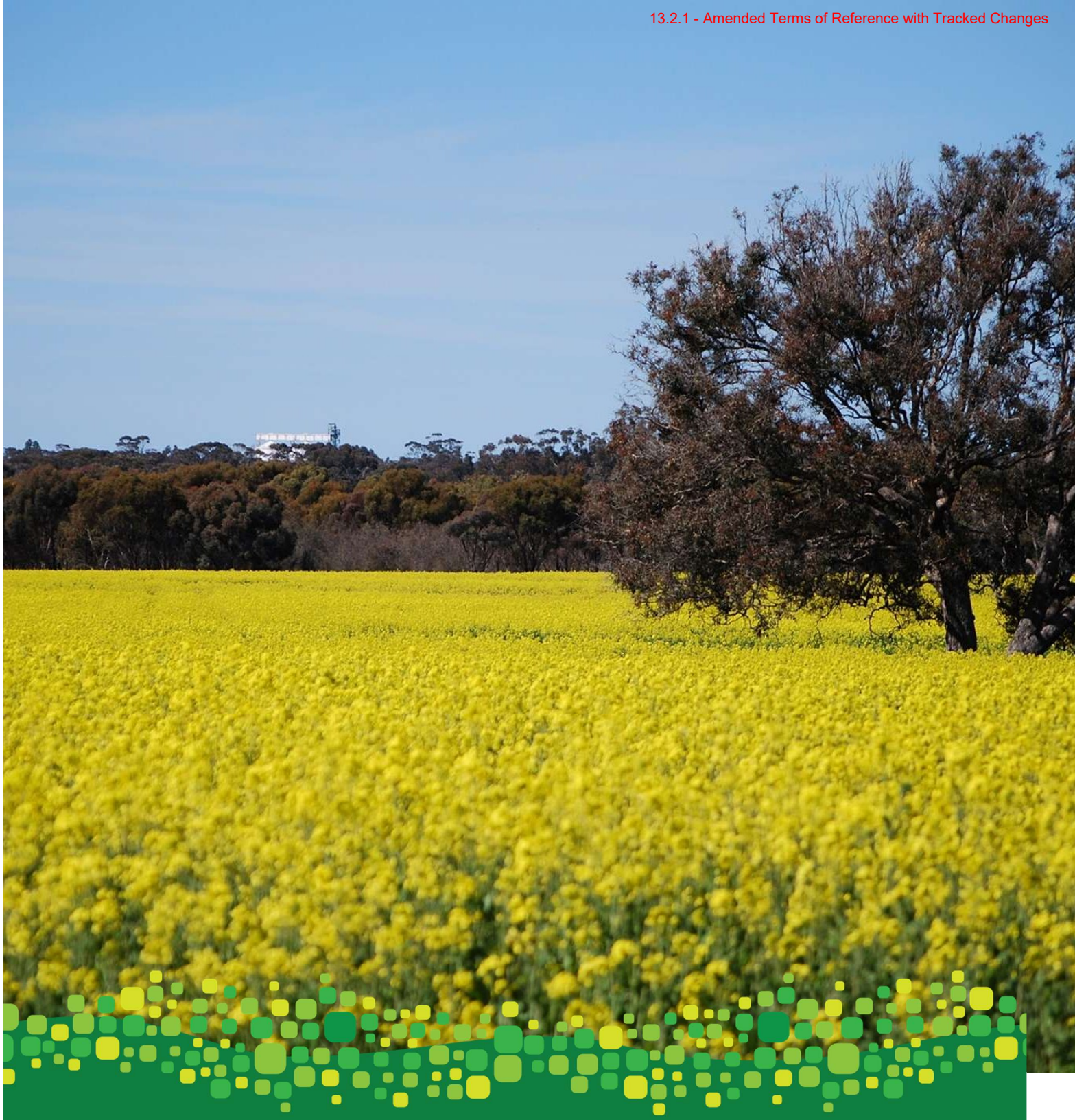

Audit, Risk, and Improvement Committee

Terms of Reference

Shire of Broomehill Tambellup

looking forward

Contents

Contents 2
Preamble 3
Purpose 3
Scope of Responsibilities and Functions 3
Risk Management and Internal Controls 3
Financial Management 3
Compliance and Integrity 4
Audit 4
Committee Membership 4
Committee Composition 4
Appointment of Independent Presiding Member and Deputy of the Presiding Member 4
Selection Criteria and Eligibility 4
Selection and Appointment Process 5
Term Duration 5
Committee Member Entitlements 6
Committee Meetings 6
Role of the Deputy of the Presiding Member 6
Number of Meetings and Frequency 6
Committee Meeting Attendance 6
Staff and Elected Member Attendance 6
Voting 7
Quorum 7
Meeting Agenda and Minutes 7
Declaration of Interests 7
Code of Conduct 7

Preamble

The Audit, Risk, and Improvement Committee (Committee) is established by the Council of the Shire of Broomehill-Tambellup (Shire) in accordance with section 7.1A of the *Local Government Act 1995* (WA)(Act).

Purpose

The Committee provides independent oversight and advice to Council to support sound financial management, effective risk management, robust internal controls, strong legislative compliance, and a culture of continuous improvement in the Shire's operations and performance.

Scope of Responsibilities and Functions

The Committee is responsible for monitoring, reviewing, and providing guidance on the adequacy and effectiveness of the Shire's systems and processes for risk management and internal controls, financial management, compliance and integrity, and Audit Regulation 16 of the *Local Government (Audit) Regulations 1996* (WA) sets out the functions of the Committee, which comprise:

Risk Management and Internal Controls

(a) Reviewing the adequacy of the Shire's risk management framework to ensure systems are in place to identify, manage, and report actual and perceived risks.

(b) Reviewing the effectiveness of the Shire's business continuity planning arrangements to confirm they are current, tested, and operating as intended.

(c) Considering relevant audit reports and publications from the Office of the Auditor General and other relevant sources, to identify lessons and guidance on good practice.

(d) Monitoring and reporting on the effectiveness of the Shire's internal control systems to ensure ongoing compliance with legislative and policy requirements.

Financial Management

(e) Reviewing the annual financial statements to confirm the accuracy, completeness, and integrity of information presented, and recommending to the Council that the statements be received.

(f) Reviewing performance audits undertaken within the Shire and monitoring the implementation of agreed recommendations.

(g) Assessing the adequacy and appropriateness of the Shire's accounting controls, principles, and policies, and the consistency of their application.

(h) Reviewing the Shire's insurance coverage to ensure it remains adequate and appropriate, having regard to the organisation's risk profile and financial position.

Compliance and Integrity

(i) Reviewing the adequacy and effectiveness of the Shire's fraud control arrangements, processes, and systems.

(j) Remaining informed of legislative and regulatory changes relevant to the Shire's governance, compliance, and audit responsibilities.

(k) Reviewing the Shire's annual Compliance Audit Return and reporting the outcomes of the review to Council.

Audit

(l) Noting the auditor's proposed scope and approach for financial and performance audits.

(m) Reviewing all audit reports and advising Council on significant findings, issues, and the actions proposed or taken in response.

(n) Monitoring management's progress in implementing agreed audit recommendations and reporting on the status of those actions.

Committee Membership

Committee Composition

The Committee is to consist of up to five (5) members, comprising of:

(a) an Independent Presiding Member; and

~~(b) an Independent Deputy Presiding Member; and~~

~~(c)~~(b) at least three (3) members of the Council appointed as Ordinary Committee Members.

Ordinary Committee Members are to be appointed to the Committee by Council in accordance with section 7.1A of the Act.

Appointment of Independent Presiding Member and Deputy of the Presiding Member~~s~~

Selection Criteria and Eligibility

Expressions of interest will be sought from candidates who demonstrate experience and qualifications in one or more of the following areas:

(a) Internal auditing.

(b) Risk management.

(c) Financial management and reporting.

(d) Information, communication and technology management.

(e) Good governance and audit committee practices.

(f) An understanding of the complexities of regional local government operations.

The following classes of persons are ineligible for appointment to the roles of Independent Presiding Member or Deputy of the Presiding Members:

(a) Members of the Council.

(b) Members of any other local government council.

(c) Employees of the Shire.

(d) Any person who, or any director or secretary of a company that, currently provides or is likely to provide paid services to the Shire.

Council will appoint the Independent Presiding Member and Deputy of the Presiding Member based on demonstrated merit, relevant expertise, and an absence of actual, potential, or perceived conflicts of interest.

Selection and Appointment Process

The appointment of the Independent Presiding Member and Deputy of the Presiding Member~~s~~ will be through one or a combination of the following processes:

(a) The Chief Executive Officer (CEO) will invite expressions of interest for the positions through public advertisement.

(b) The CEO may also review and contact applicants listed on the WALGA Pool of Independent Presiding Members for Local Government Audit, Risk and Improvement Committees.

The CEO will assess and evaluate all potential candidates against the approved selection criteria and provide recommendations to the Council.

The Council will determine the appointments by absolute majority, taking into consideration each applicant's qualifications, experience, and demonstrated suitability for the role.

Term Duration

Committee Membership will remain in effect from the time of appointment until the next ordinary Council election, unless the Council determines otherwise. In practice, the Committee's term will align with the two-year local government election cycle.

The Council may resolve to reappoint ~~external independent members, including~~ the Independent Presiding Member and Deputy of the Presiding Member~~s~~, for consecutive terms. Committee Members may resign by providing written notice to the CEO or the Independent Presiding Member, in accordance with regulation 4 of the *Local Government (Administration) Regulations 1996* (WA).

Council may, by resolution, terminate the appointment of any Committee Member prior to the expiry of their term if it determines that the member:

(a) has breached the Act, or the Code of Conduct for Council Members, Committee Members and Candidates;
(b) is not actively engaged or contributing to the effective functioning of the Committee; and/or
(c) have conducted themselves in a manner that brings the Shire into disrepute.

Where a vacancy occurs, the Council may appoint a replacement member in accordance with section 5.11 of the Act. If the vacancy relates to the Independent Presiding Member or Deputy of the Presiding Member~~s~~, the Council may appoint an interim member to the position until a new Independent Presiding Member is appointed. Any person appointed to fill a vacancy will hold office for the remainder of the predecessor's term.

Committee Member Entitlements

All Committee Members will have access to appropriate training and professional development opportunities, which will be considered as part of the Shire's annual budget process.

The Independent Presiding Member ~~and Deputy Presiding Members are~~ is entitled to receive a meeting fee and to claim reasonable expenses associated with performing their duties for each meeting attended. The Deputy of the Presiding Member is entitled to these payments only when acting in the role. Fees and reimbursements will be determined in accordance with the guidance of the Western Australian Salaries and Allowances Tribunal.

Committee Meetings

Chairing the Meeting

The Committee will be led by the Independent Presiding Member as the Chair.

Role of the Deputy of the Presiding Member

The Deputy of the Presiding Member will not ordinarily attend Committee meetings. The Deputy will attend and perform the functions of the Presiding Member only when the Presiding Member is absent, unavailable or otherwise unable to act, including presiding at the meeting.

Number of Meetings and Frequency

The Committee will meet as required to properly discharge its responsibilities and functions, having regard to its work program, the matters requiring consideration and any associated timeframes, and will meet at least twice each year.

Changes to the schedule will be made in consultation with the Independent Presiding Member, with reasonable notice provided to Committee Members.

~~The Committee is to meet on a quarterly basis; additional meetings may be held if required.~~

Committee Meeting Attendance

Members are expected to attend meetings in person. Where a member is unable to attend in person, electronic attendance may be arranged with the approval of the Chair. Members must notify the Independent Presiding Member at least 24 hours prior to the meeting if they are unable to attend in person and wish to participate electronically.

Staff and Elected Member Attendance

Relevant staff, including the CEO, may attend Committee meetings to provide advice and support, but do not have voting rights.

Elected Members who are not Committee Members may attend meetings as observers but are not entitled to participate in discussions or decision-making. Observer attendance is at the

discretion of the Independent Presiding Member, particularly where confidential or sensitive matters are to be considered.

Voting

Each Committee Member is entitled to one vote. In the event of an equality of votes, the Presiding Member will have a casting vote.

Quorum

A quorum for a Committee meeting is at least 50 per cent of the total number of Committee Members and must include the Independent Presiding Member or, when acting in that role, the Deputy of the Presiding Member.

~~A quorum for a Committee meeting is at least 50 per cent of the total number of Committee Members and must include either the Independent Presiding or the Deputy Presiding Members.~~

Meeting Agenda and Minutes

The administration will prepare and distribute the meeting agenda and supporting papers at least five working days before each meeting. The administration is also responsible for recording minutes and documenting actions arising from each meeting.

Minutes of Committee meetings will be confirmed by the Committee at its next meeting and then presented to the next Ordinary Council Meeting for noting or adoption, as appropriate.

Declaration of Interests

All Committee Members must declare any conflicts of interest in accordance with regulation 22 of the *Local Government (Model Code of Conduct) Regulations 2021* (WA). A declaration is to be made in writing to the CEO before the meeting, or verbally at the meeting immediately prior to consideration of the relevant matter.

Code of Conduct

All Committee Members are required to comply with the Code of Conduct for Council Members, Committee Members and Candidates adopted by the Council. Members are expected to demonstrate integrity, honesty, and respect in all Committee dealings and to maintain confidentiality over information and matters discussed at meetings.

Document Control Box			
Document Responsibilities:			
Owner:	Chief Executive Officer	**Owner Business Unit:**	Office of the CEO
Reviewer:		**Decision Maker:**	Council
Compliance Requirements:			
Legislation:	Sections 7.1A, *Local Government Act 1995* Regulation 16, *Local Government (Audit) Regulations 1996*		
Other:			
Organisational:			

Document Management:							
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Version #	Decision Reference:	Synopsis:
1.	20/10/2025 / resolution 110/25	Revised Terms of Reference adopted by Council.
2.	15/10/2026/ resolution _____	Review of Terms of Reference, changes to meeting frequency, Committee Composition, Definition of Deputy of the Presiding Member.

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Shire of Broomehill Tambellup
looking forward