

# Shire of Denmark Charter



## AUDIT ADVISORY COMMITTEE

This charter document defines the membership, authority, purpose, operational guidelines, responsibilities and resources of the Shire of Denmark Audit Committee, established by Council pursuant to Division 1A, Section 7.1A of the Local Government Act 1995 (the Act) and the Local Government (Audit) Regulations 1996 (the Regulations).

### 1.0 NAME

The name of the Committee shall be the Shire of Denmark Audit Advisory Committee, hereinafter referred to in its abbreviated form as the Committee (established 12 May 2005).

### 2.0 ESTABLISHMENT

The Committee is established pursuant to Section 7.1(A) of the Act.

### 3.0 DISTRICT

The Committee shall operate within the local government boundaries of the Shire of Denmark.

### 4.0 GUIDING PRINCIPLES

This Committee is established with the guiding principles in accordance with Division 1A, Section 7.1A of the Local Government Act 1995, the Local Government (Audit) Regulations 1996 and the Local Government (Financial Management) Regulations 1996.

### 5.0 VISION

For the Shire of Denmark to have consistently clear audits and accurate, meaningful and easy to read Annual Financial Statements.

### 6.0 TERMS OF REFERENCE

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.
- (h) Is to review the annual Compliance Audit Return and report to Council the results of that review (Regulation R14 (3A)) of the Regulations).

## 7.0 MEMBERSHIP

Membership of the Committee will be appointed by an absolute majority decision of Council and can include non-elected members, must include at least 3 Councillors and Councillors must comprise the majority of the Committee.

Neither the Chief Executive Officer nor any other employee of the Local Government can be a member of the Committee.

Membership of the Committee will comprise a total of 9 members consisting of:

6 x Councillors

## 8.0 MEETINGS

### 8.1 Annual General Meeting:

Nil

### 8.2 Committee Meetings:

Meetings shall be held as required but not less than annually.

**8.3 Quorum:**

The quorum for any meeting of the Committee is at least 50% of the number of member positions prescribed on the Committee, whether vacant or not.

**8.4 Voting:**

Shall be in accordance with Sections 5.21 and 7.1C of the Act, with all members of the Committee entitled and required to vote (subject to financial and proximity interest provisions of the Act).

**8.5 Minutes:**

Shall be in accordance with the Act, Section 5.22.

**8.6 Presiding Person**

The members will elect the Presiding Person and if required, Deputy of the Committee pursuant to the Act, Section 5.12.

**8.7 Who acts if no presiding member?**

Shall be in accordance with the Act, Section 5.14.

**8.8 Meetings**

Meetings are not open to the public pursuant to the Act, Section 5.23 of the Act as the Committee has no delegated power or duty.

**8.9 Public Question Time**

Meetings shall be open to the public.

**8.10 Members Conduct**

Members of the Committee are bound by the:

- provisions of Section 5.65 of the Local Government Act 1995;
- Shire of Denmark Standing Orders Local Law 2000;
- Shire of Denmark Code of Conduct (amended from time to time);
- Local Government (Rules of Conduct) Regulations 2007 (Elected Members only); and
- Clause 34C of the Local Government (Administration Regulations) 1996;

with respect to their conduct and duty of disclosure of financial, proximity or impartiality interests, to the extent stated, dependent upon whether they are a Councillor, Employee of Local Government or a Community Member (community members are not bound to declare impartiality interests, unlike Councillors and Employees of Local Government nor are they bound by the Rules of Conduct Legislation).

**8.11 Secretary**

The Director Corporate and Community Services or that Officer's nominee will fulfil the role of non-voting secretary who will also be responsible for preparation and distribution of agendas and minutes.

**8.12 Meeting Attendance Fees**

Nil.

**9.0 DELEGATED AUTHORITY OF THE COMMITTEE**

Delegation D040231 with respect to Shire Audits.

**10.0 STRATEGIC ALIGNMENT**

The specific tasks and actions undertaken by this committee will assist the Shire of Denmark in achieving the following aspirations and objectives as contained within the Strategic Community Plan;

**L5.0 Our Local Government**

**ASPIRATION:** The Shire of Denmark is recognised as a transparent, well governed and effectively management Local Government.

L5.1 To be high functioning, open, transparent, ethical and responsive.

L5.4 To be fiscally responsible.

Adopted by Council 21 November 2017 / Resolution No. 141117

Amended by Council 17 April 2018 / Resolution No. 150418

Amended by Council 18 September 2018 / Resolution No. **XXX**