

## AUDIT & RISK COMMITTEE

### Terms of Reference

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| <b>1. Name</b>                              | <b>Audit &amp; Risk Committee</b>  |
| <b>2. Classification</b>                    | Advisory Committee   |
| <b>3. Background</b>                        | <p>The Audit and Risk Committee (Committee) is designed to play a key role in assisting Council to fulfil its governance and overseeing responsibilities, ethical practices and accountability requirements.</p> <p>The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Audit and Risk Committee's Charter in order to facilitate decision making by Council in relation to the discharge of its responsibilities.</p>  |
| <b>4. Function and Role</b>                 | <p>The main objectives, functions and potential benefits of the Committee will include the following:</p> <ul style="list-style-type: none"> <li>• The enhancement of the credibility and objectivity of internal and external financial reporting;</li> <li>• Effective management of financial and other risks and the protection of Council assets;</li> <li>• Compliance with laws and regulations as well as use of best practice guidelines;</li> <li>• The effectiveness of the internal audit function; and</li> <li>• The provision of an effective means of communication between the external auditor, internal audit, management and the Council.</li> </ul> |
| <b>5. Term of Committee</b>                 | Ongoing  |
| <b>6. Membership and Term of Membership</b> | <p>The Committee comprises five members – two Councillors and three external, independent persons. Councillor membership is reviewed annually.</p> <p>Up to an additional two Councillors may be appointed as substitute members to the Committee.</p> <p>Independent members shall be appointed for an initial term of three years after which time they will be eligible for reappointment.</p> <p>No independent member is to be appointed for more than two consecutive three year terms unless Council resolves otherwise.</p>  |

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| <b>7. Chairperson and Term of Chairperson</b>             | The Chairperson shall be an independent member.   |
| <b>8. Voting Rights</b>                                   | All members have full voting rights.  |
| <b>9. Quorum</b>  | A quorum shall consist of three members, including at least one Councillor member and one Independent member.   |
| <b>10. Conduct of Members</b>                             | Members must abide by the Code of Conduct as promulgated by the Council.  |
| <b>11. Role of Council Staff Attendee(s)</b>              | <p>The Chief Executive Officer and Chief Financial Officer will be invited to each meeting except when the Committee chooses to meet in camera. Representatives from the Auditor-General, their agent and internal auditors will be invited to meetings as required.</p> <p>The CFO, in conjunction with the Chairperson, shall be responsible for drawing up the agenda and circulating it, supported by explanatory documentation to Committee members.</p> |
| <b>12. Meeting Frequency</b>                              | The Committee should meet at least quarterly.   |
| <b>13. Reporting Requirements</b>                         | <p>An independent minute taker shall be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members, (after approval by the Chairperson) and others as required.</p> <p>Minutes of the Committee meetings will be incorporated in Council's agenda papers.</p>   |
| <b>14. Other Relevant Information</b>                     | <p>Audit and Risk Committee Charter approved 18 December 2018.</p> <p>Council may cease a committee or update the Terms of Reference at any stage by Council Resolution.</p>  |
| <b>15. Committee Contact Details</b>                      | Chief Financial Officer   |
| <b>16. Date of Council Approval of Terms of Reference</b> | 26 November 2019  |
| <b>17. Date of Next Review of Terms of Reference</b>      | November 2021   |