
125	A member of the Committee must not intentionally or recklessly disclose information that the member knows, or should reasonably know, is confidential information. There are some exemptions to this requirement, the key one being that if the information disclosed by the member has been determined by Council to be publicly available.
<b>Conflicts of Interest</b>	
126	A member of the Committee has a conflict of interest if the member has: <ul style="list-style-type: none"> <li>a) A general conflict of interest as described in Section 127; or</li> <li>b) A material conflict of interest as described in Section 128.</li> </ul>
127	A member of the Committee has a general conflict of interest in a matter if an impartial, fair-minded person would consider that the members private interests could result in that member acting in a manner that is contrary to their public duty as a member of the Committee.
128	A member of the Committee has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.
<p><b>Please Note</b></p> <p><i>The above guidance is not verbatim from the Act and does not include all details as explained in Part 6, Division 1 of the Act. For a full understanding of the requirements of the Act in relation to the matters summarised above, members are expected to make themselves fully aware of the requirements of the Act.</i></p>	

## APPENDIX 3: 2023-24 ANNUAL WORK PLAN

No.	Charter Requirement	Charter Ref.	Timing	2023		2024	
				Aug	Nov	Feb	May
<b>Membership and tenure</b>							
1	Appointment of Chair (for current year)	5.4.2	Annually			✓	
<b>Meetings</b>							
2	Develop annual schedule of meetings	6.1.2	Annually				✓
3	Review status of actions generated during ARC meetings	6.1.8	Quarterly	✓	✓	✓	✓
<b>Financial &amp; Performance Reporting</b>							
4	Review significant changes in accounting standards and reporting	7.1.1	Annually			✓	
5	Review changes to Local Government Performance Reporting Framework (LGPRF)	7.1.2	Annually				✓
6	Review outcomes of the external audit with management and the auditors	7.1.3	Annually	✓			
7	Review and recommend to Council the adoption of the annual financial statements and annual performance statements	7.1.4	Annually	✓			
8	Review quarterly finance report	7.1.5	Quarterly		✓	✓	✓
9	Review reimbursement of Councillors expenses	7.1.6	Quarterly	✓	✓	✓	✓
<b>Internal Control Environment</b>							
10	Review the adequacy and effectiveness of key policies, systems and controls - Refer to ICE Plan	7.2.1, 7.2.2 & 5.7	Quarterly	✓	✓	✓	✓
11	Review significant changes to key systems and consider impact of changes on Council's risk profile	7.2.3	Annually			✓	
12	Ensure a program is in place to test compliance with systems and controls	7.2.4	Annually			✓	
13	Assess whether the internal control environment is consistent with Council's Governing Principles	7.2.5	Annually		✓		
<b>Risk Management</b>							
14	Review the effectiveness of Council's Risk Management Framework	7.3.1	Annually				✓
15	Review Council's Risk Appetite Statement	7.3.2	Annually				✓
16	Review and approve strategic risks to Council's operations	7.3.3	Half Yearly		✓		✓
17	Review and endorse Council's overall risk profile	7.3.4	Half Yearly	✓		✓	
18	Review operational risks	7.3.5	Annually				✓
19	Review the insurance programme	7.3.6	Annually			✓	
20	Review the Business Continuity Framework and testing regime	7.3.7	Annually			✓	
<b>Fraud Prevention Systems &amp; Controls</b>							
21	Review Council's fraud prevention policies and controls	7.4.1	Two-yearly			✓	
22	Review Council's fraud control plan and awareness programme	7.4.2	Annually			✓	
23	Review reports on any instances of unethical behaviour, fraud and corruption	7.4.3	Quarterly	✓	✓	✓	✓
24	Review actions taken to report any incidents of fraudulent or corrupt behaviour to the appropriate integrity bodies	7.4.4	Quarterly	✓	✓	✓	✓

No.	Charter Requirement	Charter Ref.	Timing	2023		2024	
				Aug	Nov	Feb	May
<b>Internal Audit</b>							
25	Review and approve the strategic and internal audit plans	7.5.2	Annually				✓
26	Review status of delivery of strategic internal audit plan	7.5.3	Quarterly	✓	✓	✓	✓
27	Review scopes of proposed internal audit reviews	7.5.4	Quarterly	✓	✓	✓	✓
28	Review reports on internal audit reviews	7.5.5	Quarterly	✓	✓	✓	✓
29	Meet with internal auditor in the absence of management	7.5.6	Annually	✓			
30	Review progress by management on open audit recommendations	7.5.7	Quarterly	✓	✓	✓	✓
31	Review the effectiveness of the internal audit function	7.5.8, 7.5.9	Annually				✓
<b>External Audit</b>							
32	Review and approve the external audit scope and plan	7.6.1	Annually			✓	
33	Discuss any audit issues encountered during the course of the interim audit	7.6.2	Annually				✓
34	Discuss any audit issues encountered during the course of the final audit	7.6.3	Annually	✓			
35	Ensure that management responses to any audit findings are appropriate and timely	7.6.4	Quarterly	✓	✓	✓	✓
36	Review the effectiveness of the external audit function	7.6.5	Annually		✓		
37	Review other VAGO performance audit reports for impacts on Council	7.6.6	Quarterly	✓	✓	✓	✓
38	Meet with the external auditor in absence of management	7.6.7	Annually	✓			
<b>Compliance Management</b>							
39	Review systems and processes to monitor compliance with legislation and regulations	7.7.1	Annually		✓		
40	Review processes for communicating Council's Employee Code of Conduct	7.7.2	Annually			✓	
41	Obtain briefings on any significant compliance matters	7.7.3	Half Yearly	✓		✓	
42	Review Gifts, Benefits and Hospitality Register	7.7.4	Annually			✓	
43	Consider reports on investigations undertaken by regulatory and integrity agencies relevant to Council	7.7.5	Quarterly	✓	✓	✓	✓
<b>Performance Evaluation</b>							
44	Evaluate Committee performance and report outcomes to Council	8	Annually				✓
<b>Reporting to Council</b>							
45	Report summary of Committee activities to Council	9	Quarterly	✓	✓	✓	✓
46	Biannual audit and risk report of activities	9	Half Yearly		✓		✓
<b>Review of Charter</b>							
47	Review the ARC Charter and submit to Council for approval	10	Two-yearly				✓

## 1. REVIEW

Appendix 3 will be reviewed annually in preparation for the upcoming financial year.

# APPENDIX 4: INTERNAL CONTROL ENVIRONMENT (ICE) PLAN

Supply to ARC?	Document name	Estimated review date			
No.	Item to be Reviewed	Year 1 2023/24	Year 2 2024/25	Year 3 2025/26	Year 4 2026/27
<b>Governance</b>					
Yes	Delegations of Authority	✓	✓	✓	✓
No	Councillor Code of Conduct		✓		
Yes	Privacy Policy		✓		✓
No	Child Safe Policy				
Yes	Public Interest Disclosure Policy			✓	
Yes	Governance Principles				✓
Yes	Committee Asset Committee Policy				✓
Yes	Performance Reporting Framework				✓
<b>Human Resource Management</b>					
No	Documents reviewed by Staff Consultative Committee				
<b>Finance &amp; Accounting</b>					
Yes	Investment Policy		✓		
Yes	Financial Reserves Policy	✓			
Yes	Procurement Policy			✓	
Yes	Councillor Expenses and Support Policy			✓	
Yes	Borrowing Policy	✓			
Yes	Revenue and Rating Plan		✓		
<b>Risk Management</b>					
Yes	Risk Management Policy				✓
Yes	Risk Management Framework				✓
Yes	Risk Management Implementation Plan	✓	✓	✓	✓
Yes	Business Continuity Management Policy				✓
Yes	Business Continuity Plans	✓	✓	✓	✓
Yes	Disaster Recovery Plans	✓	✓	✓	✓
Yes	Cyber Security Policy		✓		
Yes	Occupational Health and Safety Policy				✓
<b>Fraud Prevention Systems &amp; Controls</b>					
Yes	Anti Fraud and Corruption Policy				✓
Yes	Fraud Control Plan				✓
Yes	Fraud Risk Self Assessment				✓
<b>Compliance Management</b>					
Yes	Compliance Management Policy			✓	
Yes	Compliance Management Framework			✓	
Yes	Compliance Management Plan			✓	
Yes	Councillor Gift Policy		✓		

## 1. REVIEW

Appendix 4 will be reviewed annually in preparation for the upcoming financial year.

# APPENDIX 5: AUDIT AND RISK COMMITTEE SELF-ASSESSMENT SURVEY

Performance for the Year Ended 30 June 2022

<i>Rating Scale</i>	<i>1 = Strongly Disagree</i>	<i>2 = Disagree</i>	<i>3 = Neutral</i>	<i>4 = Agree</i>	<i>5 = Strongly Agree</i>	<i>N/A = Not Applicable</i>
---------------------	------------------------------	---------------------	--------------------	------------------	---------------------------	-----------------------------

### Your Ratings of Performance

Comments are expected from respondents in the spaces provided at the end of each section where Ratings of 1. or 2. are given. This will assist in the identification of opportunities for improvement. It is expected that all questions will be applicable, so use of N/A ratings should be avoided wherever possible.

ID	Questions	Ratings [Tick boxes as appropriate]					
		1	2	3	4	5	N/A
<b>A. Audit Committee Charter</b>							
1	The Charter clearly articulates the Committee's roles and responsibilities and provides it with the necessary authority to discharge them						
2	The Charter facilitates and supports the effective operation of the Committee						
3	During the past year, the Committee has adequately addressed all of its responsibilities as detailed in the Charter						
4	The Charter ensures the Committee is sufficiently independent from the management of Council						
	<b>Totals</b>						
<u>Comments / Suggestions for Improvement</u>							
•							
<b>B. Skills and Experience</b>							
5	The Committee has the desired mix of skills to allow it to effectively discharge its responsibilities						
6	The Committee has been able to analyse and critically evaluate information presented to it by management						
7	There is a clear process that Committee members can follow to access advice and /or training to improve their skills and knowledge						
8	The Committee's collective skills are adequate in light of its responsibilities						
9	The Committee has responded appropriately where significant risks and/or control breakdowns have been brought to its attention						
10	The Committee has shown an openness to new ideas and different views in its deliberations						
11	The Committee has been sufficiently probing and challenging in its deliberations.						
	<b>Totals</b>						
<u>Comments / Suggestions for Improvement</u>							
<b>C. Understanding the Business</b>							
12	The Committee has an adequate understanding of Council's:						
	- Risk management framework and risk profile						
	- Internal control framework to mitigate significant risks						
	- Financial and statutory reporting requirements						
13	The Committee receives appropriate briefings on:						
	- Current and emerging business risks						
	- Changes in financial reporting requirements						
	- Changes in performance reporting requirements						
	- Integrity Agency reports						
	- Changes in the business/regulatory environment						
	<b>Totals</b>						
<u>Comments / Suggestions for Improvement</u>							
•							
<b>D. Meeting Administration and Conduct</b>							
14	The Committee has had an appropriate number of meetings to properly discharge its responsibilities						
15	Agendas are structured to allow sufficient time to discuss all critical issues						



ID	Questions	Ratings [Tick boxes as appropriate]					
		1	2	3	4	5	N/A
16	The Committee receives agendas and supporting papers in sufficient time prior to meetings						
17	Agendas and supporting papers are of sufficient clarity and quality to enable the Committee to make informed decisions						
18	Committee meetings are well run and productive						
19	Committee minutes are appropriately maintained and provided to Council on a timely basis						
<b>Totals</b>							
<u>Comments / Suggestions for improvement</u>							
•							
<b>E. Communications with Council</b>							
20	Committee communications to Council about its deliberations and decisions are appropriate.						
21	Committee reports to Council on its activities are appropriate						
<b>Totals</b>							
<u>Comments / Suggestions for improvement</u>							
•							
<b>F. Management Commitment &amp; Support</b>							
22	Information and briefing papers presented by management meet the Committee's expectations in respect of:						
	- Council's risk profile and mitigating actions for key risks						
	- Maintenance of a strong internal control environment that is effective in mitigating key risks						
	- Management of Council's compliance and regulatory obligations						
	- Council's external reporting requirements						
23	The Committee has a positive attitude to continuous improvement in its dealings with management						
<b>Totals</b>							
<u>Comments / Suggestions for improvement</u>							
•							
<b>G. Internal Audit</b>							
24	The Committee reviewed and approved the internal audit plan						
25	The Committee considered the adequacy of internal audit resources						
26	The Committee reviewed and approved any significant changes to the internal audit plan						
27	The Committee considered the performance of the internal audit function						
28	The Committee reviewed all internal audit reports and monitored management responses to recommendations						
29	The Committee reviewed the Audit and Risk Committee Charter to ensure that appropriate structures, authority, access and reporting arrangements are in place for the internal audit function						
<b>Totals</b>							
<u>Comments / Suggestions for improvement</u>							
•							
<b>H. External Audit</b>							
30	The Committee reviewed and approved the external audit plan						
31	The Committee reviewed external audit reports and management letters and monitored management responses to findings and recommendations made by external audit						
32	The Committee provided feedback on the performance of external audit						
<b>Totals</b>							
<u>Comments / Suggestions for improvement</u>							
•							
<b>I. Other Comments [Please phrase your comments as opportunities for improvement]</b>							
Please note here any other comments you would like to make about the Committee's performance:							
•							
<b>Grand Totals for all Responses</b>							