

TERMS OF REFERENCE

Audit and Risk Committee

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1. Document control

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Electronic version on the intranet or website is the controlled version.

2. Preamble

A Committee of Council may be established by resolution of the Council.

A Committee is established for the purpose of assisting the Council in the performance of its functions, inquiring into and reporting to the Council on matters within the ambit of the Council's responsibilities, providing advice to the Council and to exercise, perform or discharge delegated powers, functions or duties of the Council.

Section 126 of the *Local Government Act 1999* requires Council to appoint an audit and risk committee, with specific functions and responsibilities. The City of Onkaparinga has established the Audit and Risk Committee to fulfil this role.

The establishment of a Committee does not derogate from the power of the Council to act in a matter.

3. Purpose of the Committee

The purpose of the Audit and Risk Committee is to provide independent assurance and advice to the Council on accounting, financial management, internal controls, risk management and governance matters.

4. Functions

The Audit and Risk Committee perform the following legislative and additional functions:

- Review annual financial statements to ensure that they present fairly the state of affairs of the Council.
- Propose, and provide information relevant to, a review of the Council's strategic management plans and annual business plan.
- Monitor the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's auditor.
- Propose and review the exercise of powers under section 130A (other investigations).
- Liaise with the Council's auditor in accordance with any requirements prescribed by the regulations.
- Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
- Provide oversight of planning and scoping of the internal audit work plan.
- Review and comment on internal audit reports on a quarterly basis.
- Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- Review any Prudential Report obtained by the Council under section 48(1).

- Review quarterly reporting on Freedom of Information applications and Internal review of Council Decisions (section 270 decisions).
- Review policies relating to strategic, financial or operations risk matters
- Receive insurance and liability renewal premiums information charged by Local Government Risk Services.
- Perform any other function determined by the Council (including advice on matters of financial significance) or prescribed by the Regulations.

5. Reporting

The Audit and Risk Committee must:

- Provide a report to the Council, which will be in the form of a “Discussion and Actions Arising” summary report (which will be circulated to the Audit and Risk Committee members for comment after each meeting), which summarises the work of the Committee during the period preceding the meeting and the outcomes of the meeting. The Discussion and Actions arising summary report will be provided as an attachment to the Audit and Risk Committee meeting minutes to the next Council meeting.
- Provide an annual report to the Council on the work of the Committee during the period to which the report relates.

6. Establishment of the Committee

Pursuant to section 126 and 41 of the *Local Government Act 1999* the Council establishes a Committee to be known as the Audit and Risk Committee (referred to in these Terms of Reference as "the Committee").

7. Membership

Appointment

Council will resolve the membership of the Audit and Risk Committee.

Membership will consist of three independent members (who are not members of any Council) and two elected members ensuring compliance with LG Act s126 (2)(a). It is generally preferred to have an independent member as the Chairperson of the Audit and Risk Committee.

Recruitment of Independent Members will be undertaken by Administration in accordance with approved recruitment best practice and relevant policies and procedures. Once completed, a recommendation(s) will be put to Council for decision.

Independent Members will be appointed for a term not exceeding three years, with the aim to have the expiry of terms staggered. On expiry of their term, a member may be re-appointed by Council for a further three plus three (3 + 3) year term, unless otherwise approved by Council.

The maximum continuous tenure of an Independent Member is nine (9) years, unless otherwise determined by Council.

Elected members will hold office from the period of 10 December 2024 until the conclusion of the local government elections in November 2026, unless determined otherwise by the Council

Council may choose to appoint a proxy member for the elected members. In the event that an elected member is unavailable, they may request the proxy member to attend a specific meeting on their behalf.

Council employees are not eligible to be members of the Audit and Risk Committee.

Attendance

Members must notify the Chairperson and meeting secretary of non-attendance of a meeting.

The proxy member may attend meetings of the Committee but has no voting entitlement unless representing an absent elected member. See part 9 for Electronic Attendance.

The Independent Members of the Committee will be paid an allowance in the form of a sitting fee for each meeting attended as set by Council resolution. Council must be satisfied that the members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the Committee, including in financial management, risk management and governance.

Training and Professional Development

Independent Members may claim an amount to attend a training session requested by Council or Administration for an amount equal to an independent ordinary members sitting fee for each training session. Travel expenses will be reimbursed where the travel is related to activities other than meetings of the Committee e.g. training, in accordance with the Elected Member allowance, benefits and support procedure, subject to being accompanied by appropriate supporting documentation.

Members of the Committee may be removed from office by Council resolution at any time.

Section 41 Committees are dissolved at the end of each council term.

8. Chairperson

The Chairperson is appointed by Council.

The role of the Chairperson is to:

- Oversee the orderly conduct of meetings in accordance with the *Local Government Act 1999*, the *Local Government (Procedures at Meetings) Regulations 2013* and Council's 'Code of Practice - Proceedings of Meetings'.
- Ensure that the Guiding Principles at Regulation 4 are observed and that all Committee members have an opportunity to participate in discussions in an open and responsible manner.
- Ensure when a matter has been debated significantly and no new information is being discussed to call the meeting to order and move the debate towards finalisation.

The Chairperson of a Committee is not excluded from debate and may add to the debate nearing its end (so as not to 'lead from the Chair'). The Chairperson of a Committee has a deliberative vote and does not have a casting vote.

If the Chairperson of the Committee is absent from a meeting, an interim Chairperson will be appointed from amongst the members present, with preference given to this being another independent member and will preside at that meeting.

The Committee minutes shall be presented to the next available meeting of Council, including recommendations that require a decision of Council, in the form resolved by the Committee, for consideration of the Council.

9. Meeting details

The Audit and Risk Committee will have at least one meeting in each quarter. Meeting dates and times are set by Council in consultation with members.

In accordance with Section 90 (7a) of the LG Act members are able to attend the meeting electronically or via phone provided that members of the public can hear the discussion between all committee members.

10. Meeting Procedures

Meetings of the Audit and Risk Committee will be held in accordance with:

- *Local Government Act 1999*
- *Local Government (Procedures at Meetings) Regulations 2013*
- Council's Code of Practice: Proceedings of Meetings
- Council's Code of Practice: Access to Meetings and Documents

Where these guiding documents are silent, the Committee will consider and determine its own meeting practice, processes and procedures within the parameters of the *Local Government Act 1999*.

Provisions relating to when the public may be excluded from attendance at a meeting of the Audit and Risk Committee will be in accordance with Council's Code of Practice – Proceedings of Meetings 2023.

11. Deputations

The Committee Chairperson may allow deputations to appear if they align with the business of the Committee or are referred by the Council.

A deputation must not exceed eight (8) minutes except with the consent of the Committee.

12. Conduct and Interests of Committee Members

All members of the Committee must comply with chapter 5 part 4 of the Local Government Act 1999 relating to Member Integrity and Behavior, Register of Interests and Conflicts of Interests

13. Role of Administration

The Responsible Officer for the Risk and Audit Committee will be the Director Corporate (who is also the person 'primarily responsible' for the internal audit function (under s.125A of the Local Government Act 1999).

Staff will attend meetings as required and are responsible to provide advice and recommendations to the Committee.

14. Further information

Audit and Risk Committee Terms of Reference is available for inspection, downloading or printing from our website www.onkaparingacity.com.au.