

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.
 - a. 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 6 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 open to the public pursuant to section 5.23 of the Act as the Committee has delegated power or duty.

8.9 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.

8.10 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 No. D040231.

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 prepare a report on any actions under s.7.12A (3) in respect of an audit conducted in respect of a financial year for Council's endorsement, prior to sending the report to the Minister [s.7.12A(4)].

CONDITIONS

Nil

RECORD KEEPING

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

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 16 November 2021 / Resolution No. 291121