

	<h1>District Council of Coober Pedy</h1>	<p>As Amended: 13/9/2018</p> <p>Next Review: 2019</p>
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Policy Name: **Audit Committee Policy**

1. POLICY STATEMENT

- 1.1 The District Council of Coober Pedy will establish an Audit Committee to operate as an independent and objective advisory Committee to Council.

- 1.2 Section 59 of the Local Government Act 1999 provides that the role of members of Council includes a responsibility to keep the Council's objectives and policies under review to ensure that they are appropriate and effective; and to keep resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery under review.
The primary objective of the Audit Committee is to add value and improve the District Council of Coober Pedy's operations. It will assist Council to accomplish its objectives by contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes

- 1.3 As part of Council's governance obligations to the community, Council has constituted the Audit Committee to facilitate:
 - Oversight of relevant activities to facilitate achieving the District Council of Coober Pedy's objectives in an efficient and orderly manner.
 - Enhancing the credibility and objectivity of internal and external financial reporting.
 - Effective management of risk and the protection of Council assets.
 - Compliance with laws and regulations as well as use of best practice guidelines.
 - The effectiveness of the internal audit function and maintaining a reliable system of internal control.
 - The provision of an effective means of communication between the external auditor, internal audit, management and Council.

2. BASIS FOR OPERATION

- 2.1 The Audit Committee is a formally constituted Committee of Council pursuant to Section 41 of the Local Government Act 1999 and is responsible to Council, and as such does not have any delegations or authority to implement actions in areas over which Council's Chief Executive Officer has responsibility. The Audit Committee does not have any management functions and is therefore independent of management.

- 2.2 The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to this Policy and the Committee's Terms of Reference in order to facilitate decision-making by Council in relation to the discharge of its responsibilities.
- 2.3 The District Council of Coober Pedy considers that the ability of the Audit Committee to operate in a manner that adds value and also maintain independent judgement is vital.

3. MEMBERSHIP

- 3.1 Membership of the Committee shall consist of:
- 3.1.1 Two elected members appointed by Council (by resolution from time to time).
 - 3.1.2 Three Independent members of the Committee who shall have recent and relevant experience.
 - 3.1.3 The Chairperson of the Audit Committee must be an independent member and be elected by the Audit Committee.
- 3.2 Ideally, the Elected Member representatives will have experience in business, legal, audit or financial management / reporting knowledge and experience.
- 3.3 Ideally the external independent representatives will have senior business, legal, audit or financial management / reporting knowledge and experience, and be conversant with the local government environment.
- 3.4 Apart from the initial establishment of the Audit Committee and the appointments of the independent members to the inaugural committee by Council, the evaluation of potential external representatives will be undertaken by a panel comprising the Mayor, the Deputy Mayor and the Chief Executive Officer. The panel will recommend to Council the preferred representative(s) taking into account the experience of candidates and their ability to apply appropriate analytical and strategic management skills.
- 3.5 An independent member of the Audit Committee shall be appointed for a maximum term of four years and may be re-appointed at the expiry of the term.
- 3.6 The terms of appointment of external independent representatives should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.
- 3.7 Remuneration will be paid to each external representative of the Committee to be set by Council on an annual basis through Council's Fees and Charges Schedule.

4. COMMITTEE OPERATIONS

- 4.1 An Audit Committee Terms of Reference which will be subject to Council

endorsement, will outline the scope of the Committee's review activities.

- 4.2 Council or the Chief Executive Officer may refer any matter to the Audit Committee within its Terms of Reference.
- 4.3 The Audit Committee, through the Chief Executive Officer and following authorisation from Council, and within the scope of its responsibilities, may seek information or obtain expert advice on matters of concern.
- 4.4 The Chief Executive Officer and or that person's delegate will attend all meetings in an advisory capacity, except when the Committee chooses otherwise. Other elected members or staff may be invited to attend at the discretion of the Committee to advise and provide information when required.
- 4.5 Representatives of the external auditor will be invited to attend meetings at the discretion of the Committee.
- 4.6 The Chief Executive Officer and or that person's delegate will provide administrative support to the Committee, and will attend all Committee meetings for this purpose.

Meetings

- 4.7 The time and place for the conduct of meetings will be determined by the Committee provided that all meetings will be held in a public environment at Council's principal office located at Hutchison Street, Coober Pedy, unless otherwise so determined. Change of meeting time and place shall be publicly advertised.
- 4.8 The Committee will consider and determine its own meeting practice, processes and procedures within the parameters of the Local Government Act 1999 and the Local Government (Procedures at Meetings) Regulations 2000.

Reporting

- 4.9 The Audit Committee shall, after every meeting forward the minutes of that meeting to the next Ordinary Council meeting, including a report explaining any specific recommendations and key outcomes.
- 4.10 The Committee shall report annually to the Council summarising the activities of the Committee during the previous year.