

Risk management and audit committee terms of reference

No. 1235.001.E.R

1 Purpose

The City of Darwin Risk Management and Audit Committee (Committee) is established in accordance with section 86 of the *Local Government Act 2019* (NT.) The purpose of the Committee is to provide independent assurance and assistance to the Council and the Chief Executive Officer in matters relating to the monitoring of the risk management framework, financial reporting processes, compliance, performance of auditors and the audit program.

2 Scope

In relation to the monitoring of the risk management framework, financial reporting processes, compliance, performance of auditors and the audit program, the Committee will:

- consider officers reports and provide recommendations to the Council as required, and
- provide a forum to enable matters to be reviewed and discussed.

3 Authority / delegation

The Risk Management and Audit Committee is subject to the control and direction by the Council.

The Risk Management and Audit Committee does not have any delegation to make decisions. The Committee is able to put recommendations to Council for endorsement, and then may be responsible for completing the action determined by Council resolution.

The Committee is authorised to:

- obtain any information it requires from any member of staff and/or external party
- discuss any matters with internal and/or external auditors, or other external parties
- request, via the Chief Executive Officer, the attendance of any member of staff at Committee meetings, and
- request external legal or other professional advice, as considered necessary to meet its responsibilities.

4 Functions

In accordance with Section 87 of the *Local Government Act 2019* (NT) the Risk Management and Audit Committee has the following functions:

- 1 To monitor and review the integrity of the council’s financial management
- 2 To monitor and review internal controls
- 3 To make recommendations to council about any matters the committee considers require the council’s consideration as a result of the committee’s functions outlined in (1) and (2).

Further, the City of Darwin Risk Management and Audit Committee will undertake the following key responsibilities and functions:

- monitor the performance of City of Darwin’s risk management framework, including strategic, operational and project risk assessments
- oversee the internal and external audit functions including development of audit programs, the conduct of audits by appropriately qualified personnel, the monitoring of audit recommendations and findings, management responses, and the implementation of actions
- monitor City of Darwin’s fraud and corruption prevention, compliance and governance frameworks
- review quality of annual financial statements and other performance reporting documents (such as annual reports) prior to their adoption by the Council
- review management’s responses to external audit recommendations and monitor implementation of the agreed recommendations, and
- meet with the external and 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.

5 Membership

5.1 Chair

The Chair of the Risk Management and Audit Committee will be an Independent Chair appointed by Council.

The Chair will be appointed from the community membership of the Committee in accordance with section 86(4) of *the Local Government Act 2019* (NT) for a term of no greater than two years.

In addition to the duties and responsibilities as a committee member, the Chair shall:

- provide leadership and direction to the Risk Management and Audit Committee including overseeing meeting procedure at the meeting
- ensure effective communication between the Committee, Chief Executive Officer management, External Audit, Internal Audit, and
- ensure the independence and objectivity of the committee functions are maintained.

Version:	Decision Number:	Adoption Date:	Next Review Date:
2	ORD207/23	11 July 2023	11 July 2025

Responsible Officer: Chief Executive Officer

Electronic version current. Uncontrolled copy valid only at time of printing.

5.2 Members

Membership of the Committee will be appointed by Council resolution pursuant to section 86(2) of the *Local Government Act 2019* (NT.)

The Committee will comprise seven (7) members:

- three (3) Council Members
- four (4) Community Members
- at least one (1) of whom should be either a Certified Practising Accountant or a Chartered Accountant
- at least one (1) be qualified or have significant business experience in the field of risk management
- The Committee shall appoint a Deputy Chair for the purposes of chairing a meeting if the Chair is not present or at a meeting as required.
- Preference will be given to local representation; however, the Council may appoint members from outside the Darwin local government area to ensure appropriate expertise.
- The Chief Executive Officer or delegate will attend all meetings.

The Lord Mayor may attend as ex-officio.

6 Meetings

The Risk Management and Audit Committee will adhere to the requirements for meetings as outlined in the *Local Government Act 2019* (NT), *Local Government (General) Regulations 2021* and 0043.100.E.R - City of Darwin Meetings Policy.

6.1 Frequency of meeting and location

Subject to direction by Council, the Committee will set its meeting schedule for the calendar year at the last meeting of the year prior.

The Committee will meet a minimum of four (4) times per year at times and dates set by the committee.

Special meetings can be convened by the Chief Executive Officer on the request of the Chair, or a majority of Committee members. The Chief Executive Officer will then issue a Notice of Meeting with the time, date and location of the meeting, and the items to be discussed at the special meeting.

6.2 Voting

A quorum will be half of the Committee’s membership plus one (1), which is currently four (4.)

A resolution of the Committee will be passed by a majority vote. A majority vote is half plus one (1) of the members present at the meeting.

The Chair must exercise, in the event of an equal number of votes, a second or casting vote.

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6.3 Secretariat

City of Darwin will provide secretarial services to the Committee. This includes assisting the CEO to ensure:

- the business papers are distributed three business days prior to a meeting and posted on the website, and
- proper minutes are kept and ensure they are tabled at the next meeting of Council.

7 Code of conduct

All members are accountable to the *Local Government Act 2019* (NT), Code of Conduct, Schedule 1. This includes the requirement to declare gifts and/or benefit.

8 Conflict of interest

On appointment to a committee, all members must identify if there are any conflicts of interest in performing their role on the committee.

Conflicts of Interest must also be identified at any meeting in which a member has a conflict of interest on a matter.

9 Review and performance evaluation

9.1 Terms of reference

The Terms of Reference will be reviewed every two years by the Committee and formally approved by Council.

9.2 Performance evaluation

The Chief Executive Officer will initiate a review of the performance of the Committee at least once every two (2) years. The review will be on an internal assessment basis with appropriate input from the Council, Chief Executive Officer and senior staff, internal and external auditors, and any other relevant stakeholders.

10 Responsibility / application

All members of the Committee will be asked to sign the Terms of Reference as part of their induction to the Committee, to ensure they are aware of their responsibilities under the *Local Government Act 2019* (NT) as member of a Council appointed committee.

These Terms of Reference were adopted by Council on 11 July 2023.

Name: _____

Signature: _____