

City of Albany – Audit, Risk & Improvement Committee (ARIC)

Candidate Information Pack – (August 2025)

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1. Introduction

The City of Albany has established an **Audit, Risk & Improvement Committee (ARIC)** under section 7.1A of the *Local Government Act 1995*. The Committee supports Council in meeting its oversight responsibilities and promotes strong governance, accountability, and continuous improvement.

ARIC operates under the:

- *Local Government Act 1995*
- *Local Government (Audit) Regulations 1996*
- *Local Government (Administration) Regulations 1996*

2. Role and Objectives

2.1 Purpose

ARIC provides independent oversight and advice to Council in the following key areas:

- Financial reporting and external audit
- Internal control and audit
- Risk management and business continuity
- Legislative compliance
- Organisational performance and continuous improvement

2.2 Objectives

- Promote transparency, accountability, and continuous improvement
- Support effective risk management and internal controls
- Ensure compliance with laws and regulations
- Guide the City in performance, governance and service delivery improvement

3. Authority and Scope

- ARIC is a formally appointed Committee of Council but **does not hold executive powers** or delegated financial authority.
- The Committee **cannot intervene in operational matters** or take on management functions.
- All decisions requiring action must be referred to Council for final approval.

4. Membership

4.1 Composition

ARIC will include:

- **Independent Chair** (via public EOI)
- **Independent Deputy Chair** (via public EOI)
- **Open to all Elected Members** of Council

All members:

- Must comply with the City's **Code of Conduct** and declare conflicts of interest.
- Will participate in an **induction session** upon appointment.

4.2 Independent Member Eligibility

Independent Chair and Deputy Chair **must not**:

- Be a member or employee of any local government.
- Hold any operational or commercial role with the City.
- Provide paid services to the City.

4.3 Appointment

Independent members are appointed by **absolute majority of Council** following a public Expression of Interest process. Selection is based on expertise in:

- Internal audit
- Risk management
- Financial reporting
- Governance and compliance
- Public sector performance

4.4 Term

- Membership lasts **up to two years**, expiring at the next Ordinary Council election.
- Members are eligible for reappointment.
- Council may terminate membership early if:
 - Contribution is inadequate.
 - There is a breach of the Code of Conduct or legislation.
 - The member brings the City into disrepute.

4.5 Entitlements

- All members may access **training and professional development**.
- The Chair and Deputy Chair will receive **meeting fees (Band 1 maximum)** and may be reimbursed up to **\$2,000 annually** for accreditation and travel costs.

5. Meeting Operation

5.1 Quorum

At least **three members**, including either the Chair or Deputy Chair.

5.2 Frequency

- Minimum of **four meetings per year**
- Additional meetings may be scheduled as needed

5.3 Agenda and Minutes

- Agenda distributed **72 hours before** each meeting
- Unconfirmed minutes provided to Council and published publicly (abridged version)

5.4 Location

Meetings are held **in person**, usually at Council Chambers.

5.5 Public Access

Meetings are generally **open to the public**, except where confidential matters (as defined in section 5.23 of the Act) require closure.

5.6 Voting

Decisions are made by **simple majority**.

6. Responsibilities and Functions

The Committee provides advice and oversight in the following areas:

6.1 External Audit

- Meet with the **Office of the Auditor General (OAG)** on audit matters.
- Review audit reports and management responses.
- Ensure recommendations are actioned.
- Meet annually with the OAG without management present.

6.2 Internal Audit

- Approve and monitor the **Internal Audit Plan**.
- Review internal audit reports and ensure follow-up actions.
- Meet annually with the Chief Audit Executive or internal auditor without management.

6.3 Financial Management

- Review the City's **annual financial statements** and recommend Council endorsement.
- Examine financial performance, reporting issues, accounting practices, and insurance coverage.

6.4 Risk Management

- Oversee the **risk management framework**, including:
 - Risk appetite and escalation levels
 - Business continuity planning
 - Use of external reports to drive improvement

6.5 Internal Controls

- Monitor the effectiveness of internal control systems and their compliance with laws and policies.

6.6 Compliance and Integrity

- Oversee the City's compliance framework and culture.
- Ensure systems are in place to address fraud and misconduct.
- Review how non-compliance is investigated and resolved.

6.7 Improvement and Performance

The Committee supports the City's commitment to continuous improvement in governance, service delivery and operational performance. It will:

- Monitor how improvement recommendations from internal and external audits, performance reviews, and regulatory bodies are captured and implemented
- Review reports from bodies such as the Office of the Auditor General, LGIS, and the Corruption and Crime Commission for improvement insights
- Identify opportunities for strengthening governance frameworks, decision-making, and efficiency
- Promote a culture of learning, innovation, and continuous review within the organisation.

7. Reporting

- The Committee reports **directly to Council** through meeting minutes and formal recommendations.
- Reports may be for:
 - **Information**
 - **Recommendation to Council**
- ARIC must provide an **annual report** to Council summarising its activities and confirming it has fulfilled its responsibilities.

8. Delegations

The Committee may act under limited delegation to:

1. Meet with the Auditor on behalf of Council (s.7.12A(2))
2. Identify matters requiring action from the Auditor's report (s.7.12A(3))
3. Ensure appropriate action is taken on audit findings
4. Endorse the City's response to the Auditor's report before submission to the Minister (s.7.12A(4))

Limitations:

- This delegation **does not apply** to serious matters raised in audit reports or management letters – these must be referred directly to the Council.

9. City Staff Support

The following staff may attend meetings to provide support and advice:

- Chief Executive Officer
- Executive Management Team
- Chief Audit Executive or nominee
- Manager Governance & Risk
- Manager Finance
- Office of the Auditor General representatives
- Internal audit providers (as needed)

A **Minutes Officer**, appointed by the CEO, will:

- Organise meetings and documentation
- Record minutes and actions
- Provide administrative support to the Committee

10. Induction and Training

All members will receive:

- Induction on governance and the City's legislative environment
- Ongoing training in audit, risk and performance oversight
- Support to understand key reports and governance responsibilities

11. Confidentiality and Conduct

- Members must maintain **confidentiality** and act ethically at all times.
- **Conflicts of interest** must be disclosed in writing to the CEO before meetings or declared at the start of the relevant agenda item.
- Members must adhere to the **City's Code of Conduct** at all times.