F.01A Audit Committee Charter

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1 OBJECTIVE

This charter sets out the objectives, authority, responsibilities, reporting and administrative arrangements associated with the Audit Committee.

2 SCOPE

The primary objective of the Audit Committee is to act as an advisory body which contributes to the improved performance of Council through the provision of independent assurance, oversight and advice to Council and the Chief Executive Officer on matters listed in Section 3.2 - Duties and Responsibilities.

3 STATEMENT

3.1 AUTHORITY

As an advisory committee of Council, the Audit Committee is independent of management and does not have any executive powers, delegated responsibility or authority to implement action.

The Audit Committee has authority to review and make recommendations to Council on any matters within its scope of responsibility. In doing so the Audit Committee has the authority to seek information it requires and has full right of access to all levels of management through the Chief Executive Officer.

3.2 DUTIES AND RESPONSIBILITIES

The audit committee's duties and responsibilities are to:

3.2.1 FINANCIAL STATEMENTS

- Review the appropriateness of accounting policies adopted by Council and ensure the accounting policies adopted are relevant to Council and its specific circumstances.
- Review the appropriateness of significant assumptions and critical judgements made by management, particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.
- Review the financial statements for compliance with prescribed accounting and other requirements.
- Review, with management and the external auditors, the results of the external audit and any significant issues identified.
- Exercise skepticism by questioning and seeking full and adequate explanations for any unusual transactions and their presentation in the financial statements.
- Analyse the financial performance and financial position and seek explanation for significant trends or variations from budget or forecasts.
- Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.

3.2.2 RISK MANAGEMENT

- Review the risk management framework for identifying, monitoring and managing significant risks, including fraud.

- Satisfy itself that insurance arrangements are appropriate for the risk management framework, where appropriate.
- Liaise with management to ensure there is a common understanding of the key risks to Council. These risks will be clearly documented in a risk register which will be regularly reviewed to ensure it remains up-to-date.
- Assess and contribute to the audit planning processes relating to the risks and threats to Council.
- Review the effectiveness of Council's processes for identifying and escalating risks, particularly strategic risks.

3.2.3 INTERNAL CONTROL

- Review the adequacy of the internal control structure and systems, including information technology security and control.
- Review whether relevant policies and procedures are in place and up-to-date, including those for the management and exercise of delegations, and whether they are complied with.

3.2.4 PERFORMANCE MANAGEMENT

- Review Council's compliance with the performance management and reporting requirements of the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and the Annual Report Requirements for Queensland Local Governments.
- Review whether performance management systems in place reflect Council's role/purpose and objectives as stated in its Corporate Plan.
- Identify that the performance reporting and information uses appropriate benchmarks, targets and trend analysis.

3.2.5 INTERNAL AUDIT

- Review the budget, staffing and skills of the internal audit function.
- Review and approve the internal audit plan, its scope and progress, and any significant changes to it, including any difficulties or restrictions on scope of activities, or significant disagreements with management.
- Review the proposed internal audit annual plan to ensure they cover key risks and that there is appropriate co-ordination with the external auditor.
- Review the findings and recommendations of internal audit and the response to them by management.
- Review the implementation of internal audit recommendations accepted by management.
- Ensure that there is no material overlap between the internal and external audit functions.

3.2.6 EXTERNAL AUDIT

- Consult with external audit on the function's proposed audit strategy, audit plan and audit fees for the year.
- Review the findings and recommendations of external audit (including performance audits) and the response to them by management.

- Review responses provided by management to ensure they are in line with Council's risk management framework.
- Review the implementation of external audit recommendations accepted by management and where issues remain unresolved ensure that satisfactory progression is being made to mitigate the risk associated with audit's findings.

3.2.7 COMPLIANCE

- Determine whether management has considered legal and compliance risks as part of Council's risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring Council's compliance with relevant laws, regulations and government policies.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.

3.2.8 REPORTING

- Submit reports to the Chief Executive Officer outlining relevant matters that have been considered by it as well as the committee's opinions, decisions and recommendations.
- Circulate minutes of the committee meetings to the Chief Executive Officer, committee members and invited guests as appropriate.

3.3 MEMBERSHIP AND MEETINGS

3.3.1 MEMBERSHIP

- Members, including the Chair and Deputy Chair, are appointed by the Chief Executive Officer.
- Membership of the committee will consist of a minimum of three and a maximum of six.
- At least one, but not more than two members must be Councillors.
- A minimum of one member will be external to Council.
- At least one member will have significant experience and skills in financial matters.
- The Chief Executive Officer cannot be a member of the committee but would ordinarily be present at meetings.
- The term of appointment is for four years and can be extended for a further term subject to the composition and skill requirements of the committee.
- Members are appointed on the basis of personal qualities and skills.
- Member terms and conditions are to be disclosed in the Letter of Appointment.

3.3.2 CHAIR AND DEPUTY CHAIR

- The committee will recommend a Chair and Deputy Chair to the Chief Executive Officer.
- The Chair presides over the meeting; or the Deputy Chair if the chair is absent

3.3.3 ETHICAL PRACTICES

- Members are required to declare any interests that could constitute a real, potential or apparent conflict of interest with respect to participation on the committee. The declaration

must be made on appointment to the committee and in relation to specific agenda items at the outset of each committee meeting and be updated as necessary.

3.3.4 MEETINGS AND QUORUM

- The committee will meet at least two (2) times per year and the schedule of meetings will be agreed in advance.
- A quorum will consist of more than half of the members.
- The chairperson has the casting vote if there is an equal number for and against the motion.
- External auditors, Internal Auditors and the Queensland Audit Office will be notified of all meetings.
- Other interested parties may attend.
- All non-member Councillors are invited to attend all meetings but have no voting rights.
- Meetings of the Committee are not open to the public.
- The use of teleconferencing (including videoconferencing) is approved.
- All Committee members and other attendees will be required to disclose conflicts of interests at the commencement of each meeting.
- All information acquired during the Committee member's term of appointment is to be regarded as confidential to Council and is not to be disclosed to third parties.

3.3.5 MEETING AGENDA

- The agenda and relevant papers will be distributed to members prior to the meetings.

3.4 RELATIONSHIPS

3.4.1 INTERNAL AUDIT

- The internal auditor will have a standing invitation to attend committee meetings.
- The Chair and an independent member will hold executive sessions with internal audit as required.

3.4.2 EXTERNAL AUDIT

- The committee has no power of direction over external audit or the manner in which the external audit is planned or undertaken, but will act as a forum for the consideration of external audit findings and will ensure that they are balanced with the views of management.
- The external auditor will have a standing invitation to attend committee meetings.

3.5 REVIEW OF THE CHARTER

- The charter will be reviewed biennially to ensure it remains consistent with the committee's authority, objectives and responsibilities.
- All amendments to the charter will be discussed and approved by the Council Resolution.

4 HUMAN RIGHTS COMPATIBILITY STATEMENT

This Policy has been assessed as compatible with the Human Rights protected under the *Human Rights Act 2019*.

5 DEFINITIONS

Nil

6 RELATED POLICIES | LEGISLATION | OTHER DOCUMENTS

IX #	Details
248955	F.02 Internal Audit Policy

7 VERSION CONTROL

Version	Date	Actions
V1	18-Feb-22	Developed and Adopted
V2	28-May-24	Reviewed and Adopted
V3	17-Feb-26	Reviewed and Adopted