

AGENDA

Dear Committee Members,

I respectfully advise that a SPECIAL AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING will be held in the Council Chambers, McGregor St, Port Hedland, on **Wednesday 10 December 2025**, commencing at **10:30am**.

MEETING AGENDA ATTACHED

Yours faithfully

Kenneth Donohoe
Acting Chief Executive Officer

5 December 2025

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Town of Port Hedland for any act, omission, statement, or intimation occurring during Council Meetings. The Town of Port Hedland disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Town of Port Hedland advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS*Local Government Act 1995 – Section 5.65, 5.70 and 5.71**Local Government (Model Code of Conduct) Regulations 2021*

This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Model Code of Conduct) Regulations 2021

Name	
Position	
Date of Meeting	
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial/Proximity/Impartiality
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial/Proximity/Impartiality

Signature: _____ **Date:** _____

Important Note: Should you declare a **Financial or Proximity Interest**, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

"With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

Order of Business

1	Opening of Meeting	7
2	Acknowledgement of Traditional Owners and Dignitaries	7
3	Recording of Attendance	7
3.1	Attendance	7
3.2	Attendance by Telephone / Instantaneous Communications	8
3.3	Apologies.....	8
3.4	Approved Leave of Absence	8
3.5	Disclosures Of Interest.....	8
4	Applications for Leave of Absence.....	8
5	Agenda Feedback Session.....	8
6	Response to Previous Questions	8
6.1	Response to Questions taken on notice from Elected Members at the Audit, Risk and Compliance Committee Meeting held on 26 November 2025.....	8
6.2	Response to Questions taken on notice from Public at the Audit, Risk and Compliance Committee Meeting held on 26 November 2025	8
7	Public Time	9
7.1	Public Question Time.....	9
7.2	Public Statement Time	9
7.3	Petitions / Deputations / Presentations / Submissions.....	9
8	Questions from Members without Notice.....	9
9	Announcements by Presiding Member without Discussion.....	9
10	Declarations of All Members to have given due consideration to all matters contained in the Agenda before the Meeting	9
11	Confirmation of Minutes of Previous Meeting	9
12	Reports of Officers.....	10
13	Motions of Which Previous Notice have been given	16
14	New Business of an Urgent Nature (Late Items).....	16
15	Matters for Which Meeting May be Closed (Confidential Matters).....	16
16	Closure	16

16.1 Date of Next Meeting	16
16.2 Closure	16

1 Opening of Meeting

The Presiding Member is to declare the meeting open at 10:30am.

2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the Kariyarra people as the Traditional Custodians of the land that we are meeting on and recognises their strength and resilience and pays respect to elders past, present and emerging.

3 Recording of Attendance

Important note:

This meeting is being audio recorded to facilitate community participation and for minute-taking purposes, which may be released upon request to third parties. In accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders members of the public are not permitted to 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 Standing Orders Local Law mobile telephones must be switched off and not used during the meeting.

3.1 Attendance

Scheduled Present:

Commissioner Jessica Shaw
Commissioner Martin Aldridge
Commissioner Ronald Yuryevich
Baptiste Isambert – Chair
Stephen Brown – Deputy Chair

Scheduled for Attendance: Kenneth Donohoe (Acting Chief Executive Officer)

Stephen Leeson (Director Corporate Services)
Tom Kettle (Manager Governance)
Stephanie Sikaloski (Senior Audit, Risk & Insurance Advisor)
Emily Richardson (Audit, Risk & Insurance Support Officer)
Kaleena Cruickshank (Manager Financial Services)

3.2 Attendance by Telephone / Instantaneous Communications

Commissioner Jessica Shaw

Commissioner Martin Aldridge

Commissioner Ronald Yuryevich

Baptiste Isambert – Chair

Stephen Brown – Deputy Chair

3.3 Apologies**3.4 Approved Leave of Absence****3.5 Disclosures Of Interest****4 Applications for Leave of Absence**

Nil.

5 Agenda Feedback Session

An exit meeting will be held between the Town of Port Hedland, RSM, and the Office of the Auditor General (OAG) on 9 December 2025.

Purpose:

- To formally conclude the audit process for the FY2024-25 period.
- To present and discuss the audit findings and observations.
- To confirm that all management actions and agreed timeframes (as outlined in the Management Letter) have been acknowledged.
- To give Committee members an opportunity to meet with the external auditors as per the Terms of Reference.

6 Response to Previous Questions**6.1 Response to Questions taken on notice from Elected Members at the Audit, Risk and Compliance Committee Meeting held on 26 November 2025**

Nil.

6.2 Response to Questions taken on notice from Public at the Audit, Risk and Compliance Committee Meeting held on 26 November 2025

Nil.

7 Public Time

7.1 Public Question Time

7.2 Public Statement Time

7.3 Petitions / Deputations / Presentations / Submissions

8 Questions from Members without Notice

9 Announcements by Presiding Member without Discussion

10 Declarations of All Members to have given due consideration to all matters contained in the Agenda before the Meeting

The Audit, Risk and Compliance Committee Members declare that they have given due consideration to all matters contained in the agenda.

11 Confirmation of Minutes of Previous Meeting

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.

12 Reports of Officers

12.1	FY2024-25 Audited Financial Statements
-------------	---

Author: **Manager Financial Services**

Authorising Officer: **Manager Financial Services**

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Compliance Committee:

1. Endorse the Audited Annual Financial Statements, Independent Auditor's Closing Report and Management Letter of Audit Findings for the Financial Year ended 30 June 2025; and

2. Recommend Council adopt the Audited Annual Financial Statements, Independent Auditor's Closing Report and Management Letter of Audit Findings for the financial year ended 30 June 2025.

3. Recommend to Council the Audited Annual Financial Statements for the financial year ended 30 June 2025 be part of the Town of Port Hedland's 2024-2025 annual financial report.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for the Audit, Risk and Compliance Committee (Committee) to consider the Audited Annual Financial Report, Independent Auditor's Closing Report and Management Letter for the financial year ended 30 June 2025, and to endorse all reports to Council.

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to the Committee's terms of reference. One of the Committee's principal duties is to provide guidance and assistance to Council regarding external audit reporting.

RSM Australia Pty Ltd ("the Town's Auditors") have advised that the Office of the Auditor General (OAG) intends to issue an unmodified audit opinion for the financial year ended 30 June 2025, indicating that the financial statements are presented fairly and in all material respects, in accordance with the applicable financial reporting framework.

DETAIL

Each year, the Town of Port Hedland (the "Town") is required to prepare general purpose financial statements and refer them to its Auditors as soon as practicable, no later than 30 September following the end of the financial year (Section 6.4 of the Local Government Act 1995). The draft Annual Financial Report for the year-ended 30 June 2025 was submitted to its Auditors on 30 September 2025

The Annual Financial Report is prepared in accordance with Australian Accounting Standards; the Local Government Act 1995; and the Local Government (Financial Management) Regulations 1996. Management is responsible for preparing the Annual Financial Report in accordance with the Standards, Act and Regulations and to ensure that it fairly reflects the financial performance and position of the Town.

The Town's Auditors conducted the end of year audit offsite between 6-10 October 2025 and onsite between 13-17 October 2025. The role of the Auditor is to provide an opinion based on their audit as to whether Management has fulfilled these obligations. The Auditors also prepare a separate, more detailed report for Management, identifying any issues arising from the conduct of the audit, and recommending any corrective actions.

An Emphasis of Matter has been included to highlight the restatement of prior year figures. In the current reporting period the Towns has undertaken a comprehensive process to confirm the existence of 670 assets which were subject to the 2023-2024 qualification and obtained valuations in order to restate the prior periods to clear the qualification. The ultimate restatement to assets back in 2023 was \$10.3M and the errors have been corrected retrospectively and prior year asset management weaknesses have been resolved.

Under section 5.54 of the Local Government Act 1995, the Annual Financial Report and Independent Auditor's Report must be accepted by the local government by 31 December.

The Audited Annual Financial Report and Management Letter are expected to be signed off by the Auditors on 9 December 2025, during the Exit Meeting. The Audit Risk and Compliance Committee has delegated authority to liaise with the Auditor, receive and examine the Auditor's report and any Management issues arising from the conduct of the audit.

SUMMARY OF FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025*Continuing Operations*

The Town reports a net surplus of \$30.79 million (refer to page 3 of the Annual Financial Report), this is favourable to budget by \$9.12 million

The Town's operating revenue streams in financial year 2024/25 is favourable to budget by \$9.2 million or 8.6%. This mostly relates to additional waste fee income from large commercial disposals at the landfill site and interest revenue on the Town's term deposits.

The Town's operating expenses are unfavourable to budget by \$7.0 million or 6.9%. This mostly relates to an increase in Materials and Contracts due to the addition of the Spoilbank landside marina into our care and maintenance regime as well as Depreciation which is a non-cash expenditure recognising the diminishing value of nearly \$650M worth of Town's assets including buildings, roads and bridges.

AUDIT FINDINGS

The Town's Auditors have identified several matters for consideration to be addressed by Management. Please refer to Confidential Attachment 3 for these findings.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium as it summarises the financial position of the Town for the financial year ended 30 June 2025.

CONSULTATION*Internal*

- ELT
- Financial Services

External Agencies

- RSM Australia
- The Office of the Auditor General

Community

- Nil

LEGISLATION AND POLICY CONSIDERATIONS

Part 7 of the Local Government Act 1995 and the Local Government (Audit) Regulations 1996 details the requirements for audit.

Regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996 details the CEO's duties in relation to financial management.

Under section 5.54 of the Local Government Act 1995, the annual financial statements and audit report must be accepted by 31 December, provided the auditor's report is available. If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

FINANCE AND RESOURCE IMPLICATIONS

The costs associated with conducting the interim and end of financial year audit are included in the annual budget and financial statements.

The auditors closing report indicated a \$22,000 to \$25,000 variation to the audit fee in recognition of the substantial amount of time and effort of both the Town and the Audit team.

STRATEGIC SUSTAINABILITY IMPLICATIONS

The following section of the Town's Council Plan 2025-2035 is applicable in the consideration of this item:

Our Leadership:

4.2 Transparent and accountable governance and financial sustainability.

Access and Inclusion

There are no significant outcomes of the Town's Access and Inclusion Plan 2023-2026 relating to this item.

Corporate Business Plan

The following actions of the Town's Corporate Business Plan 2023-2027 apply in relation to this item:

Our Leadership:

Financial Management and Rates: Annual Budget; financial reporting; Long Term Financial Plan; rates; fees and charges; debtors and creditors; payroll.

Audit and Risk Management - Committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Regulated financial and reporting requirements
Effect	Non-compliance
Risk Treatment	Management controls and external support and overview
<p>There is an Operational risk associated with this item caused by Regulated financial and reporting requirements, leading to potential for non-compliance.</p> <p>The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).</p> <p>This risk will be accepted by the management accounting practices, with external support services and overview by audit agencies.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Not adopt the officer’s recommendation

CONCLUSION

The 2024-2025 Financial Year Annual Financial Report, Independent Auditor’s Closing Report and Management Letters are attached for the Committee’s review.

RSM Australia Pty Ltd (“the Town’s Auditors”) have advised that the Office of the Auditor General (OAG) intends to issue an unmodified audit opinion for the financial year ended 30 June 2025, indicating that the financial statements are presented fairly and in all material respects, in accordance with the applicable financial reporting framework.

The Town’s administration have worked collaboratively together and with the support of both RSM and the OAG to achieve this.

ATTACHMENTS

1. 2024-25 Annual Financial Report [**12.1.1** - 50 pages]
2. Town of Port Hedland - Closing Report (30 June 2025) - (Issued 3 Dec 2025) [**12.1.2** - 19 pages]
3. CONFIDENTIAL REDACTED - Town of Port Hedland Final Audit Management Letter [**12.1.3** - 6 pages]

Acknowledging the Town, together with RSM and OAG, whilst having the near majority of work required to complete the audit of the 2024-2025 annual financial statements, are finalising final documentation. No material changes will result.

13 Motions of Which Previous Notice have been given

Nil.

14 New Business of an Urgent Nature (Late Items)

Nil.

15 Matters for Which Meeting May be Closed (Confidential Matters)

Nil.

16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Compliance Committee Meeting will be held on Tuesday 10 March 2026 commencing at 5:30pm.

16.2 Closure

There being no further business, the Presiding Member declared the meeting closed.

1. Purpose of the Terms of Reference

The purpose of this document is to define the Terms of Reference (TOR) for the Audit, Risk and Compliance Committee (the "ARC Committee" or "Committee").

These TOR describe the Committee's purpose, authority, membership, functions, reporting requirements and responsibilities.

2. Establishment and Appointment

The ARC Committee is a formally appointed committee of the Council for the Town of Port Hedland (the "Town") pursuant to section 7.1A of the *Local Government Act 1995* ("the Act").

3. Role

The ARC Committee is to provide guidance and assistance to Council concerning matters within its Terms of Reference. It assumes a key role in assisting the Town of Port Hedland (the "Town") in fulfilling its governance and oversight obligations related to financial reporting, internal controls, risk management systems, legislative compliance, ethical accountability, and internal and external audit functions.

4. Objectives

The primary objective of the ARC Committee is to assume responsibility for the annual external audit and establish effective communication with the Town's external auditor. This ensures that Council can be satisfied with the performance of the local government in managing its financial affairs.

Further objectives of the Audit, Risk and Compliance Committee are to oversee:

- 4.1 The scope of work, objectivity, performance and independence of the external auditor.

- 4.2 The integrity of internal and external financial reporting, including accounting policies.
- 4.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 4.4 The systems or procedures that are designed to ensure that the Town comply with relevant statutory and regulatory requirements.
- 4.5 The process and systems which protect the Council against risk, fraud and irregularities.
- 4.6 Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance.
- 4.7 Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.

5. Authority and Independence

The ARC Committee does not have executive powers or authority to implement actions in areas over which the administration (management) has responsibility. Furthermore, the ARC Committee does not have any delegated financial responsibility. This ensures that the Committee is able to fulfill its function as an impartial advisory body separate from the Town's management, thereby ensuring objective assessments and guidance.

Under the Town's Register of Delegated Authority – Statutory, the ARC Committee:

- 5.1 Has the authority to meet with the Town's Auditor at least once every year on behalf of the Council [s.7.12A(2) of the Act].
- 5.2 Has the authority to:
 - i. Examine an audit report received by the local government.
 - ii. Determine if any matters raised by the audit report, require action to be taken by the local government; and
 - iii. Ensure that appropriate action is taken in respect of those matters.

- 5.3 Has the authority to review and endorse the Town'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) of the Act].

6. Membership

Composition

- 6.1 The ARC Committee will comprise of a minimum of three and a maximum of five Elected Members, with one member being an independently appointed member, where possible. All members shall have full voting rights and will be appointed by an absolute majority vote of the Council [s5.10(1)(a) of the Act].
- 6.2 Council may appoint by an absolute majority up to three (3) Councillors to be Deputy Members of the Committee. Any Deputy Member may perform the functions of any Committee Member when the Member is unable to do so by reason of illness, absence or other cause. A Deputy of a Member of a Committee, while acting as a Member, has all the functions of and all the protection given to a member [s.5.11A(2)(a),(3) and (4) of the Act].
- 6.3 Deputy Members do not operate as substitutes for individual members. In situations where more than one Deputy Member is in attendance at a Committee meeting, the Committee will conduct a vote to designate which Deputy Member is authorised to perform the duties of the absent member.

Term

- 6.4 In compliance with section 5.11 of the Act, all members will be appointed by Council, and will remain a member until:
- a) the term of the person's appointment as a committee member expires; or
 - b) the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or
 - c) the committee is disbanded; or
 - d) the next ordinary elections day

Appointment

- 6.5 The Presiding Member and Deputy Presiding Member will be appointed by the ARC Committee Members at the Committee's first meeting following an Election.

Skills and Experience

- 6.6 Collectively, the group of Committee members possess a diverse set of skills and expertise encompassing risk management, assurance, business acumen and background in related fields.
- 6.7 Members may seek advice from an external independent advisor. The independent advisor must be able to demonstrate expertise and knowledge in at least one of the disciplines of financial risk management, corporate governance, risk management or auditing. The independent advisor will also have demonstrated understanding and/or experience in:
- Accounting Standards (AASB)
 - *Local Government Act 1995*
 - Local Government experience and/or Band 1 Council
- 6.8 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

Declaration of an Interest

- 6.9 ARC Committee members are required by the 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.

Resignation from the Committee

- 6.10 In accordance with Part 2, Regulation 4 of the *Local Government (Administration) Regulations 1996*, A Committee member may resign from membership of the Committee by giving the CEO or the Committee's presiding member written notice of the resignation. It is recommended that ARC Committee members provide a notice period of three (3) months.

Management excluded from membership

6.11 The Chief Executive Officer and Employees are not members of the Committee (Section 7.1A(3)&(4) of the Act).

Management attendance

6.12 The following individuals from the Town's administration will be present at ARC Committee Meetings to offer advice, guidance, and undertake the responsibility of recording minutes:

- Chief Executive Officer
- Director Corporate Services
- Manager Governance
- Manager Financial Services
- Senior Audit, Risk and Insurance Advisor
- Audit, Risk and Insurance Support Officer

7. Meetings

7.1 The Committee shall meet at least quarterly.

7.2 The Presiding Member of the Committee has the authority to convene extra meetings, or such meetings may be convened upon the request of the Chief Executive Officer.

7.3 The 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 Act.

7.4 All Elected Members are invited to attend each Audit, Risk and Compliance Committee meeting, but will not be eligible to vote on any items presented at the meeting.

7.5 Meeting attendance is subject to Electronic Meetings and Electronic Attendance Policy 4/011.

7.6 As prescribed by Section 5.19 of the Act, the quorum for Committee meetings shall be at least 50% of the number of offices of the Committee (whether vacant or not).

- 7.7 The Chief Executive Officer will facilitate the meetings of the Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 7.8 The Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, which covers the responsibilities outlined in this terms of reference.
- 7.9 Meeting agendas will be prepared and provided at least 72 hours in advance to members, along with appropriate briefing materials.
- 7.10 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.
- 7.11 Pursuant to Regulation 13 of the *Local Government (Administration) Regulations 1996*, the unconfirmed minutes of the Committee meeting will be published within 7 days after the meeting is held.
- 7.12 Voting is in accordance with Section 5.21 of the Act.

8. Responsibilities

The Committee will fulfill the following responsibilities:

Risk Management

- 8.1 Review and suggest improvements to whether management has in place a current and fit-for-purpose risk management framework and associated procedures for effective identification and management of the Town's risks, including fraud.
- 8.2 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.
- 8.3 Assess the impact of the Town's risk management framework on its control environment.

- 8.4 Review and suggest improvements to 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.
- 8.5 Determine whether the Town has a sound and effective approach for business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically reviewed and tested.

Internal Control and Internal Audit

- 8.6 Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
- 8.7 Approve, review and suggest improvements to the Internal Audit Plan and ensure the Internal Audit function is operating effectively, independently and in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.
- 8.8 Receive and 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.
- 8.9 Monitor management's implementation of internal audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.
- 8.10 Oversee the coordination of planned activities among the four lines of defence, delineating ownership, accountabilities, resources and governance of risk management activities within the Town.

Financial Reporting

- 8.11 Review and suggest improvements to 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.

- 8.12 Review and suggest improvements to the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
- 8.13 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Compliance Committee under the Australian Auditing Standards, and suggest improvements if required.
- 8.14 Review and suggest improvements (subject to legislation) to the draft Annual Financial Statements (subject to legislation) and recommend the adoption of the Annual Financial Statements to Council.

Compliance

- 8.15 Review and suggest improvements to 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.
- 8.16 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.
- 8.17 Obtain regular updates from management about compliance matters.
- 8.18 Review and suggest improvements to the annual Compliance Audit Return and report to the Council the results of the review.

External Audit

- 8.19 Meet with the Office of the Auditor General to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting).
- 8.20 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.

- 8.21 Provide an opportunity for the ARC Committee to meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed privately.
- 8.22 Annually review and suggest improvements to the performance of external audit including the level of satisfaction with the external audit function.
- 8.23 Monitor management's implementation of external audit recommendations.

Reporting

- 8.24 Report regularly to the Council ARC Committee activities, issues, and related recommendations through circulation of minutes.
- 8.25 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

Other Responsibilities

- 8.26 Perform other activities related to this terms of reference as requested by the Council or through audit recommendations.
- 8.27 Request that the Chief Executive Officer perform a review after an Election, suggest improvements to and assess the adequacy of the Audit, Risk and Compliance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

9. Definitions

Term	Definition
ARC Committee	The Audit, Risk and Compliance Committee
CEO	The Chief Executive Officer
Committee	The Audit, Risk and Compliance Committee
The Act	The <i>Local Government Act 1995</i>
The Town	The Town of Port Hedland
TOR	The Terms of Reference

10. Version Control

Version	Meeting
V1	<i>Adopted by Council at its Ordinary Meeting held 16 November 2011.</i>
V2	<i>Amended by Council at its Ordinary Meeting held 23 October 2013.</i>
V3	<i>Amended by Council at its Ordinary Meeting held on 11 December 2013.</i>
V4	<i>Amended by Council at its Ordinary Meeting held on 27 May 2015.</i>
V5	<i>Amended by Council at its Ordinary Meeting held on 28 October 2015.</i>
V6	<i>Amended by Council at its Ordinary Meeting held on 22 June 2016.</i>
V7	<i>Amended by Council at its Ordinary Meeting held on 24 May 2017.</i>
V8	<i>Re-Adopted by Council at its Ordinary Meeting held on 1 November 2017.</i>
V9	<i>Re-Adopted by Council at its Ordinary Meeting held on 19 December 2019.</i>
V10	<i>Amended by Council at its Ordinary Meeting held on 23 September 2020.</i>
V11	<i>Amended by Council at its Ordinary Meeting held on 7 September 2022.</i>
V12	<i>Amended by Council at its Ordinary Meeting held on 29 May 2024.</i>