



AGENDA

Special Council Meeting

Friday 17 May 2024

Notice of Meeting

Mayor & Councillors

A Special Council Meeting of the City of Nedlands is to be held on Friday 17 May 2024 in the Council chambers at 71 Stirling Highway Nedlands commencing at 6.00pm for the purpose of:

Reviewing the Membership and Terms of Reference for the Audit and Risk Committee 2024

This meeting will be livestreamed [Livestreaming Council & Committee Meetings » City of Nedlands](#)

A handwritten signature in blue ink, appearing to read "Keri Shannon".

Keri Shannon | Chief Executive Officer
16 May 2024



Information

Special Council Meetings are run in accordance with the City of Nedlands Standing Orders Local Law. If you have any questions in relation to items on the agenda, procedural matters, public question time, addressing Council or attending meetings please contact the Executive Officer on 9273 3500 or council@nedlands.wa.gov.au

Public Question Time

Public question time at a Special Council Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Council Member or Employee.

Questions should be submitted as early as possible via the online form available on the City's website: [Public question time | City of Nedlands](#)

Questions may be taken on notice to allow adequate time to prepare a response and all answers will be published in the minutes of the meeting.

Addresses by Members of the Public

Members of the public wishing to address Council in relation to an item on the agenda must complete the online registration form available on the City's website: [Public Address Registration Form | City of Nedlands](#)

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any item on a Special Council Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

Disclaimer

Members of the public who attend Council Meetings Agenda Forum should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to acting on any matter that they may have before Council.

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1. Declaration of Opening

The Presiding Member will declare the meeting open at 6.00pm and will draw attention to the disclaimer on page 2 and will advise that the meeting is being livestreamed and recorded.

2. Present and Apologies and Leave of Absence (Previously Approved)

Leave of Absence

(Previously Approved)

Councillor L McManus

Hollywood Ward

Apologies

Councillor Hodsdon

Hollywood Ward

3. Public Question Time

Public questions submitted to be read at this point.

4. Address by Members of the Public

Addresses by members of the public who have completed Public Address Registration Forms to be made at this point.

5. Disclosures of Financial Interest

The Presiding Member to remind Council Members and Staff of the requirements of Section 5.65 of the Local Government Act to disclose any interest during the meeting when the matter is discussed.

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

However, other members may allow participation of the declarant if the member further discloses the extent of the interest. Any such declarant who wishes to participate in the meeting on the matter, shall leave the meeting, after making their declaration and request to participate, while other members consider and decide upon whether the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

6. Disclosures of Interest Affecting Impartiality

The Presiding Member to remind Council Members and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the Local Government Act.



Council Members and staff are required, in addition to declaring any financial interests to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making procedure.

The following pro forma declaration is provided to assist in making the disclosure.

"With regard to the matter in item x I disclose that I have an association with the applicant (or person seeking a decision). This association is (nature of the interest).

Consequently, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

The member or employee is encouraged to disclose the nature of the association.

7. Declaration by Members That They Have Not Given Due Consideration to Papers

Members who have not read the business papers to make declarations at this point.



8. Divisional Reports

8.1. CEO17.05.24 Consideration to change resolution Notice of Motion 21.6 Audit and Risk Committee disbandment and appointment

Meeting & Date	Special Council Meeting – 17 May 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Libby Kania – Coordinator Governance and Risk
CEO	Keri Shannon – Chief Executive Officer
Attachments	Nil.

Purpose

The purpose of this report is for Council to consider rescission of its decision dated 23 April 2024, Notice of Motion 21.6 Audit and Risk Committee Disbandment and Appointment. Council may then amend the terms of reference and membership of the Audit and Risk Committee in accordance with the *Local Government Act 1995* (Act).

Recommendation

That Council –

- In accordance with section 5.25(1)(e) of the *Local Government Act 1995* and *Local Government (Administration) Regulations 1996* CHANGES clause 1 of its decision dated 23 April 2024 (NoM 21.6 Audit and Risk Committee Disbandment and Appointment) being

“That Council:

- ~~Disbands REMOVES all persons from the office of committee members for the Audit and Risk Committee under LG Act s.5.11(2)(c)(b) and revokes the Council resolutions 1, 2 and 3 of Item 9.6. CEO26.10.23 Establishment and Appointment of Members to the Audit & Risk Committee made at the 31 October 2023 Special Council Meeting appointing Elected Members, community members and deputy members to the Audit and Risk Committee.”~~



Voting Requirement

Absolute Majority.

Background

Council at its meeting dated 31 October 2023 considered the terms of reference and membership to the Audit and Risk Committee. Council resolved to –

That Council:

1. appoints the Mayor and Councillors Coghlan, McManus, Bennett and Amiry (four - one from each Ward) to the Audit & Risk Committee for the period ending immediately prior to the next Local Government elections in 2025;
2. appoints the Deputy Mayor and Councillors Brackenridge, Hodsdon, Youngman and Smyth (four - one from each Ward) as Deputy Members to the Audit & Risk Committee for the period ending immediately prior to the next Local Government elections in 2025;
3. appoints as community members of the Audit & Risk Committee Mr Kim Laurence and Mr Graham Baws as recommended by the Audit & Risk Committee at its meeting of 21 August 2023; and
4. adopts the Terms of Reference of the Audit & Risk Committee as per below.

At the first meeting of the Audit and Risk Committee held on 20 November 2023, Cr McManus was elected the Chair of the committee. Cr McManus subsequently resigned from the committee in early 2024. Consequently, on 8 April 2024 Cr Bennett was appointed the new chair of the committee.

On 23 April 2024, Council considered an urgent notice of motion and resolved the following;

That Council:

1. Disbands the Audit and Risk Committee under LG Act s.5.11(2)(c) and revokes the Council resolutions 1, 2 and 3 of Item 9.6. CEO26.10.23 Establishment and Appointment of Members to the Audit & Risk Committee made at the 31 October 2023 Special Council Meeting appointing Elected Members, community members and deputy members to the Audit and Risk Committee.
2. Appoints all Elected Members of the City of Nedlands to a whole of Council Audit and Risk Committee, subject to any Elected Member indicating they do not wish to be appointed to the Audit and Risk Committee.



3. Appoints the CEO as an independent observer for any secret ballots for the Audit and Risk Committee Chair and Deputy Chair.
4. Requires the nominees for Presiding Member of the Audit and Risk Committee to have completed tertiary education and a minimum of 3 years finance related work experience.
5. Directs the Audit and Risk Committee to review the Audit and Risk Committee Terms of Reference adopted at the 31 October 2023 Special Council Meeting at Item 9.6 resolution 4 and advise Council of any recommended changes to the Terms of Reference.
6. Formally thanks Mr G Baws and Mr JK Laurence for their service to the City of Nedlands.

On 23 April 2024, advice was received from the Department of Local Government, Sport and Cultural Industries, that advised that the notice of motion considered and adopted by Council did not appear to be consistent with the Act. Specifically, that s. 5.11(2)(c) about disbanding a committee is unlikely to apply to the Audit Committee, as the Audit Committee is required under s. 7.1A of the Act.

On 6 May 2024, the Audit and Risk Committee met. Prior to the meeting, concern was raised as to whether the Audit and Risk Committee could be disbanded and Council's decision of 23 April 2024 was questioned. As the first item of business would be the appointment of the chair, and there was doubt as to whether the original membership of the committee was formally dissolved, a decision was made to defer the items on the agenda to the scheduled Audit and Risk Committee meeting to be held on 20 May 2024. The decision was made to allow the City to obtain further information to ensure that the decision of Council and its intent could be implemented without doubt and question.

Under s. 5.41, the CEO is to (a) advise the council in relation to the functions of a local government under this Act and other written laws; and (b) ensure that advice and information is available to the council so that informed decisions can be made. As there was doubt raised, the CEO was required to ensure that information was made available to Councillors so that informed decisions could be made. A decision to defer was made.

On 7 May 2024, the Acting CEO advised the Council under cover of an email, the reason for the deferral, reiterating the statement made at the Audit and Risk Committee meeting, and provided a suggested method to clarify the issue.

Discussion

It was raised with Administration whether Council's decision of 23 April 2024 was fully compliant with the Act.

The establishment of the Audit Committee is dealt with under Part 7 of the Act. The Act states;



7.1A. Audit committee

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.
- (2) The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.

* Absolute majority required.

The Audit Committee is the most significant committee of Council. It is a statutory committee of Council, established under s. 7.1A. Its members are appointed under s. 7.1A(2).

The notice of motion referred to the disbanding of the Audit and Risk Committee under s. 5.11(2)(c). The use of section 5.11(2)(c) has unfortunately brought into question the Council decision of 23 April 2024. The argument is that the statutory committee cannot be disbanded, but its membership can be amended. This has also led to the possible argument that the Audit and Risk Committee as constituted on 31 October 2023 remains active. While interpretation of the original resolution could be legally provided at a cost, it would be more efficient to achieve the same intended outcome through another provision in the act which is less open to interpretation.

In order to deal with the anomaly and to prevent any question over the legitimacy of the constitution of the committee, it is advised that paragraph 1 of the Council resolution be rescinded, and that the membership be removed in accordance with s. 5.11(2)(b). The Committee is therefore still established as an entity, only its full membership has been amended. This is a similar circumstance as would occur after an Ordinary Local Government Election, whereby all positions are vacated. It then allows Council to proceed with the amendment to the terms of reference to points such as the structure of membership to ensure consistency with its decision of 23 April 2024. Council may then appoint members to the vacant positions as required.

Consultation

Councillors were advised under cover of an email dated 7 May 2024 of the proposed suggestion to overcome the potential compliance issue with the reforming of the Audit and Risk Committee.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:



Vision **Sustainable and responsible for a bright future**

Pillar Performance

Outcome 11. Effective leadership and governance.

Budget/Financial Implications

Nil.

Legislative and Policy Implications

[Local Government Act 1995](#)

Decision Implications

If the Council does not revoke paragraph 1 of the decision of 23 April 2024, there is the potential that the perceived compliance issue will not be resolved. This may put into question the legitimacy of the committee membership and the appointment of the chair.

As the Audit and Risk Committee is the oversight committee of Council its constitution should not be placed into doubt. If Council resolves to rescind paragraph 1 of its decision of 23 April 2024 and remove the members, this will rectify any perceived anomaly so that the Committee's membership does not come into question and that the Committee may undertake its function in accordance with the Act.

Conclusion

It is considered that the process identified will remove any question over the constitution of the Audit and Risk Committee going forward.

Further Information

Nil.



8.2. CEO18.05.24 Review of Terms of Reference for Audit and Risk Committee 2024

Meeting & Date	Special Council Meeting – 17 May 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Libby Kania – Coordinator Governance and Risk
CEO	Keri Shannon - Chief Executive Officer
Attachments	<ol style="list-style-type: none"> 1. Draft Terms of Reference Audit Committee 2. Audit Committee Terms of Reference (Marked up Councillor Correspondence) 3. Current terms of reference of the Audit and Risk Committee.

Purpose

The purpose of this report is for the Audit and Risk Committee to consider the proposed amendments to its Terms of Reference and to recommend to Council adoption of those amendments.

Recommendation

That Council –

1. **AMENDS** the Terms of Reference as contained in Attachment 1.

Voting Requirement

Absolute Majority.

Background

Council adopted the Terms of Reference of the Audit and Risk Committee at its Council Meeting dated 31 October 2023. At the Ordinary Council meeting in 23 April 2024, Council resolved to –

- That Council:*
1. *Disbands the Audit and Risk Committee under LG Act s.5.11(2)(c) and revokes the Council resolutions 1, 2 and 3 of Item 9.6. CEO26.10.23 Establishment and Appointment of Members to the Audit & Risk Committee made at the 31 October*



- 2023 Special Council Meeting appointing Elected Members, community members and deputy members to the Audit and Risk Committee.*
2. *Appoints all Elected Members of the City of Nedlands to a whole of Council Audit and Risk Committee, subject to any Elected Member indicating they do not wish to be appointed to the Audit and Risk Committee.*
 3. *Appoints the CEO as an independent observer for any secret ballots for the Audit and Risk Committee Chair and Deputy Chair.*
 4. *Requires the nominees for Presiding Member of the Audit and Risk Committee to have completed tertiary education and a minimum of 3 years finance related work experience.*
 5. *Directs the Audit and Risk Committee to review the Audit and Risk Committee Terms of Reference adopted at the 31 October 2023 Special Council Meeting at Item 9.6 resolution 4 and advise Council of any recommended changes to the Terms of Reference.*
 6. *Formally thanks Mr G Baws and Mr JK Laurence for their service to the City of Nedlands.*

Discussion

In accordance with paragraph 5 of the April 2024 Council resolution, the Committee is required to review its Terms of Reference.

The Committee can make recommendations to Council on the Terms of Reference, but it is for Council to determine whether or not it accepts those recommendations.

Administration has received correspondence from one Elected Member on proposed amendments to the Terms of Reference. (Attachment 2).

These proposed amendments include –

1. Change to the name of the Committee from Audit and Risk Committee to Audit Committee which aligns with the *Local Government Act 1995*.

Comment

This has been included in the draft terms of reference.

2. An additional paragraph 9 under Financial Audit that states - *To address any specific requests referred to it from Council in relation to issues of financial management.*

Comment

This clause appears to replicate the paragraph on risk management in the original terms of reference. This has been included in the draft terms of reference.

3. Membership to align with the Council resolution from April 2024 and includes the appointment of a Deputy Presiding Member into the terms of reference.

Comment



This has been amended in the draft terms of reference. However, Administration notes that the words 'subject to any Elected Member indicating they do not wish to be appointed to the Audit and Risk Committee' should be removed to allow for surety of quorum for the Committee.

4. Inclusion that the Presiding Member is required to have completed tertiary qualifications and have at least 3 years finance related work experience in a finance related field. The Deputy Presiding Member is preferred to have similar qualifications.

Comment

It is noted that the proposed amendment in this section goes beyond what Council resolved at the April Council meeting. There is concern that this requirement may be problematic in its application. At present, the Act under section 2.19 - Qualifications for election to Council, does not require elected members to have specific tertiary qualifications to become an elected member.

As there is no threshold for nomination to elect to Council, there should be no barrier to contribute to all decision making of Council or make recommendation as part of its committees. The presiding member is responsible for the management of the meeting in accordance with the City's Standing Orders. The function of the presiding member does not necessitate the need for a tertiary qualification or finance related experience. Although this may be beneficial in the context of the committee, given the presiding member has no operational input, benefit may be limited if compared to the best person in the committee's opinion to govern the meeting.

Prescription of requirements for roles in committees may see a scenario arise where no Council members elected have the prerequisite requirements, or interpretation of those requirements are interpreted differently.

While it has been included in the draft terms of reference, it is advised that the Committee may wish to reconsider this clause as nothing precludes the committee from selecting a presiding member on the experience they put forth when nominating – allowing members to set their own personal expectations on the skills they are looking for.

Councillors should note that the appointment of the presiding member is an election. The nomination process is prescribed under schedule 2.3 and s. 5.12 of the Act. Policy cannot expand or constrain the prescribed process. Further, objection may be legitimately raised as to the imposition of the fetter to an elected member's right to be considered for the position of a presiding member under s. 5.12. The clause expressly states that the members of a committee are to elect a presiding member from amongst themselves. It is deemed non-compliant with the Act and unconscionable to impose narrow criteria to terms of reference that may preclude individuals based on education rather than skill or merit.

That said, while the requirement could be viewed as exclusionary it would not likely be considered discriminatory, as the Equal Opportunity Act 1984 does not prescribe



education or experience as grounds for discrimination. This however is largely focused on employment selection, rather than election processes.

5. An additional requirement under the heading Reporting to the Council has been included. This states that the presiding member is to report to Council and a schedule of the report is to be developed and agreed to by members of the Committee.

Comment

This has been included in the attached draft terms of reference.

6. The proposed terms of reference refers to the CEO and secret ballots.

Comment

This inclusion is not deemed as required by Administration. The Act already provides for the CEO to preside over the election of a presiding member in accordance with Schedule 2.3 Division 1. There should not be any other secret ballots that are undertaken by the Committee that would warrant the inclusion of this clause in the terms of reference and it is advised that this not be supported. As a consequence, it has not been included in the attached draft terms of reference as it would be superfluous.

The draft terms of reference as contained in Attachment 1 includes the amendments requested by the Council at its meeting of 23 April 2024, and some of the proposed changes provided by a Councilor under cover of their email dated 3 May 2024. Whilst the Committee may recommend to Council amendments to the terms of reference of the committee, it is ultimately Council who decides the terms.

Consultation

N/A.



Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision **Sustainable and responsible for a bright future**

Pillar **Performance**

Outcome 11. Effective leadership and governance.

Budget/Financial Implications

Nil.

Legislative and Policy Implications

[Local Government Act 1995 Part 2 and Part 5.](#)

Decision Implications

The review of the Committee's Terms of Reference in accordance with the draft amendments will align the Terms to the Council resolution dated 23 April 2024. Should the Committee not recommend the proposed amendments there will be uncertainty as to the continued application of the 31 October 2023 Terms of Reference that are inconsistent with the April resolution of Council.

Conclusion

The amendment to the Terms of Reference will align this document with the Council decision of 23 April 2024 removing any uncertainty as to the composition and duties of the Committee.

Further Information

Nil.

1. Purpose

The **This Audit** Committee is established by Council in accordance with the *Local Government Act 1995*, part 7, to assist the Council under Regulation 16 of the *Local Government (Audit) Regulations 1995* to discharge its responsibilities with regard to the exercise of due care, diligence and skill in relation to:

- The reporting of financial information, the application of accounting policies, and the management of the financial affairs of the City,
- The assessment of the adequacy of the management of Risk.

2. Scope

Local Government (Audit) Regulations 1996 Regulation 16 - Functions of audit committee

An audit committee has the following functions —

(a) to guide and assist the local government in carrying out —

- (i) its functions under Part 6 of the Act; and
- (ii) its functions relating to other audits and other matters related to financial management.

(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act.

(c) to review a report given to it by the CEO under regulation 17(3) (the CEO's Report) and is to —

- (i) report to the council the results of that review; and
- (ii) give a copy of the CEO's report to the council.

(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —

- (i) regulation 17(1); and

(ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).

(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.

(f) to oversee the implementation of any action that the local government —

(i) is required to take by section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and

(iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

The committee shall have as its primary duties and responsibilities the following **financial audit and risk management** tasks:

(a) Financial Audit

1. To meet with the Council's **internal and** external auditors and review the Audit Plan prior to the conduct of the interim audit each year.
2. To ensure that the **audit is being internal and external audits are** conducted in accordance with the brief and the terms of appointment and that matters of concern to the Council and/or the Committee are being addressed.
3. Ensure that the Council's financial affairs and systems and processes are being managed and reported in accordance with statutory requirements and Australian Accounting Standards.
4. Ensure that relevant financial information is reported to Council in a form that meets the needs and expectations of Council, clearly setting out the key

relevant financial data, such that the Council can confidently understand the financial performance of the Council's affairs.

5. Review the audit report and make appropriate recommendations to Council.
~~and~~
6. Where appropriate and with the approval of Council seek advice and/or assistance in relation to matters pertaining to the audit or financial affairs of the City.
7. Monitor the implementation of the Audit Management Plan.
8. Review at least annually the performance of the Audit Committee.
9. ~~To address any specific requests referred to it from Council in relation to issues of financial management.~~

(b) Risk Management

1. ~~3.~~ Monitor the implementation of the Strategic Risk Management Plan.
2. ~~4.~~ Twice yearly consider a report in relation to the management of risk within the City of Nedlands and satisfy itself that appropriate controls and processes are in operation and are adequate for dealing with the risks that impact on the City.
3. ~~2.~~ To address any specific requests referred to it from Council in relation to issues of risk and risk management.

3. Membership

1. ~~The membership of the committee shall comprise the Mayor and all Elected Members of the City of Nedlands, subject to any Elected Member indicating they do not wish to be appointed to the audit committee.~~
2. ~~The term of the presiding member, deputy presiding member and committee members will expire immediately prior to the next ordinary Council election.~~
3. ~~The presiding member and deputy presiding member shall be determined at the first meeting following the reconstitution of the committee after each ordinary Council election.~~

4. The presiding member and the deputy presiding member shall be determined by election amongst the members of the committee in accordance with section 5.12 and schedule 2.3 Division 1 of the *Local Government Act 1995*. The Mayor is eligible to vote for a presiding member but is not eligible to sit as the presiding member.

5. A member of the committee nominated as the presiding member is required to have completed tertiary qualifications and at least 3 years finance related work experience in a finance related field. A member of the committee nominated as the deputy presiding member is preferred to have completed tertiary qualifications and at least 3 years work experience in a finance related field.

4. Staff

The following staff will attend committee meetings to provide technical support and advice:

- Chief Executive Officer
- Director of Corporate & Strategy
- Coordinator Governance and Risk

Other staff may attend committee meetings when requested by the Committee through the Chief Executive Officer.

5. Invitees/Attendees

The Committee may invite external experts, community members, representatives of auditors and/or other relevant persons to attend, address or advise the committee, within the ambit of its scope and where necessary with the approval of Council (e.g. if authorisation of funding is required). ~~as it sees fit including but not limited to:~~

~~The external auditor or his/her representative~~

6. Audit Committee Meetings

1. The Council Committee operates under the City's Standing Orders Local Law.
2. The Committee shall formally meet at least quarterly. A schedule of meetings will be developed and agreed to by the members. Additional meetings may be called by

the Presiding member. It is the responsibility of the presiding member to call the meetings of the committee.

3. The quorum for a meeting will be 50% of the offices of the Audit Committee as per section 5.19 of the *Local Government Act 1995*.

7. Reporting to the Council

The **presiding member of the Audit** Committee shall report quarterly to the Council summarising **the Audit Committee's activities since the previous report, current status of matters before the Audit Committee and the forthcoming priorities.**

A schedule of the presiding member's report to Council will be developed and agreed to by the members of the Audit Committee.

8. Delegated Authority

The Audit ~~and Risk~~ Committee will have delegated authority to meet with the auditor in accordance with Section 7.12A(2) of the *Local Government Act 1995*.

Committees

Audit and Risk Committee

Purpose

This Committee is established by Council in accordance with the Local Government Act 1995, part 7, to assist the Council under Regulation 16 of the Local Government (Audit) Regulations 1995 to discharge its responsibilities with regard to the exercise of due care, diligence and skill in relation to:

- The reporting of financial information, the application of accounting policies, and the management of the financial affairs of the City,
- The assessment of the adequacy of the management of Risk.

Scope

Local Government (Audit) Regulations 1995 Regulation 16 - Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's Report**) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and

- (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

The committee shall have as its primary duties and responsibilities the following tasks:

Audit

1. To meet with Council's external auditors and review the Audit Plan prior to the conduct of the interim audit each year;
2. To ensure that the audit is being conducted in accordance with the brief and the terms of appointment and that matters of concern to the Council and/or the Committee are being addressed;
3. Ensure that the Council's financial affairs and systems and processes are being managed and reported in accordance with statutory requirements and Australian Accounting Standards;
4. Ensure that relevant financial information is reported to Council in a form that meets the needs and expectations of Council, clearly setting out the key relevant financial data, such that the Council can confidently understand the financial performance of the Council's affairs;
5. Review the audit report and make appropriate recommendations to Council; and
6. Where appropriate and with the approval of Council seek advice and/or assistance in relation to matters pertaining to the audit or financial affairs of the City.
7. Monitor the implementation of the Audit Management Plan.
8. Review at least annually the performance of the Audit and Risk Committee

Risk Management

1. Twice yearly consider a report in relation to the management of risk within the City of Nedlands and satisfy itself that appropriate controls and processes are in operation and are adequate for dealing with the risks that impact on the City.
2. To address any specific requests referred to it from Council in relation to issues of risk and risk management.

3. Monitor the implementation of the Strategic Risk Management Plan.

Membership

1. The membership of the committee shall comprise the Mayor and one Councillor from each ward with the Councillors being determined by nomination and if necessary, a ballot conducted at a Council Meeting and up to two non-Councillor Members, being residents of The City of Nedlands.
2. Council will appoint one Councillor from each ward as deputy members of the committee.
3. If a vacancy on the committee occurs for whatever reason, then Council shall appoint a replacement in accordance with the same arrangements as for the original appointment.
4. The ward deputy will be invited to attend the Committee as a voting member if the primary ward member is absent, an apology, on leave or has resigned.
5. The term of the presiding member and committee members will expire immediately prior to the next ordinary Council election.
6. The presiding member shall be determined by election amongst the members of the committee. The election will take place at the first meeting following the reconstitution of the committee after each ordinary Council election. The Mayor is eligible to vote for a presiding member but is not eligible to sit as the presiding member.
7. Should the elected presiding member not be present during a meeting of the committee then a temporary presiding member shall be elected in accordance with 5 above.
8. Community members shall have appropriate qualifications in Audit and / or Risk Management.
9. If a Committee member is unable to attend a meeting, an apology or an approved leave of absence is required. The Committee may resolve to relinquish membership after three or more unexcused absences.

Staff

The following staff will attend committee meetings to provide technical support and advice:

- Chief Executive Officer
- Director of Corporate & Strategy
- Coordinator Governance and Risk

Other staff may attend committee meetings when requested by the Committee through the Chief Executive Officer.

Invitees/Attendees

The Committee may invite relevant persons to attend and address or advise the committee, within the ambit of its scope and where necessary with the approval of Council (e.g., if authorisation of funding is required), as it sees fit including but not limited to:

- The external auditor or his/her representative

Meetings

1. The Council Committee operates under the Council's Standing Orders Local Law.
2. The Committee shall formally meet at least quarterly. A schedule of meetings will be developed and agreed to by the members. Additional meetings may be called by the Presiding member. It is the responsibility of the presiding member to call the meetings of the committee.
3. The quorum for a meeting will be 50% of the offices of the Audit & Risk Committee as per section 5.19 of the Local Government Act 1995.

Reporting

The Committee shall report quarterly to the Council summarising its activities during the previous financial year.

Delegated Authority

The Audit and Risk Committee will have delegated authority to meet with the auditor in accordance with Section 7.12A(2) of the Local Government Act 1995.

Purpose

The audit committee is established by Council in accordance with the Local Government

Act 1995, part 7, to assist the Council under Regulation 16 of the Local Government (Audit) Regulations 1995 to discharge its responsibilities with regard to the exercise of due care, diligence and skill in relation to:

- The reporting of financial information, the application of accounting policies, and the management of the financial affairs of the City,
- The assessment of the adequacy of the management of Risk.

Scope

Local Government (Audit) Regulations 1995 Regulation 16 - Functions of audit committee

An audit committee has the following functions —

(a) to guide and assist the local government in carrying out —

(i) its functions under Part 6 of the Act; and

(ii) its functions relating to other audits and other matters related to financial management;

(b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;

(c) to review a report given to it by the CEO under regulation 17(3) (the CEO's Report) and is to —

(i) report to the council the results of that review; and

(ii) give a copy of the CEO's report to the council;

(d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —

(i) regulation 17(1); and

(ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);

(e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;

(f) to oversee the implementation of any action that the local government —

(i) is required to take by section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and

(iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);

(g) to perform any other function conferred on the audit committee by these regulations or another written law.

The committee shall have as its primary duties and responsibilities the following financial audit and risk management tasks:

Financial Audit

1. To meet with the Council's internal and external auditors and review the Audit Plan prior to the conduct of the interim audit each year;
2. To ensure that internal and external audits are conducted in accordance with the brief and the terms of appointment and that matters of concern to the Council and/or the Committee are being addressed;
3. Ensure that the Council's financial affairs and systems and processes are being managed and reported in accordance with statutory requirements and Australian Accounting Standards;
4. Ensure that relevant financial information is reported to Council in a form that meets the needs and expectations of Council, clearly setting out the key relevant financial data, such that the Council can confidently understand the financial performance of the Council's affairs;
5. Review the audit report and make appropriate recommendations to Council

6. Where appropriate and with the approval of Council seek advice and/or assistance in relation to matters pertaining to the audit or financial affairs of the City.
7. Monitor the implementation of the Audit Management Plan.
8. Review at least annually the performance of the audit committee.

To address any specific requests referred to it from Council in relation to issues of financial management **Risk Management**

1. Monitor the implementation of the Strategic Risk Management Plan.
2. Twice yearly consider a report in relation to the management of risk within the City of Nedlands and satisfy itself that appropriate controls and processes are in operation and are adequate for dealing with the risks that impact on the City.
3. To address any specific requests referred to it from Council in relation to issues of risk and risk management.

Membership

1. The membership of the committee shall comprise the Mayor and all Elected Members of the City of Nedlands, subject to any Elected Member indicating they do not wish to be appointed to the audit committee.
2. The term of the presiding member, deputy presiding member and committee members will expire immediately prior to the next ordinary Council election. A new presiding member and deputy presiding member shall be determined at the first meeting following the reconstitution of the committee after each ordinary Council election.
3. The presiding member and the deputy presiding member shall be determined by secret ballot amongst the members of the committee. The Mayor is eligible to vote for a presiding member but is not eligible to sit as the presiding member.
4. A member of the committee nominated as the presiding member is required to have completed tertiary qualifications and at least 3 years finance related work experience in a finance related field. A member of the committee nominated as the

deputy presiding member is preferred to have completed tertiary qualifications and at least 3 years work experience in a finance related field.

5.

Staff

The following staff will attend committee meetings to provide technical support and advice:

- Chief Executive Officer
- Director of Corporate & Strategy
- Coordinator Governance and Risk

Other staff when requested by the Committee through the Chief Executive Officer.

Where necessary the CEO or the CEO delegate will act as the independent observer for any secret ballots of the committee members.

Invitees/Attendees

The Committee may invite external experts, community members, representatives of auditors and/or other relevant persons with appropriate qualifications to attend, address or advise the committee, within the ambit of its tasks.

The scope, duration and terms of external persons input will be determined by election amongst the members of the committee and where necessary with the approval of Council (e.g. if authorisation of funding is required)

Audit Committee Meetings

1. The committee operates under the Council's Standing Orders Local Law.
2. The Committee shall formally meet at least monthly. A schedule of meetings will be developed and agreed to by the members. Additional meetings may be called by the Presiding member. It is the responsibility of the presiding member to call the meetings of the committee.
3. The quorum for a meeting will be 50% of the offices of the Audit & Risk Committee as per section 5.19 of the Local Government Act 1995.

Reporting to the Council

The presiding member shall report at least quarterly to the Council summarising the committee's activities since the previous report, current status of matters before the committee and the forthcoming priorities.

A schedule of the presiding member's report to Council will be developed and agreed to by the members of the committee **Delegated Authority**

The audit committee will have delegated authority to meet with the auditor in accordance with Section 7.12A(2) of the Local Government Act 1995.



9. Declaration of Closure

There being no further business, the Presiding Member will declare the meeting closed.