

	<h1>District Council of Cooper Pedy</h1>	<p>Issued: 19/07/2016</p>
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Policy Name: **Governance and Audit Committee Policy**

1. POLICY STATEMENT

- 1.1 The District Council of Cooper Pedy will establish an Governance and 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 Governance and Audit Committee is to add value and improve the District Council of Cooper 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 Governance and Audit Committee to facilitate:
 - Oversight of relevant activities to facilitate achieving the District Council of Cooper 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 Governance and 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 Governance and 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 Governance and Audit Committee to operate in a manner that adds value and also maintain independent judgement is vital.

3 ROLE

The Governance and Audit Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Committee's role is to:

- 3.1** Fulfil the role of Council's audit committee as required in Section 126 of the Local Government Act.
- 3.2** Assist the Council in reviewing the principal risks facing the Council, including those that threaten the Council's strategic directions.
- 3.3** Assist in the effective management of financial and other risks and the protection of Council assets.
- 3.4** Review developments and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management and Internal Control and make recommendations to Council as appropriate.

4 TERMS OF REFERENCE

The Committee's terms of reference are to consider all matters outlined in Section 126(4) of the Local Government Act:

4.1 Financial Reporting

The Governance and Audit Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.

The Governance and Audit Committee shall review and challenge where necessary:

- a) The consistency of, and any changes to, accounting policies on a year on year basis;

- b) The methods used to account for significant or unusual transactions where different approaches are possible;
- c) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- d) The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- e) All material information presented with the financial statements, such as the operating and financial review and the External Auditor statement (in so far as it relates to the audit and risk management).

The Governance and Audit Committee shall meet as needed with the External Auditor. The Governance and Audit Committee shall meet the External Auditor at least once a year, without management being present, to discuss their remit and any other issues arising from the External Audit.

4.2 Internal Control, Audit & Risk Management Systems

The Governance and Audit Committee shall:

- a) Keep under review the effectiveness of the Council's internal controls, audit and risk management systems.
- b) Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.
- c) Receive reports on the activities of the Chief Executive Officer's Strategic Risk and Internal Audit Program.
- d) Consider and make recommendations on the program of the internal controls and audit including the adequacy of resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

4.3 Whistle Blowing

The Governance and Audit Committee shall, review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoings in financial reporting and other matters. The Committee shall ensure these arrangements allow independent investigations of such matters and appropriate follow-up action.

4.4 Strategic Management Plans

The Governance and Audit Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan, and review and provide recommendations on the sustainability of Council's financial performance giving consideration to Council's financial indicators.

4.5 Other Investigations

The Governance and Audit Committee, shall, when necessary, propose and review the exercise of Council's powers under Section 130A of the Local Government Act 1999, in relation to the conduct of Economy Audits that would not otherwise be addressed or included as part of an annual External Auditor.

5 DEFINITIONS

Act for the purpose of this policy means the *Local Government Act 1999*.

Chief Executive Officer (CEO) means the Chief Executive Officer of a council and includes a deputy or other person acting in the office of Chief Executive Officer.

Committee includes Section 41 Committees, other Committees and Panels established by Council.

Council Member OR Administrator means the administrator or the member or councillor elected by the community

Executive Officer is a staff member appointed by the Chief Executive Officer to support a Section 41 Committee, other committee or advisory group.

Independent members Are members who are not elected members.

Mayor is the person elected as mayor and who has the role as the principal member.

Staff includes Council staff, contractors, volunteers and all others who perform work on behalf of Council.

Strategic Management Plans are defined as Council's Long Term Financial Plan, Council's Strategic Plan, Council's Asset Management Plan and the Council's Annual Business Plan.

6 DELEGATIONS

- 6.1.1 The Committee has delegation for the following:
- 6.1.2 Approve Committee's Minutes as a true and accurate record of proceedings.
- 6.1.3 Develop and approve the Committee's Work Plan.
- 6.1.4 Appoint a Presiding Member from the Committee.

6.2 Any other business referred to the Committee in accordance with its Role and Terms of Reference, or where the Committee does not hold the delegated authority, this business may be debated with a recommendation referred to the next Ordinary Council Meeting for consideration.

6.3 The Executive Officer in consultation with the Presiding Member may approve a deputation request for business that falls in-line with the Committee's Role and Terms of Reference. The Committee may resolve to seek further information on the business of a deputation, although no further resolution may be passed for the business of the deputation at the meeting the deputation was provided.

6.4 Petitions are not delegated to the Committee and are only to be presented to Council.

7. MEETINGS

- 7.1 The Committee Meeting will be held as determined by the CEO. The Committee will meet a minimum of six (6) times per annum.
- 7.2 The Committee Meeting will be held primarily in the Council Chamber at Lot 773 Hutchison Street, Coober Pedy unless otherwise determined by the Committee prior to the meeting.
- 7.3 The agenda will be prepared and distributed to all Committee Members electronically.
- 7.4 Special Meetings of the Committee may be necessary from time to time and may not be called in accordance with Section 82 of the Local Government Act 1999. Notice of a Special Committee Meeting may be a minimum of four (4) hours notice, due to the urgency of the matters on the agenda.

8. MEMBERSHIP

8.1 Term rules:

8.1.1 The Committee shall comprise up to five (5) members consisting of five (5) Independent Members.

8.1.2 The term of the appointment will be for a period not exceeding the term as described in the act or as otherwise agreed by Council.

8.1.3 Independent Members who are appointed to a Committee may carry over past an election term.

8.1.4 The Presiding Member must be an Independent Member and will be determined by the Committee for twelve (12) months, after which they may stand for re-election.

8.2 Independent Members of the Committee shall be appointed to bring recent and relevant experience and their capacity to act as a mentor to the Council Members on the Committee.

9. ROLE OF THE PRESIDING MEMBER

9.1 Oversee the conduct of Committee Meetings in accordance with the Local Government Act 1999 and Code of Practice for Council, Special and Committee Meetings.

9.2 Ensure all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

9.3 Where a matter has been debated significantly and no new information is being discussed the Presiding Member may call the meeting to order and ask for the debate to be finalised and a motion be put forward.

10. ROLE OF COMMITTEE MEMBERS

10.1 Actively participate in debate and discussion as a representative of Council in a professional manner at all times.

10.2 Ensure the Member is prepared and informed of meeting matters prior to the meeting.

10.3 Utilise the skills and experience of the Committee Members to effectively carry out the Committee's role.

11. ROLE OF THE EXECUTIVE OFFICER AND ADMINISTRATIVE SUPPORT

- 11.1** The Executive Officer is appointed by the CEO to support the administration and operation of the Committee.
- 11.2** The Executive Officer and relevant staff may provide advice during the meeting in order to aid informed decision making.
- 11.3** The Committee is appointed a Minute Taker.

12. REPORTING AND REVIEW

- 12.1** The Committee will undertake an annual self-assessment (in the election year this will be incorporated into the external review) to assess the ongoing role and effectiveness of the Committee and report any recommendations to Council as required.
- 12.2** In the year leading up to a Council Election the Committee will undertake an external review of the Committee's effectiveness. Any relevant recommendations will be provided to the Council to assist with the ongoing structure of the Committee.
- 12.3** As determined by the Committee, the Committee may communicate with Council Members and staff on issues of importance to the Council. This communication may be delivered by the Presiding Member or Executive Officer in the form of a presentation to Council Members, a communique or a written memo and Council Report.
- 12.4** The Committee through the Chair will present to Council at least twice per year on Corporate Governance Committee business.

13 SUPPORTING DOCUMENTATION

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Code of Practice for Council and Committee Meetings
- Code of Practice for Public Access to Meetings and Associated Meeting Documents
- Code of Conduct for Council Members