



TOWN OF PORT HEDLAND

**AUDIT, RISK AND GOVERNANCE COMMITTEE
MEETING MINUTES**

TUESDAY 7 JUNE 2016 AT 5:30PM

**COUNCIL CHAMBERS, MCGREGOR STREET,
PORT HEDLAND**

**“A nationally significant, friendly city that people are proud to
call home”**

*M.J. (Mal) Osborne
Chief Executive Officer*

TERMS OF REFERENCE**AIM/PURPOSE:**

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995 to:

1. Liaise with the Auditor(s) to assist Council in carrying out functions in relation to external audit, including liaising with the Auditor and develop a process for selection and appointment of a person as the Auditor.
2. Receive Quarterly Budget Review Reports;
3. Receive Quarterly Financial Reports on all of the Town of Port Hedland's Managed Community Facilities;
4. Review and suggest improvements to Risk Management within the organisation; and
5. Assist the organization in the development of an internal audit program and make recommendations to Council regarding:
 - Financial Management
 - Risk Management
 - Internal Controls
 - Legislative Compliance
 - Internal and External Audit Planning and Reporting

MEMBERSHIP

Mayor Kelly Howlett
Councillor Camilo Blanco – Presiding Member
Councillor Louise Newbery
Councillor Richard Whitwell

Proxy
Councillor David Hooper
Councillor Julie Arif

Community Members
Ms Nina Pangahas
Mr Ron Attwood – Deputy Presiding Member

QUORUM

The quorum for the Committee be a minimum of 50% of its membership.

MEETING FREQUENCY, TIMES AND VENUE

Quarterly on Tuesdays at 5:30pm in Council Chambers or as determined from the Council from time to time.

DELEGATION:

The Town of Port Hedland Council provides delegated authority to the Audit, Risk and Governance Committee to meet annually with the Town's auditor(s) as required by Section 7.12A(2) of the Local Government Act 1995.

TENURE:

Ongoing

RESPONSIBLE OFFICER:

Director Corporate Services

(Adopted by Council at its Ordinary Meeting held 16 November 2011.

Amended by Council at its Ordinary Meeting held 23 October 2013.

Amended by Council at its Ordinary Meeting held on 11 December 2013. Amended by Council at its Ordinary Meeting held on 27 May 2015.

Amended by Council at its Ordinary Meeting held on 28 October 2015.)

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Item 1 Opening of Meeting

The Deputy Presiding Member declared the meeting open at 5:34pm.

Item 2 Acknowledgement of Traditional Owners

The Deputy Presiding Member respectfully acknowledged the traditional owners and custodians, the Kariyarra people whose land we are on today, respectfully acknowledging the contribution of Kariyarra elders past, present and future, in all working together for the betterment for the future City of Port Hedland.

Item 3 Recording of Attendance

3.1 Attendance

Committee Members:

Mayor Kelly Howlett

Councillor Louise Newbery

Councillor Richard Whitwell

Community Members:

Ms Nina Pangahas

Mr Ron Attwood – Deputy Presiding Member

Mal Osborne

Chief Executive Officer

Dale Stewart

Acting Director Corporate Services

Chris Linnell

Director Community and Development Services

Tammy Wombwell

Minute Taker

Public

0

Officers

1

Media

0

3.2 Apologies

Councillor Camilo Blanco – Presiding Member

3.3 Approved Leave of Absence

Nil.

3.4 Disclosure of Interests

Nil.

Item 4 Response to Previous Questions

4.1 Questions taken on notice from Public at Audit, Risk and Governance Committee Meeting held on Tuesday 10 May 2016

Nil.

4.2 Questions taken on notice from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 10 May 2016

Nil.

Item 5 Applications for Leave of Absence

Nil.

Item 6 Attendance by Telephone/Instantaneous Communications

Nil.

Item 7 Public Time

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'

Deputy Presiding Member opened public question time at 5:38pm

7.1 Public Question Time

Deputy Presiding Member closed public question time at 5:38pm

Deputy Presiding Member opened public statement time at 5:38pm

7.2 Public Statement Time

Deputy Presiding Member closed public statement time at 5:38pm

7.3 Petitions/Deputations/Presentations/Submissions

Nil.

Item 8 Questions from Members without Notice**8.1 Ms Pangahas**

Can the Audit, Risk and Governance Committee be provided with a standard report of relevant matters for regular monitoring and review on a quarterly basis?

The Chief Executive Officer advised that a report will be generated along the lines requested.

8.2 Mr Ron Attwood – Deputy Presiding Member

Can the Audit, Risk and Governance Committee be provided with a monthly ‘Status Report’ of items that have been endorsed by the Committee to Council?

The Chief Executive Officer advised that the Town can provide a Status Report of issues that have been raised and Policies that have been highlighted, and that it can be circulated to Committee Members prior to the next meeting. The Chief Executive Officer also advised that the Status Report will be included in each subsequent agenda as an information only item.

Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

Mr Ron Attwood – Deputy Presiding Member	Councillor Newbery
Mayor Kelly Howlett	Councillor Whitwell
Ms Pangahas	

Item 10 Confirmation of Minutes of Previous Meeting**10.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 10 May 2016****201516/229 RECOMMENDATION/ COMMITTEE DECISION****MOVED: MS PANGAHAS****SECONDED: CR WHITWELL**

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 10 May 2016 are a true and correct record, noting that the incorrect spelling of “Mr Stuart” [sic] on pages 22 and 23 were recorded as written in the original source document, noting the correct spelling is “Mr Stewart”.

CARRIED 5/0**Item 11 Announcements by Presiding Member without Discussion**

Nil.

Disclaimer

Members of the public are cautioned against taking any action on Committee decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

Item 12 Reports of Officers

12.1 Corporate Services

12.1.1 Audit, Risk and Governance Committee Terms of Reference

File No:	12/14/0002
Applicant/ Proponent:	N/A
Subject Land/ Locality:	N/A
Date:	30/05/2016
Author:	Grace Waugh, Coordinator Governance
Authorising Officer:	Dale Stewart, Acting Director Corporate Services
Disclosure of Interest from Author:	Nil
Authority/Discretion:	<input checked="" type="checkbox"/> Legislative – includes adopting local laws, town planning schemes and policies. Review when Council reviews decision made by Officers.

Attachments:

1. Current Audit, Risk and Governance Terms of Reference
2. Proposed Audit, Risk and Governance Terms of Reference

OFFICER RECOMMENDATION

That with respect to the Terms of Reference, the Audit, Risk and Governance Committee:

1. Endorse the Terms of Reference as per attachment 2;
2. Recommend that Council adopt the Terms of Reference as per attachment 2;
3. Set the Audit, Risk and Governance Committee Meetings for the first Tuesday of each month at 5:30pm in Council Chambers.

201516/230 COMMITTEE DECISION

MOVED: MAYOR HOWLETT

SECONDED: CR WHITWELL

That with respect to the Terms of Reference, the Audit, Risk and Governance Committee:

1. Endorse the Terms of Reference as per attachment 2;
2. Recommend that Council adopt the Terms of Reference as per attachment 2;
3. Set the Audit, Risk and Governance Committee Meetings for the first Tuesday of each month at 5:30pm in Council Chambers; and
4. Include an additional paragraph to the Terms of Reference Introduction as per attachment 2 as follows:
“The ARG committee will primarily focus on relevant matters relating to Audit (internal and external), Risk and Governance”.

EXECUTIVE SUMMARY

The Audit, Risk and Governance (ARG) Committee Terms of Reference (TOR) were last adopted by Council at its 28 October 2015 Ordinary meeting. The Town has been working with the ARG Committee to review its TOR and recommend that the ARG Committee endorse and recommend that Council adopt the proposed TOR.

BACKGROUND

The ARG Committee was established under section 7.1A of the *Local Government Act 1995* and was originally called the Audit and Finance Committee. In May 2015 the Committee recommended that the name be changed to the Audit, Risk and Governance Committee following the UHY Haines Norton Review report and to reflect the requirements under regulation 17 of the *Local Government (Audit) Regulations 1996*. Council adopted the reviewed TOR along with the Committee name change at its 27 May 2015 Ordinary meeting.

Regulation 16 of the *Local Government (Audit) Regulations 1996* outlines the audit committee functions which are (extract from the regulations):

An audit committee —

- (a) *is to provide guidance and assistance to the local government —*
 - (i) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - (ii) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
- (b) *may provide guidance and assistance to the local government as to —*
 - (i) *matters to be audited; and*
 - (ii) *the scope of audits; and*
 - (iii) *its functions under Part 6 of the Act; and*
 - (iv) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
- (c) *is 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.*

Town officers are recommending that the proposed ARG TOR as per attachment 2 be adopted. The proposed TORs includes the following responsibilities:

- Risk Management
 - Review risk management framework and associated procedures
 - Review process for fraud control arrangements
- Business Continuity
 - Review the Town of Port Hedland Business Continuity Plan
- Internal Control
 - Review the approach of the internal control framework
 - Review relevant policies and procedures
 - Assess at least once a year whether key policies and procedures are complied with
- Financial Report
 - Review significant accounting and reporting issues
 - Review with management and the external auditor the results of the audit
 - Review annual financial report and performance report

- Review process for the consolidation of financial information
- Recommend adoption of the Consolidated Financial Statements by Council
- Compliance
 - Review systems and processes to monitor compliance with legislation and regulations
- Internal Audit
 - Review the internal audit function (Internal Audit Charter)
 - Review provision for internal audit services specifications
 - Review and recommend to Council for adoption the annual internal audit plan
- External Audit
 - Note the external auditors proposed audit scope
 - Consider the findings and recommendations by the external auditor
 - Review the performance of the external auditor
- Reporting Responsibilities
 - Report regularly to the Council about the ARG Committee activities, issues and related recommendations
- Other Responsibilities
 - Annually review and assess the TOR
 - Annually review the ARG Committee performance

CONSULTATION

A workshop on the TOR was held with ARG Committee Members on 7 April 2016 and 12 May 2016. Committee Members provided their feedback on the current TOR and made suggestions as to what they wanted included. An email was sent to Committee Members on 17 May 2016 for final feedback from Committee Members.

LEGISLATIVE IMPLICATIONS

The Committee was established under section 7.1A of the *Local Government Act 1995*. The functions of an audit committee are outlined under regulation 16 of the *Local Government (Audit) Regulations 1996*.

Section 7.1A(2) of the *Local Government Act 1995* outlines the membership of an audit committee being that at least three of the members and the majority of members must be council members. All members to the Audit, Risk and Governance Committee are appointed as Committee Members by an absolute majority vote by Council. The Committee can recommend that Council appoint additional members to the Committee.

The ARG Committee has a delegation from Council under section 7.1B of the *Local Government Act 1995* to meet with the auditors annually.

The Department of Local Government and Communities have a guideline on Local Government Audit Committees which was also consulted during the review of the TOR.

POLICY IMPLICATIONS

There are no policy implications on the review of the TORs.

FINANCIAL IMPLICATIONS

There are no financial implications associated with the review of the TORs.

STRATEGIC IMPLICATIONS

The ARG TOR ensures accountability and compliance in accordance with section 4.1 of the Strategic Community Plan. Regularly reviewing the TOR ensures that they reflect the functions of the Committee at all times.

SUSTAINABILITY IMPLICATIONS

Environmental

There are no significant identifiable environmental impacts arising from adoption of the officers' recommendation.

Economic

There are no significant identifiable economic impacts arising from adoption of the officers' recommendation.

Social

There are no significant identifiable social impacts arising from adoption of the officers' recommendation.

Risk

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk Theme	Risk Action Plan (Controls or Treatment proposed)
That the TOR are in line with the functions outlined in the Act and Audit Regulations.	Unlikely (2)	Minor (2)	Low (1-4)	Compliance - 2 Compliance - Regular noticeable temporary non-compliances	Accept Risk
Failure to endorse robust TOR may give rise to increased reputational/financial risk if appropriate oversight is removed.	Unlikely (2)	Minor (2)	Low (1-4)	Failure to embed corporate risk management processes Failure to achieve a sustainable long term financial position Failure to recognise, comply	Accept Risk

				with or properly manage Councils statutory obligations	
				Reputation - 2 Minor - Substantiated, localised impact on key stakeholder trust or low media item	

Risk Matrix

Consequence \ Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative or a deviation from the expected and may be related to the following objectives; occupational health and safety, financial, service interruption, compliance, reputation and environment. A risk matrix has been prepared and a risk rating of 2 has been determined for this item. Any items with a risk rating over 10 (considered to be high or extreme risk) will be added to the Risk Register, and any item with a risk rating over 17 will require a specific risk treatment plan to be developed.

CONCLUSION

It is recommended that the ARG Committee endorse and recommend that Council adopt the proposed TORs as per attachment 2. There has been significant consultation with the Committee Members on the review of the TORs. Town officers believe that the proposed TORs outline the role of the Committee effectively.

ATTACHMENT 1 TO ITEM 12.1.1**AUDIT RISK AND GOVERNANCE COMMITTEE TERMS OF REFERENCE****TERMS OF REFERENCE****AIM/PURPOSE:**

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995 to:

1. Liaise with the Auditor(s) to assist Council in carrying out functions in relation to external audit, including liaising with the Auditor and develop a process for selection and appointment of a person as the Auditor.
2. Receive Quarterly Budget Review Reports;
3. Receive Quarterly Financial Reports on all of the Town of Port Hedland's Managed Community Facilities;
4. Review and suggest improvements to Risk Management within the organisation; and
5. Assist the organization in the development of an internal audit program and make recommendations to Council regarding:
 - Financial Management
 - Risk Management
 - Internal Controls
 - Legislative Compliance
 - Internal and External Audit Planning and Reporting

MEMBERSHIP

Mayor Kelly Howlett
Councillor Camilo Blanco – Presiding Member
Councillor Louise Newbery
Councillor Richard Whitwell

Proxy
Councillor David Hooper
Councillor Julie Arif

Community Members
Ms Nina Pangahas
Mr Ron Attwood – Deputy Presiding Member

QUORUM

The quorum for the Committee be a minimum of 50% of its membership.

AUDIT RISK AND GOVERNANCE COMMITTEE TERMS OF REFERENCE**MEETING FREQUENCY, TIMES AND VENUE**

Quarterly on Tuesdays at 5:30pm in Council Chambers or as determined from the Council from time to time.

DELEGATION:

The Town of Port Hedland Council provides delegated authority to the Audit, Risk and Governance Committee to meet annually with the Town's auditor(s) as required by Section 7.12A(2) of the Local Government Act 1995.

TENURE:

Ongoing

RESPONSIBLE OFFICER:

Director Corporate Services

(Adopted by Council at its Ordinary Meeting held 16 November 2011.

Amended by Council at its Ordinary Meeting held 23 October 2013.

Amended by Council at its Ordinary Meeting held on 11 December 2013. Amended by Council at its Ordinary Meeting held on 27 May 2015.

Amended by Council at its Ordinary Meeting held on 28 October 2015.)

Town of Port Hedland
Audit, Risk and Governance Committee
Terms of Reference

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Audit, Risk and Governance Committee Terms of Reference

1. Purpose of the Terms of Reference

The purpose of the terms of reference is to facilitate the operation of the Audit, Risk and Governance Committee.

2. Introduction

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995.

The Audit, Risk and Governance Committee is an advisory committee formally appointed by the Council and is responsible to the Council. The Audit, Risk and Governance Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility. The Audit, Risk and Governance Committee does not have any management functions and is therefore independent of management.

The ARG committee will primarily focus on relevant matters relating to Audit (internal and external), Risk and Governance.

The Audit, Risk and Governance Committee objective is to assist the Town of Port Hedland Council in liaising with the auditor and overseeing the external audit function and promoting the transparency and accountability of the Town's financial management systems and reporting. The role of the Committee is to report to the Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.

3. Objectives

The objectives of the Audit, Risk and Governance Committee are to oversee:

- 3.1 The integrity of external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 3.4 The systems or procedures that are designed to ensure that the Town and its subsidiaries comply with relevant statutory and regulatory requirements.
- 3.5 The process for recognising risks arising from the Town's operations and strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The process and systems which protect the Council against fraud and irregularities.

The Audit, Risk and Governance Committee must also add to the credibility of Council by promoting ethical standards through its work.

Audit, Risk and Governance Committee Terms of Reference

4. Authority

The Audit, Risk and Governance Committee has the authority to:

- 4.1 Review the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken.
- 4.2 Formally meet with the Town's appointed external auditor as necessary.
- 4.3 Seek resolution on any disagreements between management and the external auditors on financial reporting.
- 4.4 Advise Council on any or all of the above as deemed necessary.

5. Composition

- 5.1 The Audit, Risk and Governance Committee will comprise of six members, four Elected Members and two independent members.
- 5.2 The Council will appoint Audit, Risk and Governance Committee members.
- 5.3 The Presiding Member and Deputy Presiding Member will be appointed by the Audit, Risk and Governance Committee, biennially by election by all committee members after the Ordinary Local Government Election.
- 5.4 The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Town. At least one member of the committee will have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- 5.5 Independent members will be appointed until the next Ordinary Local Government Election.
- 5.6 A quorum will be a minimum of 50% of the membership.
- 5.7 Audit, Risk and Governance Committee members are required by the Local Government Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.
- 5.8 New members will receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

6. Meetings

- 6.1 Meetings may be called by the Presiding Member of the Audit, Risk and Governance Committee, or at the request of the Mayor or Chief Executive Officer.
- 6.2 The Audit, Risk and Governance Committee meetings are generally open to the public unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Local Government Act 1995.

Audit, Risk and Governance Committee Terms of Reference

- 6.3 All Elected Members are invited to attend each Audit, Risk and Governance Committee meeting.
- 6.4 All Audit, Risk and Governance Committee members are expected to attend each meeting in person.
- 6.5 The Chief Executive Officer will facilitate the meetings of the Audit, Risk and Governance Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 6.6 The Audit, Risk and Governance Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, that cover all the responsibilities outlined in this terms of reference.
- 6.7 Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.
- 6.8 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.

7. Responsibilities

The Audit, Risk and Governance Committee will carry out the following responsibilities:

7.1 Risk management

- 7.1.1 Review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the Town's business and financial risks, including fraud.
- 7.1.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.
- 7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.
- 7.1.4 Review the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

7.2 Business continuity

- 7.2.1 Determine whether a sound and effective approach has been followed in establishing the Town's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

7.3 Internal Control

Audit, Risk and Governance Committee Terms of Reference

- 7.3.1 Review whether management's approach to maintaining an effective internal control framework is sound and effective.
- 7.3.2 Review whether management has in place relevant policies and procedures and that they are periodically reviewed and updated.
- 7.3.3 Determine whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
- 7.3.4 Review whether appropriate policies and supporting procedures are in place for the management and exercise of delegations.
- 7.3.5 Consider how management identifies any required changes to the design or implementation of key internal controls.

7.4 Financial Report

- 7.4.1 Review significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
- 7.4.2 Review with management and the external auditors the results of the audit, including any difficulties encountered.
- 7.4.3 Review the annual financial report and performance report of the Town of Port Hedland and its subsidiaries, and consider whether it is complete, consistent with information known to Audit, Risk and Governance Committee members, and reflects appropriate accounting principles.
- 7.4.4 Review the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
- 7.4.5 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Governance Committee under the Australian Auditing Standards.
- 7.4.6 Review the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council.

7.5 Compliance

- 7.5.1 Review the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 7.5.2 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.
- 7.5.3 Obtain regular updates from management about compliance matters.

Audit, Risk and Governance Committee Terms of Reference

7.5.4 Review the annual Compliance Audit Return and report to the Council the results of the review.

7.6 Internal Audit

7.6.1 Review with management and the internal auditor the terms of reference, activities and resourcing of the internal audit function.

7.6.2 Review and recommend the annual internal audit plan for approval by the Council and all major changes to the plan.

7.6.3 Monitor that the internal auditor's annual plan is linked with and covers the material business risks.

7.6.4 Monitor processes and practices to ensure that the independence of the audit function is maintained.

7.6.5 Annually review the performance of the internal audit including the level of satisfaction with internal audit function having consideration of the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

7.6.6 Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.

7.6.7 Monitor management's implementation of internal audit recommendations.

7.7 External Audit

7.7.1 Note the external auditor's proposed audit scope and approach for financial performance audits, including any reliance on internal auditor activity.

7.7.2 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.

7.7.3 Provide an opportunity for the Audit, Risk and Governance Committee to meet with the external auditors to discuss any matters that the Audit, Risk and Governance Committee or the external auditors believe should be discussed privately.

7.7.4 Annually review the performance of external audit including the level of satisfaction with external audit function.

7.7.5 Monitor management's implementation of external audit recommendations.

7.8 Reporting Responsibilities

7.8.1 Report regularly to the Council about Audit, Risk and Governance Committee activities, issues, and related recommendations through circulation of minutes.

Audit, Risk and Governance Committee Terms of Reference

7.8.2 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

7.9 Other Responsibilities

7.9.1 Perform other activities related to this terms of reference as requested by the Council.

7.9.2 Annually review and assess the adequacy of the Audit, Risk and Governance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

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Item 13 Motions of Which Previous Notice Has Been Given

Nil.

Item 14 New Business of an Urgent Nature

Nil.

Item 15 Matters for Which Meeting May Be Closed (Confidential Matters)

Nil.

Item 16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting will be held on Tuesday 5 July 2016, commencing at 5:30pm.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 6:07pm.