



AUDIT AND RISK ADVISORY COMMITTEE

COMMUNITY REPRESENTATION 2019-2022

VACANCY

INTRODUCTION

The Mansfield Shire Audit and Risk Advisory Committee provides advice to the Council on matters affecting the financial performance of the municipality.

A copy of the Charter of the Audit and Risk Advisory Committee detailing the specific responsibilities of the Committee is attached.

KEY OBJECTIVES OF THE COMMITTEE

The key objectives of the Committee is to provide advice, as part of Council's governance obligations to its community, to the Chief Executive Officer and the Council ensuring

- Effective recognition, identification and management of risk;
- Improved credibility and objectivity of internal and external financial reports;
- Compliance with relevant laws and regulations, and use of best practice guides
- The effectiveness of an annual audit program.

MEMBERSHIP

Membership on the Audit and Risk Advisory Committee comprises both Councillors and community representatives as follows:

- Two (2) Councillors of the Council;
- Three (3) skill based representatives being external, independent persons with suitable expertise, knowledge and experience in financial matters or matters relevant to the Charter.

The Chief Executive Officer and Finance Manager shall attend meetings of the Committee. The Internal Auditor (where appointed) whether a member of staff or a contractor, shall also be required to attend meetings of the Audit and Risk Advisory Committee where necessary.

STIPEND

Council has set the stipend for community representation on the Committee at \$900 per member per annum (subject to review).

MEETINGS

The Audit and Risk Advisory Committee generally meets on a quarterly basis in August, November, February and May, however more frequent meetings may occasionally be required.

NOMINATIONS

Membership on the Audit and Risk Advisory Committee is sought from community representatives with suitable expertise, knowledge and experience in financial and business matters.

There are currently three vacant positions of varying terms of appointment as follows:

- One (1) year;
- Two (2) years;
- Three (3) years;

with each appointee being eligible for re-appointment for a further term or terms of three (3) years.

Nomination form is attached and must be lodged at the Municipal Offices, 33 Highett Street, Mansfield, by close of business on **9 September 2019**.

SELECTION CRITERIA

The appointee will have detailed knowledge and experience in the operations of a medium to large organisation and an understanding of financial, management, reporting and governance practices. An inquiring mind and the ability to analyse information will assist in carrying out the role of this position.

FURTHER INFORMATION

A copy of Council's latest Annual Report and Council Plan are available on our website at www.mansfield.vic.gov.au in order to provide a range of financial and non-financial information about the Council.

Further information on the Audit and Risk Advisory Committee can be obtained by contacting Council's Finance Manager, Ms Mandy Kynnersley on 5775 8555.

Kaylene Conrick
Interim Chief Executive Officer
August 2019



AUDIT AND RISK ADVISORY COMMITTEE

COMMUNITY REPRESENTATIVE NOMINATION FORM 2019 - 2022

NAME:

ADDRESS:

.....POSTCODE:

TELEPHONE:(BH)(AH)

EMAIL ADDRESS:

Please provide details of your expertise, knowledge and experience in financial and risk matters and detail reasons why you would like to serve on this committee:

FINANCIAL AND RISK EXPERTISE:

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PROFESSIONAL QUALIFICATIONS:

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MEMBERSHIP OF PROFESSIONAL BODIES: YES / NO

IF YES, PLEASE STATE:

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OTHER COMMITTEE MEMBERSHIPS: YES / NO

IF YES, PLEASE STATE:

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INTEREST IN SERVING ON COMMITTEE:

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SIGNED:

Note: Additional details may be attached as appropriate.

PLEASE RETURN THIS FORM TO:

**MANSFIELD SHIRE COUNCIL
33 HIGHETT STREET
(Private Bag 1000)
MANSFIELD VIC 3722
By close of business on Monday 9 September 2019**



MANSFIELD SHIRE

**CHARTER OF THE
AUDIT AND RISK
ADVISORY COMMITTEE**

For Endorsement by Council – 18 September 2018



MANSFIELD SHIRE

CHARTER OF THE AUDIT AND RISK ADVISORY COMMITTEE

1. CONSTITUTION

- 1.1 The Mansfield Shire Council ("Council") has resolved to appoint an Audit and Risk Advisory Committee ("Committee") in accordance with s139 of the *Local Government Act 1989*.
- 1.2 The Committee shall be an advisory committee of the Council.
- 1.3 The Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.
- 1.4 The Committee is independent of management.
- 1.5 The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its Charter in order to facilitate decision making by Council in relation to the discharge of its responsibilities.

2. KEY OBJECTIVES OF THE COMMITTEE

The key objectives of the Committee is to provide advice, as part of Council's governance obligations to its community, to the Chief Executive Officer and the Council on ensuring

- a) Effective recognition, identification and management of risk;
- b) Improved credibility and objectivity of internal and external financial reports;
- c) Compliance with relevant laws and regulations, and use of best practice guides
- d) The effectiveness of an annual audit program.

3. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

Internal audit and control

- a) Responsible for the appointment of the internal auditor and recommendation to Council.
- b) Review the scope of the internal audit plan and program and the effectiveness of this function taking into consideration whether the program systematically addresses:
 - internal controls over significant areas of risk, including non-financial management control systems;
 - internal controls over revenue, expenditure, assets and liability processes,
 - the efficiency, effectiveness and economy of significant Council programs; and
 - Compliance with regulations, policies, best practice guidelines, and contractual arrangements.



- c) Review the appropriateness of special internal audit assignments.
- d) Review the level of resources allocated to internal audit and the scope of its authority, including independence of the Internal Audit function.
- e) Review reports of internal audit, the response of Council and management to matters raised, and monitor the implementation of recommendation made by internal audit.
- f) Critically analyse and follow up any internal or external audit report recommendation which raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues.

Financial Report

- g) To review finance reports as presented to Ordinary Council meetings, including operational income and expenditure against budget, capital income and expenditure against budget, balance sheet and cashflow.
- h) To review the draft annual financial report with management and external auditors prior to the approval by Council, focusing on:
 - (a) Significant changes in accounting policies and practices
 - (b) Significant audit adjustments
 - (c) Compliance with accounting standards and other reporting requirements
 - (d) Significant variances from previous years
 - (e) Complex or unusual transactions and highly judgmental areas and estimates
- i) Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor.
- j) To review the draft annual performance statement prior to presentation to Council and recommendation for adoption
- k) Review the information included in Council's annual report to ensure it is consistent with the signed financial statements.

Risk Management

- l) Review the operations and implementation of the identification and assessment of risks, management of the identified risks, monitoring of the risk management process and referring risk matters to the Council as appropriate.
- m) Review key policies impacting on Council's governance framework, such as Code of Ethics, Fraud Policy, Protected Disclosure Policy, Procurement Policy, Investment Policy.
- n) Monitor processes and practices of Council to ensure effective business continuity, including a disaster recovery plan which is periodically tested.
- o) Note the progress of any major litigation, including potential VCAT cases.
- p) Note any investigation of any suspected cases of fraud.



4. COMMITTEE MEMBERSHIP

- 4.1 The Council has resolved that the Committee shall consist of:
- (a) Two Councillors of the Council;
 - (b) Three (3) or four (4) skill based representatives being external independent persons with suitable expertise, knowledge and experience in financial matters, or matters relevant to the Charter.
- 4.2 The Chief Executive Officer, Finance Manager and Risk and OHS Coordinator shall attend meetings of the Committee. The Internal Auditor (where appointed) whether a member of staff or a contractor, shall also be required to attend meetings of the Audit and Risk Advisory Committee where necessary.

5. NOMINATION OF MEMBERSHIP

- 5.1 The Council shall call for nominations for the appointment of skill based representatives to the Committee by giving public notice in a local newspaper not less than one (1) month prior to the date of the termination of the term of office of the representatives.
- 5.2 Candidates for appointment must lodge written and signed nomination forms with the Council.
- 5.3 If the number of candidates equals or exceeds the number of representatives to be appointed, the Council shall make the appointment by simple resolution.

6. TERM OF APPOINTMENT

- 6.1 The terms of appointment for independent members should be arranged to ensure a staggered rotation and continuity of membership. Initially the terms of appointments will be for a period of one (1), two (2) and three (3) years, and thereafter be appointed for a period of three (3) years.
- 6.2 Members of the Committee shall be eligible for re-appointment for a further term or terms of three (3) years each.
- 6.3 A member of the Committee may resign his/her position at any time.
- 6.4 If any member fails to attend meetings of the Committee in breach of section 14.1 of the *Local Law No. 2 – Process of Municipal Government*, that member shall be deemed to have resigned his/her position on the Committee.
- 6.5 Council may resolved to remove a member of the Committee by written notice to the member of the intention to do so. That member will be given an opportunity to be heard at a Council meeting, open to the public if the member requests this.
- 6.6 The Council shall appoint another person to fill any vacancy caused by the resignation of any member of the Committee.



- 6.7 Any person appointed to fill a vacancy on the Committee shall hold office for the unexpired portion of the previous member's term of office.
- 6.8 All positions will be advertised at the end of term. Members at the end of their term may re-apply for the position in accordance with item 6.2.

7. INDUCTION

7.1 New members will be provided with an Induction Information Pack, which will include the following documentation.

- Audit & Risk Advisory Committee Charter
- Council Plan, including Strategic Resource Plan
- Annual Report
- Key financial reporting policies
- Organisational Chart
- Overview of the Audit framework
- Auditor contact details
- Local Government Act
- Budget
- Audit Committees – A Guide to Good Practice for Local Government

7.2 Members will be provided with relevant documentation during their membership to assist keeping their knowledge of the organisation and relevant issues up to date.

8. CHAIRPERSON

8.1 The Chairperson of the Audit and Risk Advisory Committee shall be elected from the independent committee members

8.2 In the absence of the Chairperson, the Committee may elect one of the independent members to preside as Chairperson at the meeting.

8.3 The role of the Chairperson shall be:

- (a) To chair all meetings of the Committee.
- (b) To act as the liaison person between the Committee and Council.
- (c) To arrange for an annual report of the Committee to be prepared for presentation to Council.

9. MEETINGS OF THE COMMITTEE

9.1 All meetings of the Committee shall be conducted in accordance with Council's *Local Law No. 2 – Process of Municipal Government*.

9.2 The Committee shall meet at least quarterly.

9.3 Additional meetings may be convened at the discretion of the Chairperson, or at the written request of two (2) members.



- 9.4 The Committee shall meet at least once per year with the external and internal auditors, without management being present.
- 9.5 All members are expected to be aware of their responsibilities with regard to confidentiality of information about Council's affairs. Failure to comply with provisions of the Act with regard to confidentiality may result in the member's appointment being terminated.
- 9.6 Members must not misuse their position to gain or attempt to gain, directly or indirectly an advantage for themselves or for any other person; or to cause, to attempt to cause detriment to the Council or another person

10. QUORUM

- 10.1 A quorum is formed when a simple majority of members of the Committee is present at a meeting.

11. SECRETARY

- 11.1 The Chief Executive Officer shall appoint an officer of the Council to act as Secretary to the Committee.
- 11.2 The Secretary shall prepare the agenda and minutes for each meeting of the Committee and shall distribute or arrange to be distributed copies of the agenda and minutes to members of the Committee and to the Council.

12. REPORTING

- 12.1 The Committee shall submit reports after each meeting to the Council and, in addition, shall submit an Annual Report not later than 15 August in each year, for inclusion in the Council's Annual Report.
- 12.2 The External Auditors shall address the August and/or November meetings of the Committee (as appropriate). The External Auditors may request that a meeting of the Committee be convened.

13. REVIEW

- 13.1 The Council shall carry out regular reviews of Committee's Charter.
- 13.2 The Council may carry out a special review of the Committee's Charter at the request of the Committee.
- 13.3 The Council shall consult with the Committee prior to the making of amendments or alterations to the Committee's Charter.



- 13.4 The Committee will undergo an annual review process, including a review by Council and the completion of a self-assessment program.

The reviews should include:

- Feedback from the Council on the effectiveness of the committee
- Feedback on the Committee's performance and operations from key people such as the auditor, CEO and Senior Management staff
- Assessment of performance of Committee against its Terms of Reference (Charter)
- Assessment of the contribution of individual committee members (by the chairperson) and chairperson (by the committee members) for discussion with the Mayor.

14. STAFF

- 14.1 An advisory committee of the Council has no delegated authority to employ staff.

15. FINANCES

- 15.1 An advisory committee of the Council has no delegated authority to expend monies.

16. INSURANCES

- 16.1 The Council shall arrange and maintain a portfolio of insurances to cover all possible risks, including a Personal Accident Policy of committee members, a Voluntary Worker's Policy and an Indemnity Policy for committee members.

17. PECUNIARY INTEREST

- 17.1 All Committee members must act in accordance with section 78, 79 and 80 of the *Local Government Act 1989* referring to the duty of the Councillors and the members of the advisory committee in relation to the declaration and treatment of pecuniary interests.
- 17.2 If a Councillor or member of an advisory committee has a direct or indirect pecuniary interest in any or proposed contract with the Council or in any other matter in which the Council is concerned which is to be or is likely to be considered or discussed at a meeting of the advisory committee, the Councillor or member of the advisory committee must advise and act in accordance with section 79 of the *Local Government Act 1989*.
- 17.3 All Committee members must submit a primary return, or ordinary return, declaring any pecuniary interests in the prescribed form to the Chief Executive Officer in accordance with section 81 of the *Local Government Act 1989*.



18. ATTACHMENTS

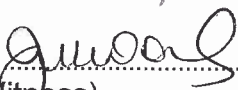
18.1 The Council has attached the following documents or copies of the document to this Charter:

- Community Local Law No. 2 - Meeting Procedures and Common Seal 2016.

This Audit and Risk Advisory Committee Charter is made on behalf of Mansfield Shire Council by its Mayor under authority of an Instrument of Delegation dated 18 September 2018.

SIGNED by the Mayor of the
Mansfield Shire Council
in the presence of:

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(Witness)

Dated: 18/9/2018