

**Shire of Harvey — Audit, Risk & Improvement
Committee (ARIC)
Candidate Information Pack and Supporting
Information**

SHIRE OF
HARVEY

A Shire of Growth & Innovation



1. Introduction	4
2. Role & Objectives.....	4
2.1 Purpose	4
2.2 Objectives	4
3. Authority & Scope	5
4. Membership	5
4.1 Composition.....	5
4.2 Independent Member Eligibility	5
4.3 Appointment Selection Criteria	5
4.4 Term	7
4.5 Entitlements	7
4.6 Presiding Member Responsibilities.....	7
4.7 Deputy of the Presiding Member Responsibilities.....	8
5. Meeting Operations	8
5.1 Quorum.....	8
5.2 Frequency	8
5.3 Agenda and Minutes	8
5.4 Location	8
5.5 Public Access	8
5.6 Voting	9
6. Responsibilities & Functions of the ARIC	9
6.1 External Audit	9
6.2 Internal Audit.....	9
6.3 Financial Management	9
6.4 Risk Management.....	9
6.5 Internal Controls	9
6.6 Compliance & Integrity.....	9
6.7 Improvement & Performance	10
7. Reporting.....	10
8. Delegations	10

9. Shire Staff Support.....	10
10. Induction & Training	10
11. Confidentiality & Conduct.....	10
12. Remuneration & Reimbursements	11
13. Contact Details.....	11

1. Introduction

The Shire of Harvey (Shire) is establishing an Audit, Risk & Improvement Committee (ARIC) under section 7.1A of the *Local Government Act 1995*. Currently, the Shire Council has an Audit Committee and will be aligning to the LGIRS reforms to create the new Committee.

ARIC will continue to be governed by:

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

The ARIC will support Council in meeting its responsibilities and fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and audit functions as the current Audit Committee does presently. This pack sets out the role, eligibility, expectations and entitlements for prospective independent members (Presiding Member and Deputy of the Presiding Member).

2. Role & Objectives

2.1 Purpose

ARIC provides independent oversight and advice to Council in financial reporting and external audit; internal control and internal audit; risk management and business continuity; legislative compliance; and organisational performance and continuous improvement.

ARIC will accept responsibility for the annual audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs. It will also meet to enhance risk management and internal controls.

2.2 Objectives

- Promote transparency, accountability, and continuous improvement.
- Support effective risk management and internal controls.
- Ensure compliance with applicable laws and regulations.
- Guide the Shire in performance, governance and service delivery improvements.
- Accept responsibility for the annual audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

3. Authority & Scope

ARIC is a formally appointed Committee of Council. It does not hold executive powers or delegated financial authority and cannot intervene in operational matters or take on management functions. Recommendations flow to Council for decision.

Appointment to an ARIC is an appointment to specified office that is a member of the committee, in accordance with *Local Government Act 1995* provisions. The specified offices prescribed in the Act, include:

Presiding Member – refer *Local Government Act 1995* s.5.12(1) and *Local Government Amendment Act 2023* s.7.1A

Deputy of the Presiding Member – refer *Local Government Act 1995* s.5.12(1) and *Local Government Amendment Act 2023* s.7.1B

Deputy Presiding Member – refer *Local Government Act 1995* s.5.12(1) and *Local Government Amendment Act 2023* s.7.1B

4. Membership

4.1 Composition

- Independent Presiding Member (Chair) elected via public EOI
- Independent Deputy of the Presiding Member elected via public EOI
- Elected Members of Council

4.2 Independent Member Eligibility

Independent members must NOT be:

- (a) a current council member of any local government; or
- (b) an employee of any local government. Former council members are eligible.
- (c) Provide paid services to the Shire

Independent members must be free from conflicts that could reasonably be perceived to compromise independence.

4.3 Appointment Selection Criteria

Independent members are appointed by absolute majority of Council following a public Expression of Interest (EOI) process. Selection is based on demonstrated expertise in

one or more of: internal audit, risk management, financial reporting, governance and compliance, and public sector performance.

Essential Selection Criteria

- **Audit and Financial Oversight Expertise**

Demonstrated knowledge and experience in one or more of the following:

- External audit processes
- Financial reporting and accounting standards
- Public sector or local government financial management

- **Risk Management and Governance Experience**

Demonstrated experience in:

- Enterprise or organisational risk management frameworks
- Internal control systems
- Governance, compliance and assurance environments

- **Committee and Chairing Experience**

Demonstrated ability to:

- Chair or actively participate in advisory, audit or governance committees
- Facilitate structured discussion, debate and decision-making
- Ensure meetings are conducted in accordance with legislative and procedural requirements

- **Understanding of Public Sector / Local Government Environment**

Knowledge of:

- Public sector governance principles
- Accountability and transparency obligations
- Legislative compliance frameworks relevant to local government (or equivalent public bodies)

- **Analytical and Critical Thinking Skills**

Ability to:

- Review complex reports and identify key issues, risks and trends
- Provide clear, independent advice to Council
- Focus on both assurance and continuous improvement

- **Professional Integrity and Ethical Standards**

Demonstrated:

- High ethical standards and professionalism
- Willingness to declare and manage conflicts of interest
- Commitment to confidentiality and impartial decision-making

4.4 Term

Appointments are for up to two years, expiring on the day of the next Ordinary Council election. Members may be eligible for reappointment by Council.

Early termination may occur if contribution is inadequate, following a breach of Code of Conduct or legislation, or action that brings the Shire into disrepute.

4.5 Entitlements

Independent members are entitled to sitting fees and reimbursements as determined by the Salaries and Allowances Tribunal (SAT).

The current meeting attendance fee range is \$105–\$1215 per meeting. Independent members may also claim reimbursement of reasonable expenses (travel, accommodation and meals) subject to the procedures set by the Shire.

4.6 Presiding Member Responsibilities

This role is responsible for ensuring that meetings are conducted in accordance with the Act, associated regulations, and Shire meeting procedures.

Key responsibilities include:

- Preparing for meetings by:
 - Reviewing the agenda and attachments in advance.
 - Seeking advice or clarification from the Chief Executive Officer (CEO) on agenda items.
- Attending and presiding over meetings, ensuring the orderly progression of business as set out in the agenda.
- Maintaining proper conduct of the meeting, Committee Members, and any attendees.
- Complying with the Code of Conduct.
- Disclosing any Direct Financial, Indirect Financial, Proximity, or Impartiality interests in accordance with *Local Government Act 1995*.
- Facilitating motions, debate, and voting processes.
- Actively participating in debate and contributing expertise to decision-making.
- Liaising with the CEO to ensure compliance with governance requirements and operational needs.

4.7 Deputy of the Presiding Member Responsibilities

This role performs the functions of the Presiding Member when the Presiding Member is unavailable.

Responsibilities include:

- Preparing for meetings by:
 - Reviewing the agenda and attachments in advance.
 - Seeking advice or clarification from the CEO on agenda items.
- Attending and, when required, presiding over meetings in the absence of the Presiding Member.
- Complying with the Code of Conduct.
- Disclosing any Direct Financial, Indirect Financial, Proximity, or Impartiality interests in accordance with Local Government Act 1995.
- Participating in debate and contributing expertise to decision-making.
- Liaising with the CEO to ensure effective participation and compliance with governance requirements.

5. Meeting Operations

5.1 Quorum

Quorum is at least three members, including the Presiding Member or Deputy of the Presiding Member.

5.2 Frequency

ARIC meets at least quarterly. Additional meetings may be scheduled as needed.

5.3 Agenda and Minutes

Agendas are distributed at least 2 business days before each meeting. Minutes (and recommendations) are reported to Council. Minutes are published in accordance with Shire policy.

5.4 Location

Meetings are ordinarily held in person at the Shire Council Chambers at the Shire of Harvey Administration Building.

5.5 Public Access

Meetings are generally open to the public except where confidential matters apply under section 5.23 of the Local Government Act 1995 and relevant regulations.

5.6 Voting

Decisions are made by simple majority of members present.

6. Responsibilities & Functions of the ARIC

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

- Review internal audit reports and ensure follow-up actions.
- Meet annually with the internal audit function without management present.

6.3 Financial Management

- Review annual financial statements and recommend Council endorsement.
- Examine financial performance, reporting issues, accounting practices and insurance coverage.

6.4 Risk Management

- Oversee the Shire's risk management framework, including risk appetite, escalation, and business continuity.
- Monitor strategic and operational risk profiles and the effectiveness of controls.

6.5 Internal Controls

- Monitor effectiveness of internal control systems and compliance with laws and policies.
- Review CEO's reviews of risk management, internal control and legislative compliance.

6.6 Compliance & Integrity

- Oversee the Shire's compliance framework.
- Review annual Compliance Audit Return.
- Ensure systems are in place to address fraud and misconduct.

- Review how non-compliance is investigated and resolved.

6.7 Improvement & Performance

- Monitor implementation of improvement recommendations from internal/external audits, performance reviews and regulators.
- Identify opportunities to strengthen governance frameworks, decision-making and efficiency.
- Review and update the ARIC's Terms of Reference.

7. Reporting

ARIC reports directly to Council via meeting minutes and formal recommendations.

8. Delegations

ARIC may meet with the Auditor on Council's behalf and endorse the Shire's response to the Auditor's report before submission to the Minister, noting serious matters must be referred to Council for decision.

9. Shire Staff Support

The following staff may attend meetings to provide support and advice: Chief Executive Officer; Executive Management Team; internal audit function; Manager Governance & Risk; Manager Finance; Office of the Auditor General representatives; and external/internal audit providers as needed.

A Governance Officer will organise meetings and documentation, record minutes and actions, and provide administrative support.

10. Induction & Training

All members receive induction on governance and the Shire's legislative environment, with ongoing training in audit, risk and performance oversight.

11. Confidentiality & 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 agenda item.

Members must adhere to the Shire's Code of Conduct and the Local Government (Model Code of Conduct) Regulations 2021.

12. Remuneration & Reimbursements

Meeting Attendance Fee (Independent Committee Member): Paid per meeting attended and inclusive of preparation time. The Shire sets the fee within the SAT determination range (\$105-1215).

Reimbursement of Expenses: Independent members are entitled to reimbursement for:

- Travel and associated expenses to attend a committee meeting or perform a function approved by the Shire.
- If living/working in the Shire or an adjoining district: actual cost to travel from residence/work to the meeting and back.
- If living/working outside the Shire or an adjoining district: actual costs for the journey from residence/work and back.
- If distance >100 km: reimbursement from the outer boundary of an adjoining district to the meeting and back to that boundary.
- Private vehicle travel is reimbursed at the rate in Section 30.6 of the Local Government Officers' (WA) Award 2021; for electric vehicles, the 1600cc Motor Vehicle Allowance rate applies.
- Accommodation and meals reimbursement aligned to the Public Service Award 1992 (WA) in comparable circumstances.

Reimbursement is subject to the Shire being satisfied that expenses have been reasonably incurred. The Shire may directly fund a reimbursable expense without requiring the member to incur the cost personally.

13. Contact Details

Interested applicants are asked to submit their expression of interest to the Shire in writing via email to governance@harvey.wa.gov.au .

For enquires, please contact Manager Governance and Strategy, Ms Kourtney Williams
Phone P: (08) 9729 0301 or by email governance@harvey.wa.gov.au