

Audit and Risk Committee Terms of Reference

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Yarriambiack
SHIRE COUNCIL

Audit and Risk Committee Terms of Reference

Yarriambiack Shire Council encourages a working environment which promotes gender equality and models non-violent and respectful relationships.

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1 Status and Relationship to the Charter

These Terms of Reference apply exclusively to Independent Members appointed to Council's Audit and Risk Committee.

They operate in conjunction with the Audit and Risk Committee Charter, which remains the primary document establishing the Committee's authority, purpose, functions, composition and reporting arrangements.

These Terms of Reference are intended to supplement, not replicate, the Charter by outlining the specific expectations, conduct and operating requirements applicable to Independent Members.

In the event of any inconsistency, the Audit and Risk Committee Charter prevails.

2 Purpose of the Terms of Reference

The purpose of these Terms of Reference is to:

- Define the role, expectations and responsibilities of Independent Members;
- Support consistent, professional and effective participation by Independent Members;
- Reinforce the independence, objectivity and advisory nature of the role;
- provide clarity regarding sitting fees, entitlements and related arrangements applicable to Independent Members; and
- Promote high standards of governance, integrity and accountability.

3 Role of Independent Members

Independent Members are appointed to provide independent, expert and objective advice to Council and the Chief Executive Officer.

Independent Members are expected to:

- Bring relevant professional expertise and experience to Committee deliberations;
- Exercise independent judgement free from undue influence;
- Provide constructive challenge and informed advice to management;
- Contribute to effective oversight of audit, risk, control and governance matters; and
- Act in the best interests of Council and the community.

Independent Members do not have executive or decision-making authority.

4 Role of the Chair

In addition to the general responsibilities of Committee members, the Chair is responsible for:

- Providing effective leadership of the Committee;
- Leading meetings in an impartial and effective manner;
- Ensuring meetings are conducted efficiently, fairly and in accordance with the Charter and these Terms of Reference;
- Facilitating open discussion and ensuring all members are able to contribute;
- Acting as the primary liaison between the Committee, the CEO and senior management on Audit and Risk matters;
- Approving agendas and confirming minutes in consultation with the CEO or delegate; and
- Overseeing the Committee's annual self-assessment and biannual reporting processes required under the Act.

5 Independence and Conduct

Independent Members must:

- Maintain independence from Council management and operations;
- Avoid any actual, potential or perceived conflicts of interest;
- Promptly declare conflicts of interest in accordance with legislative and Council requirements;
- Comply with confidentiality obligations at all times; and
- Act with integrity, professionalism and objectivity.

Members must not misuse their position or information obtained through Committee membership and are subject to applicable conflict-of-interest and conduct provisions under the *Local Government Act 2020*.

6 Time Commitment and Preparation

Independent Members are expected to:

- Attend all scheduled Committee meetings wherever practicable;
- Review agendas and papers thoroughly prior to meetings;
- Allocate sufficient time to prepare for meetings and consider issues in depth; and
- Participate in briefings, inductions or training relevant to the role.

The indicative time commitment for Independent Members is expected to include:

- Attendance at approximately five (5) Committee meetings per year;
- Preparation time for each meeting (typically 2–4 hours per meeting, depending on agenda complexity);
- Participation in additional briefings, workshops or extraordinary meetings where required; and
- Review and contribution to the Committee's annual self-assessment and biannual reports.

The Chair should expect an additional time commitment associated with agenda planning, liaison with management and auditors, and leadership of Committee processes.

Meetings may be conducted either online or in person, depending on operational needs, and members must be able to participate effectively in both formats.

7 Meeting Participation

Independent Members are expected to:

- Participate actively and constructively in Committee discussions;
- Ask relevant and probing questions to support effective oversight;
- Respect differing perspectives and contribute to a educational Committee environment; and
- Engage professionally with Councillors, management and other Committee members.

8 Access to Information and Advice

Independent Members may, through the Chair or Chief Executive Officer:

- Request information relevant to matters within the Committee's remit.
- Seek clarification from management on issues under consideration.
- Request attendance of internal audit, external audit or management representatives at meetings.

Requests must be reasonable, relevant and proportionate.

9 Remuneration – Independent Members and Chair

In accordance with section 53(6) of the *Local Government Act 2020*, Council may pay a fee to Committee members who are not Councillors.

9.1 Sitting Fees

Independent Members will be paid a per-meeting sitting fee of \$900 for each Committee meeting attended.

The Chair will be paid a higher per-meeting sitting fee of \$1,000 recognising the additional responsibilities of the role.

9.2 Superannuation

The sitting fees payable to Independent Members and the Chair are inclusive of any superannuation entitlement. For the avoidance of doubt, the sitting fee constitutes the total remuneration payable by Council, inclusive of any amount that may be attributable to superannuation. Council's obligation is limited to payment of the sitting fee, and it is the responsibility of each Independent Member to make their own arrangements in respect of any superannuation contribution to their nominated superannuation fund.

Council recognises that the *Superannuation Guarantee (Administration) Act 1992* (Cth) (SGAA) may apply to persons who are not employees at common law, including persons remunerated for duties performed as a member of a local governing body, board or committee. On that basis, Independent Audit and Risk Committee members may be regarded as employees for SGAA purposes in respect of their sitting fees. These Terms of Reference make clear that the sitting fee is expressed as inclusive of any superannuation entitlement, and Independent Members are responsible for managing any contribution of that component to their own superannuation fund.

9.3 No payment for Non-Attendance

Sitting fees are payable only for meetings attended and are not payable for meetings where a member is absent.

10 Travel and Other Entitlements

Independent Members and the Chair are entitled to claim reimbursement of reasonable travel and out-of-pocket expenses necessarily incurred in the performance of Committee duties, in accordance with Council's Expense Policy.

Reimbursable expenses may include:

- Travel to attend in-person meetings (where meetings are not held online);
- Travel required for approved briefings or workshops; and
- Other incidental expenses approved in advance by the Chair and CEO (or delegate).

Expense claims must:

- Comply with Council's Expense Policy; and
- Be supported by appropriate documentation.

No travel expenses are payable where a member attends a meeting online.

11 Review of Fees and Entitlements

Sitting fees and entitlements for Independent Members and the Chair will be:

- Set by Council resolution; and
- Reviewed periodically, including following a general Council election or where the scope or workload of the Committee materially changes.

12 Induction and Ongoing Support

Independent Members and the Chair will be provided with an induction covering:

- The Audit and Risk Committee Charter;
- Council's governance framework;
- Key risks and controls;
- Financial and performance reporting arrangements; and
- Internal and external audit processes.

Independent Members are encouraged to undertake ongoing professional development relevant to audit, risk, governance and local government.

13 Performance and Effectiveness

Independent Members are expected to participate in periodic reviews of the Committee's effectiveness, including:

- Meeting practices and information quality;
- The effectiveness of Committee engagement; and
- Opportunities for continuous improvement.

14 Related Documents

- Audit and Risk Committee Charter
- *Local Government Act 2020*
- Council Governance Framework

15 Review of Terms of Reference

These Terms of Reference will be reviewed every three years to ensure they remain contemporary, fit-for-purpose and aligned with the Audit and Risk Committee Charter.

From time to time, circumstances may require minor administrative changes to be made to this Policy. Where an update does not materially alter this Policy, such a change may be made administratively and need not be considered and adopted by Council.

Where any change or update may materially change the intent of this policy, or the legal responsibilities of any member of the community, it must be considered and adopted by Council, or by the Chief Executive Officer in reliance on delegated authority.

Council Approval

Adopted:	Ordinary Council Meeting [Date]	Item [number] Minute Page [number]
Reviewed:		

Audit and Risk Committee Acknowledgement

Adopted:	Audit and Risk Committee [Date]	Item [number] Minute Page [number]
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