



HOPE VALE ABORIGINAL SHIRE COUNCIL

MEETING REPORT

ITEM NO: 6.2.5 **GENERAL MEETING:**

SUBJECT: **ABOLITION OF THE AUDIT COMMITTEE AND APPROVAL OF AMENDED TERMS OF REFERENCE FOR THE STRATEGIC AND OPERATIONAL RISK MANAGEMENT COMMITTEE**

CLASSIFICATION: **ACTION**

RECOMMENDATION

That Council: Abolish the Audit Committee and approve the Terms of Reference for the Strategic and Operational Risk Management Committee.

BUDGET & RESOURCE CONSIDERATIONS

The position of Audit Committee Chair has been vacant for an extended period of time. The position of Audit Committee Chair was remunerated for meeting attendance and some preparation time. The last payment made on 18th January 2024 of \$1,095 was for the meeting held 27th July 2023.

Council has a current contract with CT Management Group to supply risk management services to Council at a cost of \$ XXX per annum. There would be no increase to these costs if the responsibilities of the Audit Committee were transferred to the Strategic and Operational Risk Management Committee.

BACKGROUND / DISCUSSION

Section 105 of the *Local Government Act 2009* mandates the establishment of an Audit Committee for large local governments and provides that smaller local governments may choose to establish an Audit Committee. (The list of large local governments is contained at Schedule 3A of The Local Government Regulation 2012). Hope Vale Aboriginal Shire Council is not required to maintain an Audit Committee and in local governments where there is no Audit Committee the responsibilities are given to the CEO.

Section 105 states

“An **audit committee** is a committee that—

- (a) monitors and reviews—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of the local government’s internal auditors; and

- (b) makes recommendations to the local government about any matters that the audit committee considers need action or improvement.”

The Hope Vale Aboriginal Shire Council Audit Committee has been operating since 4th June 2015. Since July 2021 the Committee has only been meeting once per year which is less than the minimum two meetings per year required by section 211 of the *Local Government Regulation 2012*. These annual meetings of the Committee have added limited value to council’s risk management framework.

The Operational Risk Management Committee has been meeting on a quarterly basis since August 2018. In February 2025 the Terms of Reference for the Operational Risk Management Committee were expanded to cover strategic risk items and the Committee was renamed. The Committee is chaired by the CEO.

It is considered that the membership and expertise contained within the Strategic and Operational Risk Management Committee and the frequency of meetings will be able to more effectively perform the responsibilities of an Audit Committee in the context of Hope Vale Aboriginal Shire Council. The Terms of Reference proposed for adoption includes the addition of Council and Internal Audit representatives to the existing membership.

It is proposed that Council support the abolition of the Audit Committee and transfer the responsibilities to an expanded Strategic and Operational Risk Management Committee.

It is proposed that Council adopt the Terms of Reference for the Strategic and Operational Risk Management Committee which includes the addition of a representative of Internal Audit and a representative Councillor to the existing membership.

LINK TO CORPORATE PLAN

5.5 – Strategic Planning.

CONSULTATION (Internal/External)

Internal Audit has been consulted, and they are in agreement with this course of action.

LEGAL CONSIDERATIONS

In alignment with Queensland Legislation.

POLICY IMPLICATIONS

The Terms of Reference for the Audit Committee will be rescinded and the Terms of Reference for the Strategic and Operational Risk Management Committee will be adopted. Other related policies include:

- Fraud and Corruption Policy
- Fraud and Corruption Prevention Framework
- Business Continuity Plan
- Workplace Health and Safety Policy
- Risk Management Framework Guidelines

RISK ASSESSMENT

Low risk.

ATTACHMENTS:

Terms of Reference for the Strategic and Operational Risk Management Committee.

REFERENCE DOCUMENT:

- The Local Government Act 2009.
- The Local Government Regulations 2012.

Report Prepared by: Lew Rojahn CEO Date: <Insert date: day, month, year>	Report Authorised by: Lew Rojahn CHIEF EXECUTIVE OFFICER
--	---

HOPE VALE

Hope Vale Aboriginal Shire Council

Strategic and Operational Risk Management Committee Terms of Reference

Document Details:

Document Reference Number: CG XX

Version Number: 2.0

Business Unit: Corporate Governance

Scheduled Review Date: As determined by Council

Version History

Version Number	Date	Signature	Reason / Comments
2.0	09-03-2026		General revisions and inclusion of Audit Committee functions

1. Policy Scope

This document, to be known as the Strategic and Operational Risk Management Committee (The Committee) Terms of Reference of Hope Vale Aboriginal Shire Council (the Local Government) has been approved by the Chief Executive Officer as the accountable officer of the local government and adopted by the Council.

This policy outlines the authority, composition, operational guidelines and responsibilities of the Hope Vale Aboriginal Shire Strategic and Operational Risk Management Committee. The Risk Management Committee monitors strategic and operational risks and directs activities to reduce the frequency and consequences of those risks and to increase resilience in accordance with Council's Enterprise Risk Management Framework.

The work of the Committee includes the responsibilities that would otherwise be performed by an Audit Committee constituted under sections 208-211 of the *Local Government Regulation 2012*.

2. Authority

The Committee is a working group of council officers, contractors and a representative councillor. The Committee is responsible to and reports to Council.

In performing its responsibilities, the Committee has the authority to:

- Request the attendance of any employee of Council at Committee meetings.
- Invite other parties or their representatives to attend such as:
 - Internal Auditor
 - District Disaster Management Group
 - Traditional Owners
 - Hope Vale Congress
 - Adjoining local governments
 - Council's legal Counsel
- Direct staff to implement the decisions of the committee.

3. Membership

The Committee is comprised of the following positions:

- CEO (Chair)
- Risk Management Coordinator (Deputy Chair)
- Director Finance
- Director Social Services
- Director Operations
- Manager Corporate Services
- Workplace Health & Safety Advisor
- Internal Audit
- Councillor

The Deputy Chair/Risk Management Coordinator will be external to the agency, or if internal to the agency will be a person with an appropriate level of experience and qualifications in risk management. The Deputy Chair/Risk Management Coordinator will be appointed by the CEO and selected using an appropriate procurement/selection process. The Deputy Chair will be remunerated in recognition of the time commitment and responsibilities of the role.

The term of appointment for the councillor position is for a period of 4 years provided the individual continues in his/her position as a councillor. Should the individual's term as a councillor cease for any reason, that individual's appointment as a committee member will cease immediately. In all instances, a suitable replacement member will be appointed within a reasonable timeframe at a meeting of Council.

4. Meetings

The committee will meet quarterly, generally in February, May, August and November. Meetings to be prior to the scheduled Council meetings for those months if practicable. A quorum is at least half the number of members.

The Deputy Chair is responsible for ensuring that the agenda and all reports and materials required for a committee meeting are circulated to members 5 days prior to the meeting. The Deputy Chair is responsible for the monitoring of the committee's decisions and directions.

A summary report of the committee meeting will be provided by the CEO to Council.

The meeting of the Strategic and Operational Risk Management Committee will incorporate the meetings of the Local Disaster Management Co-ordination Committee and the Workplace Health and Safety Management Committee.

Attendance may be in person or via Teams.

5. Responsibilities

The responsibilities of the Strategic and Operational Risk Management Committee include:

Risk Management

- The promotion of good risk management practices throughout Council;
- Monitoring the application of the Enterprise Risk Management Framework in identification, assessment and management of key business risks;
- Identification and recording of strategic and operational risks;
- Assigning responsibility and directing the implementation of risk controls;
- Authorise investigations into matters within the scope of interest;
- Review feedback and reports received, and act on requests received from Council; and
- Report to Council any identified changes to Council's risk profile, including consideration of emerging risk areas.

Internal Controls

- Review the work of Internal Audit and the annual internal audit programme;
- Ensure periodic reviews of critical operations (including testing) are carried out;
- Consider any required changes to the design or implementation of key internal controls.
- Satisfy itself about the timeliness and integrity of the Local Government's financial statement preparation process; and
- Monitor progress against agreed financial statement preparation and auditing milestones.

Legislative and Policy Compliance

- Monitor Council policies and procedures, and ensure these are periodically reviewed and updated; and
- Receive reports regarding updated legislation and monitor change management activities for implementation.

6. Conflict of Interest

Members are required to declare any interests that could constitute a real, potential or apparent conflict of interest in relation to specific agenda items at the outset of each committee meeting and be recorded as necessary.

Authorised:	Council Ordinary Meeting
Originally Adopted:	
Recent Adoption:	
Next Review:	
Responsible Officer:	CEO

Annexure A – Model Agenda

Strategic and Operational Risk Management Committee Meeting incorporating the Disaster Management Co-ordination Committee meeting and the Workplace Health and Safety Management Committee.

Item 1	Introduction <ul style="list-style-type: none">• Attendance and Apologies
Item 2	Review minutes of previous meeting. <ul style="list-style-type: none">• Minutes confirmed and adopted
Item 3	Review of Financial Risks. <ul style="list-style-type: none">• Internal Audit Programme• External Audit Programme• Fraud risk• Other financial matters
Item 4	Disaster Management Co-ordination Committee <ul style="list-style-type: none">• LDMG and DDMG reports• Cyclone or fire season preparations/review• SES/RFS reports• Training reports• Grant applications
Item 5	Workplace health and Safety Management Committee Meeting <ul style="list-style-type: none">• Review Workplace Health and Safety Statistics
Item 6	WH&S Support <ul style="list-style-type: none">• Review WH&S report• Review WH&S System
Item 7	Other WH&S Matters <ul style="list-style-type: none">• Fire management• Review of documentation• Review of PPE
Item 8	Policy Review <ul style="list-style-type: none">• Monitor policies updated since last meeting• Monitor new policies proposed and/or existing policies to be reviewed
Item 9	Review of Strategic Risks <ul style="list-style-type: none">• Strategic risk generally• IT & Cyber Security risks• New legislation

Item 10	Review of Asset Risks <ul style="list-style-type: none">• Asset Management Planning
Item 11	Review of Aged Care and Child Care Risks <ul style="list-style-type: none">• Staffing• Complaints• Compliance
Item 12	Review Legislative Compliance Action Plan <ul style="list-style-type: none">• Review progress
Item 13	Any other business? Other business.
Item 14	Confirm date for next meeting Close meeting
