



Audit, Risk and Improvement Committee (ARIC)

Terms of Reference

Purpose

The purposes of ~~the~~ ARIC ~~are~~ is to:

1. provide independent assurance and assistance to the Council in overseeing the financial reporting process.
2. Assist Council to manage the Integrity Strategy.
3. Assist Council to manage ~~Risk~~ risk through an endorsed approach, approved risk registers and regular reporting.
4. Assist Council to manage ~~i~~Internal ~~a~~Audit through a set ~~i~~Internal Audit ~~audit~~ pPlan, oversight of audit reports and monitoring of audit findings.
5. Assist Council to ensure appropriate and effective financial management, legislative compliance and risk management ~~compliance and financial~~ controls are set and maintained and to monitor ongoing ~~compliance~~ performance of these controls.

The ARIC also aims to promote transparency and accountability in the City's operations and to provide guidance and recommendations for continuous improvement of financial management, legislative compliance and risk management ~~practices~~.

Background

1. The Audit, Risk and Improvement Committee (ARIC) is a formally appointed Committee of Council as required under the Local Government Act 1995.
2. The ARIC does not have executive powers or authority to implement actions in areas over which the Administration (management) has responsibility and remains independent of the Administration.

Objectives and Duties

~~1.~~ 2.1. The ARIC ~~facilitates~~ is responsible for:

- a. receiving and reviewing reports on, and recommending to Council actions to be taken in respect of, financial, supplementary or performance audits under Part 7 of the Local Government Act 1995.
- b. receiving and reviewing reports on, and recommending actions to be taken in relation to, the annual compliance audit required under r.14 of the Local Government (Audit) Regulations 1996.
- c. receiving and reviewing reports on, and recommending to Council actions to be taken in respect of the four-yearly CEO review into financial management, legislative compliance and risk management required under r.17 of the Local Government (Audit) Regulations 1996.
- d. receiving and reviewing reports on the appropriateness and effectiveness of, and recommending to Council improvements to, the City's systems and

- procedures in relation to financial management, legislative compliance and risk management.
- e. receiving and reviewing reports on, and recommending to Council improvements to, the implementation of any actions the City:
 - o is required to take under section 7.12A(3) of the Local Government Act 1995
 - o has stated it has or intends to take under section 7.12A(4)(a) of the Local Government Act 1995;
 - o has otherwise decided to take in respect of financial, supplementary or performance audits or annual compliance audits
 - o has stated it has done or will done or proposes to do in written advice prepared under section 8.16(1)(a) or 8.23(4)(a) of the Local Government Act 1995
 - f. receiving the Annual Financial Report of the City, prepared under section 6.4 of the Local Government Act 1995, for ultimate referral to Council.
 - g. receiving the Auditor's Report, Audit Opinion and any Audit Management letter in respect of the Annual Financial Report, prepared by the auditor of the local government, for ultimate referral to Council.
 - h. meeting with the auditor of the local government, as required by section 7.12A of the Local Government Act 1995.
 - i. recommending to Council an appropriate internal audit program for the City and monitoring the progress of audits identified in the internal audit program.
 - j. monitoring and reporting on the effectiveness of the City's risk management framework, including reviewing risk assessments, risk treatment plans, and the effectiveness of controls.
 - ~~a. external financial audit reporting which includes reviewing and ensuring the accuracy and completeness of the financial statements of the City of Cockburn.~~
 - ~~b. examination of an Annual Financial Audit Report received and follow up of any matters raised in the report and subsequent management letter, to ensure appropriate action is taken in respect of those matters.~~
 - ~~c. vetting and responding to Office of the Auditor General (OAG) Local Government performance audits, whether the City is directly involved or not.~~
 - ~~d. compliance with the Council functions under Part 6 of the Local Government Act 1995 (the Act) in relation to the City's financial management.~~
 - ~~e. compliance with the Council functions under Part 7 of the Act in relation to Audit requirements.~~
 - ~~f. appropriate internal audit program endorsed by Council.~~
 - ~~g. the review of the CEO's Report provided under:
 - i. Regulation 17 (3) of the *Local Government (Audit) Regulations 1996*
 - ii. Regulation 5 (2) (c) of the *Local Government (Financial Management) Regulations 1996.*~~
 - ~~h. compliance with Regulation 17 of the *Local Government (Audit) Regulations 1996* in relation to:
 - i. Risk management
 - ii. Internal control
 - iii. Legislative compliance.~~

~~and to review the appropriateness and effectiveness of the systems and procedures in relation to these matters on a triennial basis every three (3) financial years.~~

~~i. monitor and report on the effectiveness of the City's risk management framework, including reviewing risk assessments, risk treatment plans, and the effectiveness of controls.~~

~~k. monitoring and reporting on the effectiveness of the City's Integrity Strategy.~~

~~j.l. monitoring the City's progress in respect of any improvement or other actions Council has resolved to take to address any audit done by a local government auditor or by another auditor pursuant to the internal audit plan.~~

~~k. effective communication between the external auditor, internal auditor, administration (management) and the Council.~~

~~effective management of financial and other risks to the City through a comprehensive risk management framework.~~

~~the protection of City assets.~~

~~review of the annual Compliance Audit Return required under Regulation 14 of the Local government (Audit) Regulations 1996.~~

~~3.2. The ARIC performs any other function conferred on it by the Act, Regulations, or any other written law.~~

Membership

~~1. The Committee will comprise of a minimum of four (4) Elected Members but with no upper limit, who shall be appointed by Council for a two-year term, in accordance with the two-year Electoral Cycle.~~

~~1.2. who shall be appointed by Council, and will include At least one, but up to two (2) independent and, appropriately, qualified appointed members persons will also be appointed by Council to the ARIC as an Independent Member.~~

~~2.3. The Presiding Member of the Committee, and the any Deputy Presiding Member of the Committee, and the Deputy of the Presiding Member shall be an Independent Member, as appointed by Council.~~

~~3.4. Payment of any fee to the Independent Member is as per the Salaries and Allowances Tribunal (SAT) determination. The Presiding Member (and Deputy of the Presiding Member) is to be paid the maximum allowable by the SAT. The Deputy Presiding Member is to be paid 75% of the maximum allowable by SAT.~~

~~4. No less than two proxies will be appointed, who will attend in the absence of an Elected Member.~~

~~5. A quorum shall be deemed present when at least half of the appointed Committee Members are in attendance at a meeting.~~

~~6. Elected Members who are ARIC Members (including proxies any deputies) will be encouraged to undertake training to support their role as ARIC Members.~~

~~7.5. Training recommendations will be in accordance with the CEO recommendations.~~

~~8.6. The CEO and the officers responsible for the external and internal audit functions, risk management and legislative compliance will attend meetings to advise and provide information, as required, and cannot be ARIC Members.~~

~~9.7. Other City officers shall attend as required to provide necessary administrative and secretarial support to the Committee.~~

1. ~~Representatives of the Office of the Auditor General and the contracted external and internal auditor shall be invited to attend the meetings as appropriate. The relevant auditors must attend the meetings where the Draft Annual Financial Report and results of the external audit are to be considered.~~

Meetings

1. The Committee shall meet on a quarterly basis or more frequently as required, with a minimum of four meetings per year.
2. The Committee shall be held in person at ~~6:00pm~~ a time and date scheduled by Council in the Annual Meeting Calendar. ~~on meeting dates in accordance with Council's endorsed meeting schedule.~~
3. An Audit Committee Calendar will be produced as guidance for the matters to be included on each regular meeting agenda and will be arranged to coincide with any relevant legislative timeframes where necessary deadlines.
4. Representatives of the Office of the Auditor General and the contracted external and internal auditors shall be invited to attend ARIC Meetings as appropriate. The relevant auditors must attend the meetings where the draft Annual Financial Report and results of the external audit are to be considered.

Delegation

1. ~~The ARIC will be delegated the authority to meet with the appointed external auditor, as required by section 7.12A of the Act.~~ Nil

Reporting

1. ~~Agenda papers for the ARIC~~ The ARIC Agenda will be published and made available to Mmembers no less than seven (7) days before a meeting.
2. Reports and decisions of the ARIC will be considered at the next Ordinary Council Meeting, or Special Council Meeting, as may be required.
3. Reports to Council from ARIC will include the Committee recommendation, as well as the Officer Recommendation. The accompanying officer report will include all specific recommendations, and a summary of the items considered at the relevant Committee Meeting.
4. The Committee shall report to Council any significant issues or concerns regarding financial management, internal control, risk management, integrity, or legislative compliance that it identifies during its activities.

Strategic Link:	Strategic Community Plan 'Listening and Leading'
Category:	Governance

Lead Business Unit:	Legal and Compliance <u>Governance and Council Support</u>
Public Consultation: (Yes or No)	No
Adoption Date: (Governance Purpose Only)	September 2025 <u>June 2026</u>
Next Review Due: (Governance Purpose Only)	September 2027 <u>June 2028</u>
ECM Doc Set ID: (Governance Purpose Only)	11210905



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3. Assist Council to manage risk through an endorsed approach, approved risk registers and regular reporting.
4. Assist Council to manage internal audit through a set internal audit plan, oversight of audit reports and monitoring of audit findings.
5. Assist Council to ensure appropriate and effective financial management, legislative compliance and risk management controls are set and maintained and to monitor ongoing performance of these controls.

The ARIC also aims to promote transparency and accountability in the City's operations and to provide guidance and recommendations for continuous improvement of financial management, legislative compliance and risk management.

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 - d. receiving and reviewing reports on the appropriateness and effectiveness of, and recommending to Council improvements to, the City's systems and procedures in relation to financial management, legislative compliance and risk management.

Terms of Reference - Audit, Risk and Improvement Committee (ARIC) (continued)

- e. receiving and reviewing reports on, and recommending to Council improvements to, the implementation of any actions the City:
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Delegation

1. Nil

Reporting

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Terms of Reference - Audit, Risk and Improvement Committee (ARIC) (continued)

Strategic Link:	Strategic Community Plan 'Listening and Leading'
Category:	Governance
Lead Business Unit:	Governance and Council Support
Public Consultation: (Yes or No)	No
Adoption Date: (Governance Purpose Only)	9 June 2026
Next Review Due: (Governance Purpose Only)	June 2028
ECM Doc Set ID: (Governance Purpose Only)	11210905