

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

Terms of Reference – (August 2025)

1. Establishment

In accordance with Section 7.1A of the *Local Government Act 1995*, the Council of the City of Albany has established the Audit, Risk & Improvement Committee (ARIC). The Committee will operate in accordance with the Act, the *Local Government (Audit) Regulations 1996*, and the *Local Government (Administration) Regulations 1996*.

2. Authority

The ARIC is a formally appointed Committee of Council and is responsible to Council. It does not have executive powers or delegated financial authority.

The Committee provides independent oversight and guidance to Council on:

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

3. Objectives

The Committee's objectives are to:

- Assist Council in fulfilling its oversight responsibilities.
- Promote transparency, accountability, and continuous improvement.
- Ensure effective risk management and internal control systems.
- Monitor compliance with relevant legislation and regulations.

4. Membership

4.1 Composition

The Committee will comprise:

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

All members must comply with the *Local Government (Model Code of Conduct) Regulations 2021* and declare any conflicts of interest.

4.2 Appointment

Independent members will be appointed by absolute majority of Council following a public Expression of Interest process. Selection will be based on qualifications and experience in:

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

5. Meetings

The Committee will meet at least **four times per year**.

- A quorum will consist of **a majority of members**, including **at least one independent member**.
- Minutes will be recorded and presented to Council.

6. Responsibilities

The Committee will:

- Review annual financial statements and external audit reports.
- Oversee internal audit planning and outcomes.
- Monitor risk registers and mitigation strategies.
- Review compliance with statutory obligations.
- Advise on governance and performance improvement initiatives.

7. Reporting

The Committee reports directly to the Council. Recommendations will be made via formal minutes and resolutions.

8. Induction and Training

All members will receive induction and ongoing training to support their role, including:

- Governance and legislative responsibilities
- Risk and audit frameworks
- Ethical conduct and decision-making

9. Confidentiality and Conduct

Members must maintain confidentiality in all Committee matters and adhere to the City's Code of Conduct.

Any financial or proximity interests must be declared in accordance with legislation.