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CDRC Audit Committee – Terms of Reference

Date Adopted: 30 September 2021
 Last Review:
 Next Review Date: November, 2023

1. Establishment

The CDRC Audit Committee (the Committee) is established as an audit committee to the Council in accordance with the *Local Government Act, 2019* Part 5.3, sections 86 - 89 and the *Local Government (General) Regulations 2021* Part 2, section 19.

2. Objective

The Committee is scheduled for the intervening months where there is no scheduled Council meeting and has the functions as described under section 87 of the Act:

- (a) Monitors and reviews the integrity of the Council's financial management;
- (b) Monitors and reviews internal controls; and
- (c) Makes recommendations to council about any matters the committee considers needs council's consideration as a result of its functions.

3. Authority

With consideration of legal and confidentiality implications the committee is authorised, within the capacity of its role and responsibilities, to:

- Obtain any information it requires from any employee and/or external party.
- Discuss any matters with the external auditor, or other external parties.
- Obtain external legal or other professional advice, as considered necessary to meet its responsibilities.

4. Members and Tenure

The Committee consists of:

- A minimum of three Councillors, one of whom will be the President or Deputy President.
- A minimum of one external member.
- One external Member, with preference for one of whom should be either a CPA or a CA.
- The Chairman of the Committee shall be an external member.
- The Council shall appoint Councillors to this Committee for the term of the Council.

The Chief Executive Officer and other relevant staff may attend committee meetings.

The term of office is for the Local Government electoral term for Councillors. A newly elected council will appoint new members from its ranks for the Councillor positions. External members are appointed for a two year term, and their term may overlap council terms.

5. Key Responsibilities

The Committee will undertake the following functions:

- Monitor strategic risk management and the adequacy of the internal control policies, practices and procedures established to manage identified risk.



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- Oversee the internal audit function including development of audit programs with reference to the Council's risk assessment, the monitoring of audit outcomes and the implementation of recommendations.
- Review quality of annual financial statements and the Annual Report.
- Review management's responses to external audit recommendations and monitor implementation of the agreed recommendations.
- Assess the adequacy of audit scope and coverage.
- Review the monthly financial reports and monitor progress against the budget.
- Review and determine action for any other financial documents that need to be dealt with prior to the next ordinary council meeting.
- Make decisions on financial matters such as sponsorship, financial aid or debt collection which need to be dealt with prior to the next ordinary council meeting.
- Consider and make recommendations to council on any matters that have a financial impact on Council.

6. Reporting

The Committee will regularly report on its operation and activities, including:

- Minutes of its meeting which may include a summary of the key issues arising from each meeting of the committee and any recommendations.
- Annually, an overall assessment of the Council's risk, control and compliance framework, together with a summary of the work the committee performed in conducting its responsibilities during the preceding year.

7. Meetings

The Committee will meet in the months between ordinary council meetings.

Meeting dates are as defined in the Council Year Planner and approved by Council. Agenda items will be agreed to by the Committee each year and will address all of the Committee's responsibilities as detailed.

8. Quorum

A quorum will consist of a majority of Committee Members and must include the Chair.

9. Secretariat

Secretariat support will be provided by the Central Desert Regional Council.

Responsibilities

The Secretariat will be responsible for ensuring that the agenda for each meeting and supporting documentation are circulated, after approval from the chair, at least one week prior to the meeting. The Secretariat will prepare and maintain the minutes ensuring they are signed by the chair, distributed to each member and tabled at the next ordinary council meeting.



10. Code of Conduct

Committee members must abide by the Council Code of Conduct.

12. Assessment of Committee

The chair of the committee and the CEO will initiate a review of the performance of the committee at least once every two years. The review will be on an internal assessment basis with appropriate input from the Council, CEO and senior managers, internal and external auditors, and any other relevant stakeholders.

14. Review

These Terms of Reference will be reviewed on an annual basis by the Committee. Any substantive changes will be recommended by the Committee and formally approved by the Council.

15. Approval and Review History

Date	Comment
30 Sept 2021	Adopted by Council – Ocxx/2021