

PORT PHILLIP COUNCIL Audit Committee Charter

<p>Purpose</p>	<p>The Audit Committee's purpose is to assist Council in the discharge of its oversight and corporate governance responsibilities, to oversee and monitor the City of Port Phillip's audit and risk processes, including internal control activities. This oversight includes:</p> <ul style="list-style-type: none"> • Internal and external financial reporting • Oversight of adequacy of risk management regime • Internal and external audit • Internal control framework including policies and procedures as they apply to financial reporting and risk management • Compliance with applicable laws and regulations • Oversight of activities to control and report on fraud • Internal control policies and procedures for non-financial reporting related activities that affect the financial report • Monitoring compliance with Council's Code of Conduct and regulatory requirements. <p>The Committee liaises with the Auditor-General and ensures the maintenance of a reliable system of internal controls and fosters the organisation's ethical development. The Committee is to be kept informed by Council management regarding financial reporting, risk management and risk exposures of the organisation.</p>
<p>Objectives</p>	<p>The Audit Committee will report to the Council on ensuring:</p> <ul style="list-style-type: none"> • Effective management of financial risks • Improved credibility and objectivity of financial reports • Compliance with laws and regulations • The effectiveness of the annual audit program <p>The Audit Committee will provide advice to the CEO on request.</p>
<p>Policy framework</p>	<p>The Committee's work is to be informed by the requirements of the Local Government Act 1989 and best practice in audit governance principles and processes.</p>

<p>Role</p>	<p>In pursuing its purpose and objectives, the Audit Committee will advise Council on necessary action in seeking to ensure:</p> <ul style="list-style-type: none"> • a sound system of risk oversight and management • linking of internal audit plans with material risks • effective reporting of material risks • on-going monitoring of Council’s risk profile • an effective and efficient internal control system • protecting Council’s assets • protecting against litigation and claims • protecting against fraud • complying with applicable laws, regulations, standards and policies • quality internal and external reporting (financial and non-financial) • independent, effective and efficient external audit • effective communication between the board and the internal and external auditors, and • timely responses to material risks and matters arising from audits.
<p>Access</p>	<p>The Audit Committee will have direct access to the external auditor, to the CEO, and to Council’s internal audit processes and staff, whether contracted or provided in-house.</p>
<p>Work plan</p>	<p>The committee will identify priorities and tasks for the year in its annual work plan. The plan will be developed by the committee for approval by Council at the commencement of each calendar year.</p>

<p>Membership</p>	<ol style="list-style-type: none"> 1. Council will appoint as members of the committee: <ul style="list-style-type: none"> • Three Councillors • Two external members, one of whom will be appointed Chair of the Committee 2. The external members will be selected from the broader community after having invited applications by public advertisement. Both external members will be a Certified Practising Accountant (CPA) or Member of the Institute of Internal Auditors Australia, or have other formal and relevant qualifications ideally in financial or risk management functions. External members will preferably be members of the Port Phillip community. 3. External members will be appointed for a two-year renewable term, with the term of appointment being staggered one year apart. 4. Where a Councillor member does not have the requisite expertise upon initial appointment, financial literacy should be attained within a reasonable period of time after his or her appointment and Council resources made available for this purpose. 5. The quorum for a meeting will be three.
<p>Remuneration</p>	<p>External members receive payment as set by the Council.</p>
<p>Meetings</p>	<p>The Committee will meet at least quarterly.</p>
<p>Resourcing</p>	<ol style="list-style-type: none"> 1. Agendas and papers for meetings will be distributed before the weekend prior to the meeting day by Council officers. 2. The committee will consult with Council's internal and external auditors and may require the attendance of Council staff to provide information on relevant matters. 3. Training and skills development opportunities will be provided, as committee members require.
<p>Reporting</p>	<p>The committee will report its activities to the Council after every meeting.</p>

<p>Annual Review and Report</p>	<ol style="list-style-type: none">1. The Committee is required to annually review and report to Council on:<ul style="list-style-type: none">• The Committee's performance• The adequacy of audit and risk processes, including internal and external financial reporting and risk management• Opportunities for improved performance• The performance of the Internal Auditor• Any desired changes to this Charter 2. The Chair of the Committee is required oversee preparation of the Committee's annual report and attend a meeting of the Council to present it.
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