

SHIRE OF YORK FINANCE, AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

1. Objectives

The primary objective of the Committee is to oversee the financial, risk, and audit activities of the Shire, to the Council's satisfaction.

Recommendations from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of local government's financial accounting systems and compliance with legislation.

2. Powers of the Committee

The committee is a formally appointed committee of Council and is responsible to that body. The committee 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 committee does not have any management functions and cannot involve itself in management processes or procedures.

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

3. Membership

In terms of the Local Government Act 1995 part 5 division 2 (2) on:

- 3.1 The committee shall consist of elected members; and
- 3.2 Two suitably qualified persons from the public. These persons shall be selected by resolution of Council.
- 3.3 The CEO and employees are not voting members of the committee.
- 3.4 The CEO and or their nominee is to attend all meetings to provide advice and guidance to the committee.
- 3.5 The executive shall provide secretarial and administrative support to the committee.

4. Meetings

The committee shall meet a minimum of 11 times per year.

Additional meetings shall be convened at the discretion of the presiding person.

5. Reporting

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

6. Duties and Responsibilities

The duties and responsibilities of the committee will be:

6.1 Audit

1. Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.
2. Develop and recommend to Council an appropriate process for the selection and appointment of a person as the local government's auditor.
 - c) Develop and recommend to Council –
 - a list of those matters to be audited; and
 - the scope to be undertaken.
3. Recommend to Council the person or persons to be appointed as auditor.
4. Develop and recommend to Council a written agreement for the appointment of the auditor. The agreement is to include –
 - the objectives of the audit;
 - the scope of the audit;
 - a plan of the audit;
 - details of the remuneration and expenses to be paid to the auditor; and
 - the method to be used by the Council to communicate with, and supply information to, the auditor.
5. Meet with the auditor a minimum of once in each year.
6. Liaise with the CEO to ensure that executive does everything in its power to –
 - assist the auditor to conduct the audit and carry out their other duties under the Local Government Act 1995; and
 - ensure that audits are conducted successfully and expeditiously.
7. Examine the reports of the auditor after receiving a report from the CEO on the matters and –
 - determine if any matters raised require action to be taken by the Council; and
 - ensure that appropriate action is taken in respect of those matters.
8. Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
9. Review the scope of the audit plan and program and its effectiveness.
10. Address issues brought to the attention of the committee that are within the parameters of the committee's terms of reference.
11. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council.

6.2 Financial Management

1. Review the annual Financial Statements with a view to being satisfied as to their accuracy and timeliness and the inclusion of prescribed disclosures and information;
2. Review changes in accounting practices, policies and material changes in accounting treatment, providing advice on the appropriateness of implementation strategies; and
3. Review the Shire's financial status and performance.

6.3 Risk Management

The Committee is to review:

1. The Shire's risk management strategies and policies;
2. The adequacy of the Shire's risk management systems and practices; and
3. The management of strategic risks, identifying as appropriate, specific risks for more detailed review and response.
4. The standard and effectiveness of the Shire's corporate governance and ethical considerations; and
5. The integrity, adequacy and effectiveness of the Shire's financial and administration policies, systems and controls in providing financial and governance information which:
 - is accurate and reliable;
 - complies with legislative obligations and requirements; and
 - minimises the risk of error, fraud, misconduct or corruption.
6. Legislative Compliance
 - 6.1 The integrity, adequacy and effectiveness of the Shire's systems and controls for legislative compliance;
 - 6.2 The level of compliance with legislative obligations as well as the Shire's policies;
 - 6.3 The CEO's report on the review of the Shire's legislative Compliance systems, at least once biennially; and
 - 6.4 The annual statutory Compliance Audit.

7. Guiding Principals

The guiding principles are in accordance with the Local Government Act 1995

8. Tenure of Membership

Shall be in accordance with the Local Government Act 1995, section 5.11.

9. Delegated Authority Of

The authority to meet with the Auditor of the local government at least once in every year, pursuant to Section 7.12A(2) the Local Government Act 1995.

10. Committee

The conduct of the Committee is bound by the provisions of the Local Government Act Section 5.65