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City of Casey

AUDIT AND RISK COMMITTEE CHARTER	
Approval Body:	Council
Endorsement Date:	15 September 2026
Council Plan Reference:	**Council Plan 2025-29 Strategic Direction** Enhance community resilience **Council Plan 2025-29 Strategic Outcomes and Priorities** High Performing Organisation • Operational performance • Financial performance • Governance and transparency
Current Version:	Council policy documents change from time to time and it is recommended that you consult the electronic reference copy on Casey Council's Website to ensure that you have the current version. Alternatively, you may contact Customer Service on 9705 5200 for assistance.

Compulsory Review Cycle:	2 years
Review Date:	15 September 2028 Circumstances may change which lead to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively. However, any change or update which materially alters this document must be by resolution of Council.
Responsible Department:	Communications and Corporate Governance
Relevant Legislation	*Local Government Act 2020 and Local Government (Governance and Integrity) Regulations 2020*
Relevant Council Documents:	Model Councillor Code of Conduct Staff Code of Conduct City of Casey Governance Rules
ECM ID:	14341819

1. Purpose

The Audit and Risk Committee (Committee) supports Council meeting its obligations under the *Local Government Act 2020* (the Act) and compliance with obligations arising from other legislation applying to Council operations. It supports Council's adherence to the overarching governance principles in section 9, in particular but not limited to, those relating to transparency, compliance and financial sustainability. As an advisory Committee of Council, the Committee works independently of and cooperatively with Council management.

The purpose of the Committee is to support Council in discharging its responsibilities through monitoring and advising on:

- The compliance of Council policies and procedures with the overarching governance principles, the *Local Government Act 2020* and regulations, other legislation obligations and any Ministerial directions.
- Council's financial and performance reporting.
- Council's risk management and fraud prevention systems and controls.
- Providing oversight of Council's internal and external audit functions.

The Committee is also responsible for monitoring and advising on:

- The standard of the internal control environment and effectiveness of assurance activities.
- Council's governance practice, including compliance with its policies, legislative and regulatory requirements.
- Protection and control of Council assets.
- Whether risks are being identified, assessed, managed and monitored in a manner consistent with Council's strategic objectives, risk appetite, and community expectations.

2. Mandate and authority

The Committee is directly responsible to the Council for discharging its responsibilities as set out in this Charter. The Committee will, through the Chief Executive Officer, be given access to appropriate management support and external expert advice if required to enable it to discharge its responsibilities effectively.

The Committee has the authority to:

- Review and endorse key documents and reports that must be approved by Council, including annual financial reports, annual performance statements, new or revised policies or other documents that assist in maintaining a strong internal control environment.
- Review and endorse the internal audit plan.
- Continually monitor progress through reviewing an updated workplan at every Committee meeting .

- Provide advice and make recommendations to Council on matters within its areas of responsibility as outlined in section 7 of this Charter.
- Seek any relevant information, support or expert advice through the Chief Executive Officer where it considers this necessary to meet its responsibilities.
- Meet with Council Officers, internal and external auditors and other parties as required to discharge its responsibilities.

The Committee does not directly manage risk but instead provides independent oversight and advice to Council regarding the effectiveness of Council's risk management framework, including:

- Alignment of risk management with Council's strategic and operational planning.
- consistency with ISO 31000 principles and the Victorian Government Risk Management Framework.
- The adequacy of risk escalation, reporting and assurance mechanisms.
- Whether management's treatment of significant risks remains within Council's approved risk appetite and tolerance.

3. Membership and tenure

The Committee will comprise five persons appointed by Council, two Councillors, and three independent external members (as required under section 53 of the Act) of which one will be the Chairperson. Council employees, and those with a conflict of interest shall be ineligible for membership.

Independent members

The appointment of external independent members shall be through a resolution of Council and for a period of three years, with the term expiring on 31 December of the relevant year unless resolved otherwise by Council.

In undertaking selection and appointment processes Council will have regard to among other matters:

- The collective expertise within the Committee in financial management and reporting, risk management, public sector management, technology, cybersecurity, governance and organisational transformation.
- Considerations relating to the Committee's performance, required skills and emerging skill gaps , succession and continuity.

On completion of one term, independent members may serve two additional threeyear terms on resolution of Council.

In the event of a vacancy arising before the expiry of an independent member's term, Council will advertise the position to be filled for either the remainder of the current term or a full new term, as determined by Council.

Should the resignation or retiring of an independent member coincide with two of the independent members, Council may, by resolution, extend one member's term by one year to ensure continuity and a smoother renewal of membership.

Councillor members

By resolution, Council will nominate no more than two Councillor delegates to the Committee annually at either the November or December Council Meeting, or other date if circumstances require. Council may consider appointing a sub-delegate to step in where an appointed Councillor member is unable to attend a particular meeting or series of Committee meetings.

Councillors who are not appointed members of the Committee may attend Audit and Risk Committee meetings as observers, do not have voting rights and will only participate in discussion with the permission of the Chair.

Chairperson

The Chairperson of the Committee must be an independent member in accordance with s.53(4) of the Act.

Council will, by resolution, appoint the Chairperson of the Committee from among the independent members for the duration of their term of appointment as an independent member of the Committee, being three (3) years. Subject to reappointment as an independent member, Council may reappoint the Chairperson for a further term of up to three (3) years. A person may serve as Chairperson for consecutive terms, provided their total period of appointment as an independent member does not exceed the maximum term permitted under this Charter.

Should the Chairperson be unable to attend a Committee meeting, the members in attendance at the meeting will appoint a Chairperson for that meeting from among the independent members.

The Chairperson must prepare a report to Council through the Chief Executive Officer on the Committee's activities twice per year.

Chairperson's duties

The Chairperson must ensure the meetings of the Committee:

- Are conducted in an orderly and efficient manner.
- Provide opportunity for the views of all Committee members to be heard and respected.
- Allow adequate time for informed discussion and consideration of each agenda item.
- Are supported by agendas and meeting papers that accurately reflect matters for consideration and the outcomes of deliberations.

- Ensure that any out-of-session decisions are facilitated and completed within the required timeframes.

4. Replacement of a member

In the event that an independent member is not present for any three meetings in any twelve month period, unless Council at an open meeting resolves otherwise, a vacancy occurs, and a position shall be filled following an advertising process.

In the event the Council proposes to replace an independent member of the Committee, it must give four weeks' written notice to the independent member of its intention to do so and provide that independent member with the opportunity to be heard if that independent member so requests.

5. Recruitment of independent members

The process for recruiting independent members will be as follows:

- The position to be advertised in the local paper, Council website and/or other channels as determined by Council's Manager Communications and Corporate Governance, Director Customer and Corporate Services and/or Chief Executive Officer.
- Applicants are to be provided with the Committee Charter, and directed towards the recent Council Annual Report, Council Plan, any publicly available minutes, details of remuneration and Council contact person.
- Appointments of independent members will be supported by a panel comprising the Chief Executive Officer, Director Customer and Corporate Services and the Chair of the Audit and Risk Committee or Independent Member delegate in the event of the Chair being unavailable.

The Panel may be supported by an Independent Recruitment Expert if the administration determines this is necessary, taking into account current internal talent acquisition capacity, and:

- The Panel will shortlist applications and conduct the interviews.
- The Manager Communications and Corporate Governance will prepare the report for the next available Council Meeting to confirm the appointment of an independent Member/s to the Committee.
- The Manager Communications and Corporate Governance or Council contact person will notify the successful applicant and unsuccessful applicants for the independent member position.

6. Training and induction

Newly appointed independent members will be supported into their role with an induction program comprising of an:

- Overview of the Council services.

- Overview of each department.
- Confirmation of administrative arrangements associated with the role, including remuneration, meeting frequency, time commitment and any other relevant conditions of appointment.
- An overview of the Charter and responsibilities.
- Conflict of interest requirements.
- Annual Work Program.
- Meet and greet with Council's Internal Auditors.
- Requirements for chairing a meeting (Chairperson only).

Independent members will be required to sign a Deed of Confidentiality committing them to maintain confidentiality of information, which should be managed as confidential or defined as confidential under the Act.

All external independent members will be required to undergo a police check prior to appointment to the Committee, and again upon reappointment for any subsequent term.

7. Responsibilities

The Committee will carry out the following responsibilities:

External audit

- Annually review, note and provide input to the external auditor's scope and plan proposed by the external auditor.
- Discuss with the external auditors' any audit issues encountered in the normal course of audit work, including any restriction on scope of work or access to information.
- Consider the findings and recommendations of any relevant performance audits undertaken by VAGO and monitor Council's responses to them.
- Meet with the external auditor at least annually in the absence of management.

Financial and performance reporting

- Monitor Council financial and performance reporting and its quarterly financial report
- Provide input to and oversight of financial sustainability, key assumptions and risks in its review of Council's annual budget and long-term financial plan.
- Review the annual financial report and annual performance statement and consider whether they are complete, consistent with information known to Committee members, reflect appropriate accounting treatments and adequately disclose Council's financial performance and position. If satisfied, recommend the adoption of the annual financial report and annual performance statement to Council.
- Review with management and the external auditors, the results of the audit, including any difficulties encountered by the auditors and how they were resolved.
- Review Council's accounting principles, policies and procedures as required to ensure they are contemporary and appropriate.
- Provide input to and oversight of Council's Investment Policy.

Risk management including fraud and corruption

The committee fulfils an oversight and assurance role in risk management including fraud and corruption risks which requires the Committee to:

- Assess whether management maintains current and effective processes to identify and manage the Council's financial and business risks, including fraud.
- Review Council's Fraud and Prevention policies and controls as required.
- Review reports from management about actual or suspected instances of fraud or corruption including analysis of the underlying control failures and action taken to address each event.
- Review Council's Risk Appetite Statement and risk tolerance thresholds and assess whether Council's risk profile remains consistent with those settings.
- Monitor Council's risk profile, including strategic and emerging risks, and ensure material risk issues are appropriately escalated to Council for consideration.
- Review management's treatment plans for material risks, including the adequacy, timeliness and effectiveness of mitigation actions.
- Review whether a sound and effective approach has been followed in establishing Council's business continuity planning arrangements, including whether disaster recovery plans have been tested annually.
- Reviewing and obtaining assurance regarding the adequacy of Council's insurance arrangements.

Internal audit

- Review and endorse the risk based two-year strategic internal audit plan developed by the Internal Auditor through consultation with management, along with the annual internal audit plan.
- Review reports of internal audit and the extent to which Council and management react to matters raised by internal audit, by monitoring the implementation of recommendations made by internal audit.
- Review progress on delivery of the annual Internal Audit Plan.
- Review the effectiveness of the internal audit function and ensure that it has appropriate authority within Council and has no unjustified limitations on its work.
- Note any Committee briefing on any proposed changes to the appointment of the internal audit service provider.
- Meet with the Internal Auditor, without management present, at least annually.

Ethical and Statutory Compliance

- Receive a report at each meeting via the Statutory and Ethical Compliance Report on Council's monitoring compliance with relevant legislation and regulations, including the results of management's follow up of any instances of non-compliance.
- Review the process for communicating and monitoring compliance with Council's various Codes of Conduct to Councillors and Council staff, including volunteers and contractors.

- Monitor the compliance of Council Policies and procedures with the overarching governance principles contained in the Act, Local Government (Governance and Integrity) Regulations 2020, and any Ministerial Directions that may be issued.
- Receive a report biannually detailing all reimbursements of Councillor and Delegated Committee expenses, pursuant to section 40 of the Act.
- Receive reports from management at each meeting via the Statutory and Ethical Compliance Report on the findings by regulatory or integrity agencies in its report publications, such as VAGO, the Ombudsman, IBAC, Victorian Government Inspectorate etc.
- Obtain briefings on any significant compliance matters.
- Review the adequacy and effectiveness of key policies, systems and controls for providing a sound internal control environment.

Ongoing professional development

In addition to their individual ongoing professional development, Committee members will seek and participate in briefings on matters of emerging risk in the sector as required. Briefings may be requested through the CEO after discussion at a meeting or an offline discussion involving all members of the Committee managed through the Chair.

Performance evaluation

As per sections 54(4) and (5) of the Act the Committee shall undertake a process to evaluate its performance annually against the Committee Charter and report the outcomes of the evaluation process to Council via the Chief Executive Officer for tabling at the next available Council meeting, including recommendations for any opportunities for improvement. The evaluation will include feedback from both Committee members and senior officers who have regular interactions with the Committee.

8. Meeting and Reporting Requirements

- The Committee will meet at least five times a year, with authority to convene additional meetings as circumstances require. This includes a separate meeting that will be held in August for the purpose of reviewing the draft Financial and Performance Statements.
- The Committee will adopt an Annual Work Program and will annually develop and establish its annual schedule of meetings prior to or at the final Committee meeting for the year.
- The Manager Communications and Corporate Governance or delegated Council Officer will facilitate the meetings of the Committee and invite members of management, auditors (internal and/or external) or others to attend and provide pertinent information, as necessary.
- Meeting agendas will be prepared and provided digitally at least ten days in advance to Committee members, along with appropriate briefing materials. Committee members will also be required to submit any questions in relation to any item on the agenda ahead of the meeting five business days prior to the meeting. Responses will

be distributed via email three days prior to the day of the meeting unless advised otherwise on a particular matter.
- Draft minutes will be prepared for all meetings and distributed to the Committee within seven days of the meeting. Confirmed minutes will be presented to Council at the next available meeting.
- Where a matter is required to be dealt with by the Committee between meetings, it will be distributed with the approval of the Chair 'out of session', with a report containing details about the matter and a request for the Committee via the Chair to determine a resolution via an appropriate medium such as in writing via email with the usual voting rules applicable.
- All Committee members are expected to attend each meeting in person or can request to attend via virtual means, where necessary. If attending via virtual means, the Committee member at a minimum must be able to hear the deliberations and be heard throughout the duration of the meeting.
- A Committee meeting requires a quorum of two independent members and one Councillor.
- The Committee may meet in closed session, either immediately prior or immediately following the scheduled Committee meeting, with the internal auditor, external auditor or management in attendance, if requested by the Committee.
- Due to the nature of items to be considered at Committee meetings, Committee meetings are closed to the public.

9. Voting

The Chair of the meeting will facilitate debate and work towards a consensus on matters where possible seeking input from all members.

Decisions of the Committee will be by vote, with the votes of all members recorded for the minutes.

The Chair holds a casting vote in the event of a tied vote.

10. Access to information and independent advice

The Committee has the authority, subject to the law, to access any information, document, report or material of Council relevant to fulfilling its responsibilities.

The Committee may request from the administration that independent legal, financial and other advice be sought as it considers necessary with the cost to be borne by Council. Approval of such a request will not be unreasonably denied. A Committee and management protocol will be developed to facilitate the making and processing of such requests.

11. Internal audit

Council will make an annual budget provision for internal audit services.

The internal auditor shall be responsible for the provision of internal audit services, in accordance with the Annual Plan endorsed by the Committee.

12. Remuneration

Independent members will be remunerated by way of a sitting fee for each Committee meeting attended, with an additional fee payable to the Chair in recognition of the role's responsibilities. Remuneration will be determined and approved by Council, reviewed every three years and subject to annual indexation in accordance with Council's established arrangements. Superannuation contributions will be paid where applicable, in line with legislative requirements and Council policy and the relevant law.

13. Committee member regulatory obligations

Committee members are expected to be aware of their obligations under section 53 of the Act. These obligations relate to misuse of position as a member of the Committee (Section 123) and confidential information (Section 125). Members must also be aware of the conflictof-interest requirements (Sections 126 to 131), in addition to Council's Governance Rules. Details about these obligations are included in Appendix A to this Charter.

14. Indemnity

Noting individual independent members and the Chair will hold professional indemnity insurance for the duration of their term, Council will additionally indemnify independent members of the Committee against actions or claims against them arising from actions taken by them in good faith in the course of their duties and fulfilling their obligations under this Charter. This protection will not extend to protection for misconduct, fraud or criminal acts.

15. Review

The Committee shall review this Charter at least every two years, or earlier if required due to legislative change, material governance issues or changes to Council's risk profile, and recommend any amendments to Council for approval.

16. Document History

Date approved	Change Type	Version	Next Review Date
18 August 2020	Adopted	1.0	30 August 2021

20 September 2020	Added Cover page Made changes to section 5 and 8 Added document history section	2.0	30 September 2021

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20 August 2024	Major changes reflected throughout the Charter	e3.0	20 August 2026
13 May 2026	Administrative amendments made to improve clarity and strengthen alignment with legislative and governance requirements.	4.0	NA
September 2026	Adopted		September 2028

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Appendix A

Committee Member Regulatory Obligations

Guidance to Members

Section	**Requirement**
Misuse of Position	
123(1)	A Committee member must not intentionally misuse their position to: a) Gain or attempt to gain, directly or indirectly, an advantage for themselves or for any other person; or b) Cause, or attempt to cause, detriment to the Council or another person.
123(3)	Circumstances involving misuse of a position by a member of the Committee include: a) Making improper use of information acquired as a result of being a member of the Committee; or b) Disclosing information that is confidential information; or c) Directing or improperly influencing, or seeking to direct or improperly influence, a member of Council staff; or d) Exercising or performing, or purporting to exercise or perform, a power, duty or function that the person is not authorised to exercise or perform; or e) Using public funds or resources in a manner that is improper or unauthorised; or f) Participating in a decision on a matter in which the member has a conflict of interest.
Confidential Information	

125	A member of the Committee must not intentionally or recklessly disclose information that the member knows, or should reasonably know, is confidential information. There are some exemptions to this requirement, the key one being that if the information is disclosed by the member has been determined to Council to be publicly available.

Conflicts of Interest	
126	A member of the Committee has a conflict of interest if the member has: a) A general conflict of interest as described in Section 127; or b) A material conflict of interest as described in Section 128.
127	A member of the Committee has a general conflict of interest in a matter if an impartial fair-minded person would consider that the members private interests could result in that member acting in a manner that is contrary to their public duty as a member of the Committee.
128	A member of the Committee has a material conflict of interest in a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.
Please note: The above guidance is not verbatim from the *Local Government Act 2020* and does not include all details as explained in Part 6, Division 1 of the Act. Members must make themselves fully aware of the requirements of the Act.	