



Terms of Reference

West Daly Regional Council

Audit and Risk Management Committee



1. Background

The Audit and Risk Committee (Committee) is established as an advisory Committee to the Council under the *Local Government Act 2019* ('Act') Section 86(1). The Committee will help the Council monitor financial and risk management.

2. Purpose

The Committee aims to offer independent assurance and assistance to the West Daly Regional Council ('Council') and the Chief Executive Officer ('CEO') by overseeing the Council's financial and risk management activities. This includes:

- 2.1 Evaluating and monitoring the Council's risk, control, and compliance frameworks.
- 2.2 Ensuring the Council meets its external accountability obligations outlined in the *Act and Local Government (General) Regulations 2021*.
- 2.3 Assessing and monitoring the effectiveness of strategic and operational risk management functions, as well as the adequacy of internal control policies and procedures.
- 2.4 Summarising the key issues discussed in each Committee meeting.
- 2.5 Reporting annually on an overall assessment of the Council's risk, control and compliance framework, together with a summary of the work the Committee performed in conducting its responsibilities during the preceding year.

Note: The Committee will make recommendations and report directly to the Council.

3. Role

The Committee's duties involve:

- 3.1 Monitoring both strategic and operational risk management, as well as assessing the effectiveness of internal control policies and procedures in mitigating identified risks.
- 3.2 Overseeing the internal audit function, which involves developing audit programs based on the Council's risk assessment process, ensuring internal audit activities are conducted by qualified personnel, monitoring audit outcomes, and monitoring the implementation of audit recommendations.
- 3.3 Reviewing the quality of annual financial statements and other public accountability documents, such as annual reports, before they are adopted by the Council.
- 3.4 Evaluating management's responses to external audit recommendations and tracking the implementation of agreed-upon recommendations.
- 3.5 Meeting with the external and relevant internal auditors at least once each year to receive direct feedback about any key risk and compliance issues and to provide feedback about the auditor's performance.
- 3.6 Making recommendations to the Council on the appointment of external auditors.
- 3.7 Assessing the adequacy of audit scope and coverage.



3.8 Providing a summary of the main issues discussed in each Committee meeting.

3.9 Annually providing an assessment of the Council's risk, control, and compliance framework, along with a summary of the Committee's activities conducted in the preceding year.

Note: The Council will provide administrative/secretarial assistance to the Committee to fulfil its duties.

4. Authority

With consideration of legal and confidentiality implications, the Committee is authorised, within the capacity of its role and responsibilities to:

4.1 Gather necessary information from both staff and external parties.

4.2 Discuss any matters with the external auditor or other external parties.

4.3 Request the attendance of any employee at Committee meetings.

4.4 Obtain external legal or other professional advice (with Council's approval), as considered necessary to meet responsibilities.

Note: Subject to any direction by the Council, the Committee may determine its own procedures (Section 89 of the Act).

5. Accountability

The Committee is subject to control and direction by the Council and hence accountable to the Council (*Section 88 of the Act*).

6. Terms of Reference

The Committee must have terms of reference, approved by Council resolution that set out its functions (*section 83(4) of the Act*).

The CEO and the Chair of the Committee will initiate a review of the Committee and Terms of Reference at least every two (2) years, or as required. The review will be conducted based on an internal assessment methodology with input from the Council, CEO, senior managers, internal and external auditors and any other relevant stakeholders.

7. Membership of the Committee

The Committee consists of the persons appointed, by resolution, by the council to be members of the Committee (*section 82(2) of the Act*). Nomination of proxies is not permitted.

Position	Role of Member
Independent Member	Chair
Council member	
Council member	
Council member	



Subject matter experts and technical specialists will be invited to attend the Committee meeting to provide advice on matters, as required. The Chair reserves the right to invite other attendees to Committee meetings as needed.

Note: The chairperson of the Committee must not be a member of the Council or a member of the Council's staff (section 86 (4) of the Act).

8. Term of Appointment and Termination of Committee Members

Appointments of external independent members to the Audit and Risk Management Committee shall be for a term of up to four (4) years and no less than two (2) years. The appointment may be terminated by the Council should the member miss two (2) consecutive meetings without an accepted apology, unable to be contacted when organising a meeting or for any other cause reasonably considered by the Council.

Appointments of Councillors shall be for a term of two (2) years or until the end of the term of the Council, whichever is the lesser. Committee members cease being member of the Committee if they are no longer an elected member of the Council. The appointment may be terminated by the Council should the member miss two (2) consecutive meetings without an accepted apology or for any other cause reasonably considered by the Council.

9. Member Responsibilities

Members have the responsibility to:

- 9.1** Act in the best interests of the Council and its staff at all times.
- 9.2** Engage in professional debate, allow diverse perspectives and encourage constructive enquiry.
- 9.3** Leave meetings with clear-cut agreements around recommendations, decisions and actions.
- 9.4** Hold one another accountable to commitments, actions and behaviours.
- 9.5** Retain a single unified voice in any internal and external communications following deliberations.
- 9.6** Provide feedback and communicate decisions to staff as appropriate and encourage two-way communication.
- 9.7** Respect the confidentiality of the information provided.
- 9.8** Committee members must declare any conflicts of interest at the start of each meeting or before the discussion of the relevant agenda item or topic (*sections 114 and 115 of the Act*). All details of any conflict of interest must be recorded in the minutes by the Secretariat. CEO must maintain and publish a register setting out conflicts of interest disclosed by the Council members (*section 116 and 117 of the Act*).
- 9.9** If members or observers at the Committee meeting are deemed to have a real or perceived conflict of interest, they are to be excused from the Committee discussions on the issue where the conflict of interest exists.
- 9.10** Committee members will from time-to-time deal with confidential reports. A person who makes improper use of information acquired as a member of the Council Committee is guilty of an offence under *section 118 of the Act* and the *Act* outlines the penalties applicable to people who disclose confidential information acquired as a member of the Committee.



10. Meeting Protocol

10.1 Convening the meetings

The CEO shall convene the Committee meetings. The CEO may convene a Committee meeting at the request of the chairperson of the Committee (*section 97 of the Act*).

10.2 Meeting Times

The Committee will meet a minimum of twice (2) per year. A forward meeting plan, including meeting dates and agenda items, will be agreed upon by the Committee each year and will address all of the Committee's responsibilities, including the review of the Council's Annual Report and financial statements.

Subject to direction by the council, the Committee meets at times determined by the Committee (*section 96 (1) of the Act*).

10.3 Agenda Items, meeting papers and minutes

- 10.3.1 The Secretariat will prepare the agenda in consultation with the Chair and, where necessary, seek papers from members.
- 10.3.2 Where urgent matters arise that need to be discussed at a meeting, then agreement must be sought from the Chair, through the Secretariat, in advance of the meeting.
- 10.3.3 Meeting papers must be provided to the Secretariat at least seven (7) business days in advance of a meeting. Papers received after this may not be included at the discretion of the Chair.
- 10.3.4 Agendas and meeting papers will be made available at least three (3) business days before a meeting.
- 10.3.5 Minutes and action items will be distributed within ten (10) business days of the meeting.

10.4 Quorum Requirements

A quorum consists of a majority of its members holding office at the time of the meeting (*section 98(2) of the Act*)

Members are expected to attend all meetings. If a member cannot attend a meeting, a formal apology should be sent in writing to the Chair of the Committee or the Secretariat.

10.5 Decision Making

A decision of the Committee is to be the majority vote of the members present at the meeting (*section 98(4) of the Act*).

10.6 Private Meeting

Committee meetings may be conducted in private (*section 99(4) of the Act*).

11. References and Related Legislation:

Guidance on Audit and Risk Committee

[Local Government Act 2019 \(NT\)](#) and [Local Government \(General\) Regulations 2021](#)



12. Document Summary

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