



# SHIRE OF DENMARK

## **AUDIT RISK & IMPROVEMENT COMMITTEE CHARTER**

This charter document defines the membership, authority, purpose, operational guidelines, responsibilities and resources of the Shire of Denmark Audit Risk & Improvement Committee

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### **1.0 NAME**

The name of the Committee shall be the Audit Risk & Improvement Committee, hereinafter referred to as the Committee.

### **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 Section 7.1A of the Local Government Act 1995 and the Local Government (Audit) 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**

The following Terms of Reference is copied from Regulation 16 of the Local Government (Audit) Regulations 1996.

An audit, risk and improvement committee has the following functions —

- (a) to receive and review reports on, and recommend to the council actions to be taken in relation to —
  - (i) audits under Part 7 of the Act; and
  - (ii) compliance audits; and
  - (iii) reviews under regulation 17;

- (b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government’s systems and procedures in relation to —
  - (i) financial management; and
  - (ii) legislative compliance; and
  - (iii) risk management;
- (c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —
  - (i) is required to take under 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 otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and
  - (iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);
- (d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.

## **7.0 MEMBERSHIP**

Membership of the Committee will be appointed by an absolute majority decision of Council and can include non-elected members. There must be at 3 or more persons and must include an Independent Presiding Member, a Deputy Independent Presiding Member, and Councillors must comprise the majority of the Committee.

The Chief Executive Officer or a local government employee cannot be a member.

Membership of the Committee will comprise a total of 6 members, plus 1 deputy member, consisting of:

- 1 x Independent Persons (to be appointed Presiding Member)
- 1 x Independent Person as the Deputy of the Presiding Member
- 5 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 Member**

Local government must appoint an Independent Person as the presiding member and if required, Deputy of the Committee pursuant to the Act, Sections 5.12 and 7.1A).

**8.7 Deputy of the Presiding Member**

Local government must appoint an independent person as the deputy of the presiding member, who can step in when the presiding members is unavailable.

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

The meeting cannot proceed until such time as the independent presiding member or the independent deputy presiding member can attend

**8.9 Meetings**

Meetings are open to the public pursuant to section 5.23 of the Act as the Committee has delegated power or duty.

**8.10 Public Question Time**

Public Question Time shall be held in accordance with the section 5.24 of the Act and Regulations 5, 6 and 7 of the Local Government (Administration) Regulations 1996.

**8.11 Members Conduct**

Members of the Committee are bound by the:

- provisions of Section 5.65 of the Local Government Act 1995 (Councillors only);
- Shire of Denmark Standing Orders Local Law 2000;
- Shire of Denmark’s Code of Conduct for Council Members, Committee Members and Candidates; and

- Shire of Denmark's Code of Conduct for Employees, Volunteers, Trainees and Contractors;  
with respect to their conduct and duty of disclosure of financial, proximity or impartiality interests, as each relates.

#### **8.12 Secretary**

The Executive Manager of Corporate 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.

#### **8.13 Meeting Attendance Fees – Independent Committee Members**

In accordance with s 5.100(2)(b) of the Local Government Act 1995 and the Salaries and Allowances Tribunal's *Local Government Chief Executive Officers and Elected Council Members Determination*, independent members are entitled to be paid an attendance fee and be reimbursed for demonstrated actual travel and associated costs.

### **9.0 DELEGATED AUTHORITY OF THE COMMITTEE**

Delegation No. 1.1.1.

#### FUNCTION

1. Authority to meet with the Shire's Auditor at least once every year on behalf of the Council [s.7.12A(2)].
2. Authority to:
  - a) Examine the report of the Auditor and determine matters that require action to be taken by the Shire of Denmark; and
  - b) Ensure that appropriate action is taken in respect of those matters [s.7.12A(3)].
3. Authority to review and endorse the Shire of Denmark's report on any actions taken in response to an Auditor's report, prior to it being forwarded to the Minister [s.7.12A(4)].

#### CONDITIONS

This delegation is not to be used where a Management Letter or Audit Report raises significant issues. In that instance the Local Government's meeting with the Auditor must be directed to the Council.

#### RECORD KEEPING

Audit Committee Minutes shall record and identify each decision made under this delegation in accordance with the requirements of Administration Regulation 19.

Amended by Council 31 March 2026 / Resolution No. 270326