



## **Special Council Meeting**

# **Agenda**

20 October 2025



# Notice of Meeting

A **Special Council Meeting** will be held in the Council Chamber of the **City of Belmont Civic Centre**, 215 Wright Street, Cloverdale, on **Monday 20 October 2025**, commencing at 6:30pm.

**John Christie**  
**Chief Executive Officer**

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# CITY OF BELMONT

## Special Council Meeting

### Agenda

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## **Attachments Index**

Attachment 8.1.3 – Item 8.1 refers

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## **Confidential Attachments Index**

Confidential Attachment 8.1.1 – Item 8.1 refers

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## **Alternative Formats**

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**Councillors are reminded to retain the  
OCM attachments for discussion with the minutes.**

# 1 Official Opening

The Presiding Member will read aloud the Acknowledgement of Country.

## Acknowledgement of Country

Before I begin, I would like to acknowledge the Whadjuk Noongar people as the Traditional Owners of this land and pay my respects to Elders past, present and emerging.

I further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today.

The Presiding Member will cause the Affirmation of Civic Duty and Responsibility to be read aloud by a Councillor.

## Affirmation of Civic Duty and Responsibility

I make this affirmation in good faith and declare that I will duly, faithfully, honestly, and with integrity fulfil the duties of my office for all the people in the City of Belmont according to the best of my judgement and ability.

I will observe the City's Code of Conduct and Standing Orders to ensure efficient, effective and orderly decision making within this forum.

# 2 Swearing in of newly Elected Councillors

Swearing-in of the newly elected Councillors in accordance with the *Local Government Act 1995 (WA)*. Special Guest and Honorary Freeman of the City, Mr Alan Richardson OAM JP, will officiate the Swearing-In of the newly elected Councillors.

# 3 Apologies and leave of absence

## 4 Declarations of interest that might cause a conflict

Elected Members/Staff are reminded of the requirements of s5.65 of the *Local Government Act 1995 (WA)*, to disclose any interest during the meeting when the matter is discussed, and also of the requirement to disclose an interest affecting impartiality under the City's Code of Conduct for Council Members, Committee Members and Candidates and the Code of Conduct for Employees.

### 4.1 Financial Interests

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration.

Other members may allow participation of the declarant if the member further discloses the extent of the interest and the other members decide that the interest is trivial or insignificant or is common to a significant number of electors or ratepayers.

Name	Item No and Title	Nature of Interest (and extent, where appropriate)

### 4.2 Disclosure of interest that may affect impartiality

Elected Members and staff are required (Code of Conduct), in addition to declaring any financial interest, to declare any interest that might cause a conflict. The member/employee is also encouraged to disclose the nature of the interest. The member/employee must consider the nature and extent of the interest and whether it will affect their impartiality. If the member/employee declares that their impartiality will not be affected then they may participate in the decision-making process.

Name	Item No and Title	Nature of Interest (and extent, where appropriate)

## **5 Announcements by the Presiding Member (without discussion) and declarations by Members**

### **5.1 Announcements**

### **5.2 Declarations by Members who have not given due considerations to all matters contained in the business papers presently before the meeting**

## **6 Public question time**

### **6.1 Questions from members of the public**

## **7 Election of Deputy Mayor**

Election of an office bearer will be conducted in accordance with the *Local Government Act 1995 (WA)*. In particular, Schedules 2.3 and 4.1 of the *Local Government Act 1995 (WA)*, the *Local Government (Administration) 1996 (WA)* and the *Local Government (Constitution) Regulations 1998 (WA)* will be adhered to. Please note:

- The election of the Deputy Mayor will be conducted by the Mayor.
- Nominations for the office are to be emailed or given to the Chief Executive Officer prior to the close of nominations, using the appropriate Nomination Form for Deputy Mayor. The close of nominations will be announced by the Chief Executive Officer at this point in the Special Council Meeting, giving sufficient time after the announcement and before the closure, for any final nominations to be made.
- If an Elected Member is nominated by another Elected Member, the Chief Executive Officer is not to accept the nomination unless the nominee has advised the Chief Executive Officer, orally or in writing, that they are willing to be nominated for the Office.
- If required, Elected Members are to vote on the matter by secret ballot, using optional preferential voting.

- Ballot papers will be prepared, with the order of the names being alphabetical (by surname). All ballot papers will be initialled (for authentication) by the Chief Executive Officer before being provided to Elected Members.
- Elected Members are to mark the ballot paper in such a manner that it cannot be seen by anyone else and return it to the Chief Executive Officer. Spoilt ballot papers can be replaced.
- The Chief Executive Officer will declare the result of the ballot to the meeting. The declaration will include the name of the candidate and the name and term of office of the candidate declared elected.
- All records (as defined by Regulation) of the election will be secured and retained for at least four years.

It should be noted that if after the count of the above mentioned votes there is an equality between two or more candidates, the matter is to be deferred to be dealt with at a future meeting, scheduled within the next seven days.

If an adjournment is required (as outlined above) any nomination for the office of Deputy Mayor may be withdrawn and further nominations may be made before or when the meeting resumes.

If at the conclusion of the second count an equality of votes still remains, the Mayor is to draw lots of determine which Councillor is to be elected Deputy Mayor.

## **7.1 Election of Deputy Mayor**

The Mayor will conduct the Deputy Mayoral election as outlined above.

## **7.2 Declaration of Office by Newly Elected Deputy Mayor**

Special Guest and Honorary Freeman of the City, Mr Alan Richardson OAM JP, will officiate the Swearing-In of the newly elected Deputy Mayor.



## 8 Reports of administration

**Note: The Mayor to indicate if intending to exercise the right to Ex-Officio membership of the Audit, Risk and Improvement Committee.**

**Where the Mayor is elected (or has notified - as per s5.10 (4)) - of his/her desire to be an Ex-Officio Member) to a Committee, if the Mayor has been granted leave of absence by the Council, then the Deputy Mayor is expected (in accordance with s5.34) to perform the functions of the Mayor's Committee responsibilities, irrespective of any proxy that might be in place.**

In accordance with Section 5.10 of the *Local Government Act 1995 (WA)*, the following is relevant:

1. The Mayor is entitled to be a Member of any Committee which has a Councillor Representative on it; however, he/she must make his/her nomination at the Council meeting at which the Committee Membership is appointed.

Section 5.8 states that Committees shall comprise at least three persons (with no maximum). The appointment of Committees must be by Absolute Majority.

## 8.1 Audit, Risk and Improvement Committee

Voting Requirement	:	Absolute Majority
Subject Index	:	154/007
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	Ordinary Council Meeting 27 May 2025 Item 12.6
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Corporate and Governance

### Council role

**Overseeing** Overseeing the allocation of the City's finances and resources e.g. setting the annual budget, accepting tenders, determining what services and facilities the City is to provide, annual reports, selecting the CEO and reviewing the CEO's performance.

### Purpose of report

For Council to appoint Elected Members to the Audit, Risk and Improvement Committee (ARIC) as well as the newly required positions of the Independent Presiding Member and the Independent Deputy Presiding Member and to endorse the updated Terms of Reference.

### Summary and key issues

The appointment of Elected Members to Committees must take place following the Local Government Elections.

Due to changes required by the *Local Government Act 1995 (WA)* (the Act) (at s5.12 and s7.1A) the following appointments are also required to be made by Council:

- Independent Presiding Member
- Independent Deputy Presiding Member

The Terms of Reference have been amended to reflect the changes in membership of the ARIC and to improve clarity.

## Officer Recommendation

That Council:

1. Receives nominations and appoints Elected Members and Proxy Elected Members from each Ward to the Audit, Risk and Improvement Committee.
2. Appoints Candidate One to the position of Independent Presiding Member of the Audit, Risk and Improvement Committee for a term of 2 years (expiring 14 October 2027) at the meeting attendance rate set by the Salaries and Allowances Tribunal.
3. Appoints Candidate Two to the position of Independent Deputy Presiding Member of the Audit, Risk and Improvement Committee for a term of 2 years (expiring 14 October 2027) at the meeting attendance rate set by the Salaries and Allowances Tribunal.
4. Endorses the updated Terms of Reference for the Audit, Risk and Improvement Committee (refer Attachment 8.1.3).

**An absolute majority of Council is required**

## Location

Not applicable.

## Consultation

There has been no specific consultation undertaken in respect to this matter.

## Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

**Key Performance Area: Performance**

**Outcome:** 10. Effective leadership, governance and financial management.

## Policy implications

There are no policy implications associated with this report.

## Statutory environment

Section 5.12 of the Act was amended effective 7 December 2024 and states:

- (1) The local government must appoint\* a member of a committee to be the presiding member of the committee.
- (2) The local government may appoint\* a member of a committee to be the deputy presiding member of the committee.

\*Absolute majority required

Under the transitional provisions of the Act, the Presiding Member of any committee must be appointed no later than 1 July 2025 with Deputy Presiding Members having a similar timeframe.

Section 44 of the *Local Government Amendment Act 2024 (WA)* (Amendment Act 2024), states section 5.23(1) of the Act will be amended as follows:

- (1) The following are to be open to members of the public –
  - (a) all council meetings;
  - (b) all meetings of a committee

Section 87 of the Amendment Act 2024, states section 7.1A of the Act will be deleted and the following inserted:

### **7.1A Establishment of audit, risk and improvement committee**

- (1) A local government must establish a committee of its council under section 5.8 to be called the audit, risk and improvement committee.
- (2) The following provisions apply in respect of the membership of the audit, risk and improvement committee –
  - (a) an employee of the local government is not to be a member;
  - (b) no member is to be nominated by, or is to be appointed to represent, any employee of the local government;
  - (c) section 5.10(1)(b) does not apply.
- (3) The presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.
- (4) Any deputy presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.

## **7.1B. Deputy of presiding member or of deputy presiding member**

- (1) The local government must appoint a person under section 5.11A to be a deputy of the presiding member of the audit, risk and improvement committee.
- (2) In addition to the requirement of section 5.11A(2)(c), the deputy of the presiding member cannot be a council member of any other local government.
- (3) If section 5.14 applies to a meeting of the audit, risk and improvement committee, the committee members present at the meeting must choose the deputy of the presiding member, if present, to preside at the meeting.
- (4) If the local government appoints a person under section 5.11A to be a deputy of the deputy presiding member of the audit, risk and improvement committee, in addition to the requirement of section 5.11A(2)(c), the appointed deputy cannot be a council member of any other local government.

## **Background**

At the 27 May 2025 Ordinary Council Meeting, Council resolved:

“That Council:

1. Endorses the change of name of the Standing Committee (Audit and Risk) to Audit, Risk and Improvement Committee with effect from 1 July 2025.
2. Endorses the current Elected Members, Presiding Member, Deputy Presiding Member and Independent Member on the Standing Committee (Audit and Risk) to continue in those roles as members of the Audit, Risk and Improvement Committee with effect from 1 July 2025 until 18 October 2025.
3. Endorses the Terms of Reference for the Audit, Risk and Improvement Committee (refer Attachment 12.6.1).”

## **Report**

### **Elected Member Appointments**

The Mayor is required to indicate if intending to exercise the right to Ex-Officio membership of the ARIC.

Where the Mayor is elected (or has notified – as per s5.10 (4) of the Act – of their desire to be an Ex-Officio Member) to a Committee, if the Mayor has been

granted leave of absence by the Council, then the Deputy Mayor is expected (in accordance with s5.34 of the Act) to perform the function of the Mayor's committee responsibilities.

Appointment of Members and Proxy Members from each Ward is required, as per the Officer Recommendation above.

### **Independent Presiding Member and Deputy Presiding Member**

Proposed amendments to the Act are anticipated to commence later this year where local governments must appoint an Independent Presiding Member (IPM) and Independent Deputy Presiding Member (IDPM) to the Audit, Risk and Improvement Committee (refer to Statutory requirements above). The City invited expressions of interest through advertisements as follows:

- The West Australian (13 August 2025)
- Perth Now Southern (14 August 2025)
- City's website (13 August to 24 August 2025)
- Seek (13 August to 24 August 2025)
- Women on Boards (14 August to 24 August 2025)
- A post on the City's LinkedIn page (14 August 2025)

The City received 22 applications (2 received after the closing date).

The Interview Panel, consisting of the Director Corporate and Governance, Manager Finance and Manager Governance and Legal, met on 4 September 2025 and interviewed 3 candidates.

The Panel's recommendations are set out below:

- Candidate One be appointed the Independent Presiding Member (refer Confidential Attachment 8.1.1).
- Candidate Two be appointed the Independent Deputy Presiding Member (refer Confidential Attachment 8.1.2).

### **Terms of Reference**

The Terms of Reference for the ARIC have been updated to reflect the changes to the Membership and provide clarity (refer Attachment 8.1.3 (track changes) and Attachment 8.1.4 (clean version)).

### **Financial implications**

Meeting rates for the IPM and IDPM are to be determined by the Salaries and Allowances Tribunal (SAT).

Advice received from the Department of Local Government, Industry Regulation and Safety advises local governments to make provision to pay an independent committee member at the current rate (maximum of \$450) until the regulations have been amended, at which time SAT will publish a revised determination.

There are sufficient funds in the 2025-26 budget.

## Environmental implications

There are no environmental implications associated with this report.

## Social implications

There are no social implications associated with this report.

## Attachment details

Attachment No and title	
1.	CONFIDENTIAL REDACTED - Candidate One (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(b)) [8.1.1 - 4 pages]
2.	CONFIDENTIAL REDACTED - Candidate Two (Confidential matter in accordance with Local Government Act 1995 (WA) Section 5.23(2)(b)) [8.1.2 - 5 pages]
3.	Terms of Reference Audit Risk and Improvement Committee Track Changes [8.1.3 - 5 pages]
4.	Terms of Reference Audit Risk and Improvement Committee Clean Version [8.1.4 - 4 pages]

### **TERMS OF REFERENCE** **AUDIT, RISK AND IMPROVEMENT COMMITTEE**

LAST UPDATED: ~~Ordinary Council Meeting – 27 May 2025 (with effect from 1 July 2025)~~

#### **Purpose**

The Audit, Risk and Improvement Committee (Committee) ~~to assist the Council to discharge its responsibilities with regard to its~~ ~~the exercise of due care and diligence in relation to the reporting of financial reporting information, the application of applying accounting policies, and the managing ement of the financial affairs of the City of Belmont (City) in accordance with as required by the provisions of the Local Government Act 1995 (WA) and associated Regulations including an assessment of the City's management of risk.~~

The Committee is a formally appointed Committee of Council and is responsible to ~~that body~~Council. The Committee does not have ~~any delegated power from Council and cannot make decisions on behalf of Council, nor does the Committee have any executive powers or authority to implement actions~~ in areas over which the Chief Executive Officer (CEO) has legislative responsibility ~~and does not have any delegated power from Council~~. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee ~~is to reports~~ to Council and provides ~~appropriate~~ advice and recommendations on matters relevant to its' terms of reference ~~in order to facilitate informed decision making by Council in relation to the legislative functions and duties of the City on matters~~ that have not been delegated to the CEO.

#### **Objective**

The primary objective of the Audit, Risk and Improvement Committee is to accept responsibility for the annual external audit and ~~liaise~~ meet with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the City in managing its' financial affairs.

Reports from the Committee ~~will assist Council in discharging to discharge~~ its' legislative responsibilities of governing the City's affairs, performing the City's functions, determining the City's policies and overseeing the allocation of the City's finances and resources. The Committee ~~will ensure oassists~~ openness in the City's financial reporting and ~~will liaises~~ with the CEO to ensure ~~that effective management of the City's financial accounting systems are effectively managed and legislatively compliant, and compliance with legislation.~~

The Committee ~~is to~~ facilitates:



## Attachment 8.1.3 Terms of Reference Audit Risk and Improvement Committee Track Changes

- The enhancement of the credibility and objectivity of internal and external financial reporting;
- Effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to the appropriateness and effectiveness of the City's systems and procedures for risk management and, internal control and legislative compliance;
- The Coordination of the internal audit function with the external audit; and
- The provision of providing an effective means of communication between the external auditor, internal auditor, the CEO and Council.

### **Duties and Responsibilities**

The duties and responsibilities of the Committee members will be to –

#### **1. Internal and External Audit Planning and Reporting**

##### **A. External Audit**

- Provide guidance and assistance to Council as to carrying out the functions of the City in relation to audits;
- Meet with the auditor once in each twice a year and provide a report to Council on the matters discussed and outcome of those discussions;
- Liaise with the CEO to ensure that the City does everything in its power to-
  - Assist the auditor to conduct the audit and carry out his or her duties under the *Local Government Act 1995 (WA)*; and
- Examine the reports of the auditor after receiving a report from the CEO on the matters noted in the audit and –
  - Determine if any matters raised require action to be taken by the City; and
  - Ensure that appropriate action is taken in respect of those matters;
- Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor audit report and presenting the CEO's report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- Review the scope and effectiveness of the audit plan and program and its effectiveness;
- Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of the Council or CEO;
- Review the level of resources allocated to internal audit and the scope of its authority;
- i.g. Facilitate liaison between the internal and external auditor to enable, where appropriate, promote compatibility to the extent appropriate, between their audit programs.
- j-h. Support the auditor as required and have functions to oversee:
  - The implementation of audit recommendations made by the auditor, which have been accepted by Council; and

**Commented [SD1]:** We should break this into two sections - External and Internal. They are sufficiently different to a section for each separately.

**Commented [SD2]:** We meet twice with the OAG. First to accept the OAG's audit plan and secondly, to receive the OAG's report and endorse the Annual Financial Statements

**Commented [JC3R2]:** @Stuart Downing updated

**Commented [DD4]:** Who's authority? The Committee's or the auditor's?

**Commented [SD5R4]:** The ARIC would raise the matter with the CEO if they believe the IA does not have sufficient resources

- ii. Accept~~ance~~ ofed recommendations arising from reviews of the City's systems and procedures

### **B. Internal Audit**

- a. ~~Review the scope and effectiveness of the three year internal audit plan and annual internal audit plan;~~
- b. ~~Review the appropriateness of internal audit reports completed as listed in the annual internal audit plan.~~
- c. ~~Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of the Council or CEO;~~
- d. ~~Review the level of resources allocated to internal audit and the scope of its ARIC's authority;~~
- e. ~~Support the Senior Internal Auditor as required and oversee:~~
  - i. ~~The implementation of audit recommendations made by the auditor, which have been accepted by Council; and~~
  - ii. ~~Acceptance of recommendations arising from reviews of the City's systems and procedures~~
- f. ~~—Review the annual Quality Assurance and Improvement Program that is completed by the Senior Internal Auditor to determine compliance with the Global Internal Audit Standards.~~

**Commented [DD6]:** Who's authority? The Committee's or the auditor's?

**Commented [SD7R6]:** The ARIC would raise the matter with the CEO if they believe the IA does not have sufficient resources

## **2. Financial Management**

- a. Review reports of internal audits and by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management ~~responds~~ acts to matters raised;
- b. Review the City's draft annual financial report, focusing on –
  - i. Accounting policies and practices;
  - ii. Changes to accounting policies and practices;
  - iii. The process used in making significant accounting estimates;
  - iv. Significant adjustments to the financial report (if any) arising from the audit process;
  - v. Compliance with accounting standards and other reporting requirements; and significant variances from prior years;
- c. Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise ~~subsequent to~~ after any such recommendation but before the annual financial report is signed;
- d. Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

## **3. Legislative Compliance**

- a. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from Council;
- b. Review the annual Statutory Compliance Audit Return and make a recommendation on its' adoption ~~to~~<sup>by</sup> Council;
- c. Review and submit to Council ~~the CEO's~~ reports ~~prepared by the CEO~~ on the results of the review of appropriateness and effectiveness of systems and procedures in relation to:
  - i. Risk management;
  - ii. Internal controls; and
  - iii. Legislative compliancewhich are each subject to review not less than once in every 3 financial years.
- d. Review and submit to Council reports prepared on the results of industry comparison reports (i.e. OAG, Department of Local Government, Sport and Cultural Industries, Public Sector Commission, Corruption and Crime Commission and other enquiries).

#### 4. Risk Management

- a. At least once every year consider a report ~~in relation to~~<sup>addressing</sup> the ~~City's~~ management of risk ~~within the City~~ and satisfy itself that appropriate controls and processes are in ~~place~~ <sup>operation</sup> and ~~are~~ adequate for dealing with the risks that impact on the City.
- b. To examine and consider the transfer of risk through an annual review of Council's insurances.
- c. To address any specific requests referred to it from Council in relation to issues of risk and risk management.

## Attachment 8.1.3 Terms of Reference Audit Risk and Improvement Committee Track Changes

### **Membership**

1. The membership of the Committee shall comprise the Mayor (Ex Officio) and an Elected Member from each of the four wards. The Elected Members being determined by nomination and if necessary, a ballot conducted at the Special Council Meeting following the City's ordinary election;
2. The membership of the Committee shall also ~~comprise of include~~ an independent ~~Presiding Mmember~~ ~~and an independent Deputy Presiding Member~~ who ~~is-are~~ to be appointed ~~by Council~~ for a term of 2 years to expire immediately prior to the next City ordinary election. ~~The~~~~ise~~ independent members ~~is-are~~ not to be a staff member or ~~an~~ Elected Member ~~of the City or any other local government~~.
3. If a vacancy on the Committee occurs for ~~whatever~~~~any~~ reason, then Council shall appoint a replacement in accordance with the same arrangements as for the original appointment set out in 1 and (if considered appropriate) 2 above.

### **Staff Attendees**

The following staff will attend Committee meetings to provide technical support and advice:

- Chief Executive Officer;
- Senior Internal Auditor;
- Director Corporate and Governance;
- Manager Finance, as required;
- Manager Governance and Legal, as required;
- Coordinator Business Planning, Improvement and Risk as required; and
- Additional staff where relevant to the agenda, with Director approval.

### **Other Attendees**

Relevant persons may be invited to attend and address or advise the Committee, within the ambit of its' scope and where necessary with the approval of the Director Corporate and Governance and the Presiding Member.

### **Meetings**

The Committee shall have flexibility in relation to when it needs to meet, but as a minimum shall meet twice a year. It is the responsibility of the Presiding Member to call the meetings of the Committee.



# **Terms of Reference** **Audit, Risk And Improvement** **Committee**

Approved: [insert Council meeting and date]

## **Purpose**

The Audit, Risk and Improvement Committee (Committee) assists Council with its' due care and diligence in financial reporting, applying accounting policies, and managing the financial affairs of the City of Belmont (City) as required by the *Local Government Act 1995 (WA)* and associated Regulations including an assessment of the City's management of risk.

The Committee is a formally appointed Committee of Council and is responsible to Council. The Committee does not have any delegated power from Council and cannot make decisions on behalf of Council, nor does the Committee have any executive authority in areas over which the Chief Executive Officer (CEO) has legislative responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Committee reports to Council and provides advice and recommendations on matters relevant to its' terms of reference to facilitate informed decision making by Council on matters that have not been delegated to the CEO.

## **Objective**

The primary objective of the Audit, Risk and Improvement Committee is to accept responsibility for the annual external audit and meet with the Office of the Auditor General (OAG) so that Council can be satisfied with the performance of the City in managing its' financial affairs.

Reports from the Committee assist Council to discharge its' legislative responsibilities of governing the City's affairs, performing the City's functions, determining the City's policies and overseeing the allocation of the City's finances and resources. The Committee assists openness in the City's financial reporting and liaises with the CEO to ensure City's financial accounting systems are effectively managed and legislatively compliant.

The Committee facilitates:

- The enhancement of the credibility and objectivity of internal and external financial reporting;
- Effective management of financial and other risks and the protection of Council assets

- Compliance with laws and regulations as well as use of best practice guidelines relative to the appropriateness and effectiveness of the City's systems and procedures for risk management and internal control;
- Coordination of internal audit with the external audit; and
- Providing an effective means of communication between the external auditor, internal auditor, the CEO and Council.

### **Duties and Responsibilities**

The duties and responsibilities of the Committee members will be to –

#### **1. Audit Planning and Reporting**

##### **A. External Audit**

- Provide guidance and assistance to Council in carrying out the functions of the City in relation to audits;
- Meet with the auditor twice a year and provide a report to Council on the matters discussed and outcome of those discussions;
- Liaise with the CEO to ensure that the City does everything in its power to-
  - Assist the auditor to conduct the audit and carry out his or her duties under the *Local Government Act 1995 (WA)*; and
- Examine the reports of the auditor after receiving a report from the CEO on matters noted in the audit and –
  - Determine if any matters raised require action to be taken by the City; and
  - Ensure that appropriate action is taken in respect of those matters;
- Review the report prepared by the CEO on any actions taken in respect of any matters raised in the audit report and present the CEO's report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest;
- Facilitate liaison between the internal and external auditor to enable, where appropriate, compatibility between their audit programs.
- Support the auditor as required and oversee:
  - The implementation of audit recommendations made by the auditor, which have been accepted by Council; and
  - Acceptance of recommendations arising from reviews of the City's systems and procedures

##### **B. Internal Audit**

- Review the scope and effectiveness of the three year internal audit plan and annual internal audit plan;
- Review the appropriateness of internal audit reports completed as listed in the annual internal audit plan.
- Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of the Council or CEO;
- Review the level of resources allocated to internal audit and the scope of ARIC's authority;
- Support the Senior Internal Auditor as required and oversee:
  - The implementation of audit recommendations made by the auditor, which have been accepted by Council; and

- ii. Acceptance of recommendations arising from reviews of the City's systems and procedures
- f. Review the annual Quality Assurance and Improvement Program that is completed by the Senior Internal Auditor to determine compliance with the Global Internal Audit Standards.

## **2. Financial Management**

- a. Review reports of internal audits and by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management respond to matters raised;
- b. Review the City's draft annual financial report, focusing on –
  - i. Accounting policies and practices;
  - ii. Changes to accounting policies and practices;
  - iii. The process used in making significant accounting estimates;
  - iv. Significant adjustments to the financial report (if any) arising from the audit process;
  - v. Compliance with accounting standards and other reporting requirements; and significant variances from prior years;
- c. Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise after any such recommendation but before the annual financial report is signed;
- d. Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

## **3. Legislative Compliance**

- a. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from Council;
- b. Review the annual Statutory Compliance Audit Return and make a recommendation on its' adoption by Council;
- c. Review and submit to Council the CEO's reports on the results of the review of appropriateness and effectiveness of systems and procedures in relation to:
  - i. Risk management;
  - ii. Internal controls; and
  - iii. Legislative complianceeach of which are subject to review not less than once every 3 financial years.
- d. Review and submit to Council reports prepared on the results of industry comparison reports (i.e. OAG, Department of Local Government, Sport and Cultural Industries, Public Sector Commission, Corruption and Crime Commission and other enquiries).

## **4. Risk Management**

- a. At least once every year consider a report addressing the City's management of risk and satisfy itself that appropriate controls and processes are in place and adequate for dealing with the risks that impact on the City.
- b. To examine and consider the transfer of risk through an annual review of Council's insurances.

- c. To address any specific requests referred to it from Council in relation to issues of risk and risk management.

### **Membership**

1. The membership of the Committee shall comprise the Mayor (Ex Officio) and an Elected Member from each of the four wards. The Elected Members being determined by nomination and if necessary, a ballot conducted at the Special Council Meeting following the City's ordinary election;
2. The membership of the Committee shall also include an independent Presiding Member and an independent Deputy Presiding Member who are to be appointed by Council for a term of 2 years to expire immediately prior to the next City ordinary election. These independent members are not to be a staff member or an Elected Member of the City or any other local government.
3. If a vacancy on the Committee occurs for any reason, then Council shall appoint a replacement in accordance with the same arrangements as for the original appointment set out in 1 and (if considered appropriate) 2 above.

### **Staff Attendees**

The following staff will attend Committee meetings to provide technical support and advice:

- Chief Executive Officer;
- Senior Internal Auditor;
- Director Corporate and Governance;
- Manager Finance, as required;
- Manager Governance and Legal, as required;
- Coordinator Business Planning, Improvement and Risk as required; and
- Additional staff where relevant to the agenda, with Director approval.

### **Other Attendees**

Relevant persons may be invited to attend and address or advise the Committee, within the ambit of its' scope and where necessary with the approval of the Director Corporate and Governance and the Presiding Member.

### **Meetings**

The Committee shall have flexibility in relation to when it needs to meet, but as a minimum shall meet twice a year. It is the responsibility of the Presiding Member to call the meetings of the Committee.



## 9 Closure