

## AUDIT & RISK MANAGEMENT COMMITTEE CHARTER

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Report Author: Executive Officer Governance Risk & Compliance  
Responsible Officer: Director Corporate Services  
Ward(s) affected: (All Wards);

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*The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.*

### CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

### SUMMARY

Yarra Ranges Council's Audit and Risk Management Committee (The Committee) serves as a key advisory body to Council, with its Charter defining the Committee's core responsibilities. The Charter is essential in outlining governance requirements, the structure of the Committee meetings, and the roles of its members.

To ensure the Committee's responsibilities remain clear, current, and aligned with evolving expectations and standards, the Charter undergoes regular review by the Committee and Council Officers and is subsequently considered by Council for formal endorsement.

The Charter has recently undergone a review with a range of non-significant, yet important, amendments being undertaken.

### RECOMMENDATION

***That Council approve the updated Yarra Ranges Audit and Risk Management Committee Charter.***

### RELATED COUNCIL DECISIONS

The current Charter was most recently reviewed and endorsed by Council in November 2022.

### DISCUSSION

The Committee Charter establishes the Committee's objective, authority, membership, functions, reporting and administrative arrangements. As a

foundational document, the Charter ensures that the Committee's legislated and other responsibilities are clearly defined to support effective governance.

To maintain alignment with current governance expectations and evolving requirements, the Committee annually reviews its responsibilities, with a formal review of the Charter undertaken every four years, coinciding with the Council election term.

Proposed amendments from this review aim to further clarify the Committee's requirements and expectations, and include:

- Increasing the number of meetings to five per year.
- Defining the purpose of the Annual Work Plan.
- Presenting minutes to the whole Councillor group for noting.
- Requiring attendance by the Manager Organisational Performance & Integrity.
- Ensuring compliance with the Overarching Governance Principles.
- Specifying external audit requirements.
- A few other minor administrative updates were completed as part of the review.

## **FINANCIAL ANALYSIS**

There are no financial implications identified as a result of this report. All costs associated with the implementation of the requirements of the Charter are included within approved operational budgets.

## **APPLICABLE PLANS AND POLICIES**

This report contributes to the following strategic objective(s) in the Council Plan: High Performing Organisation.

The oversight mechanism provided by the Committee serves to provide confidence in Council's practices and supports Council's commitment to good governance, public transparency, and accountability to the community. The advice and process improvements identified and provided to Council officers through each discussion, contribute to a culture of continuous improvement.

## **RELEVANT LAW**

Section 54(1) of the Local Government Act 2020 requires that a Council must approve a Charter.

Section 12.7 of the Charter requires formal review every four years, in line with Council elections and an interim review annually.

## **SUSTAINABILITY IMPLICATIONS**

### ***Economic Implications***

The Committee's oversight provides critical financial governance that enhances Council's economic sustainability by mitigating risks, improving resource allocation, and increasing public confidence. Through careful monitoring of financial statements and performance reporting, the Committee supports strategic decision-making that promotes long-term economic efficiency and responsible fiscal management.

### ***Social Implications***

The oversight mechanism provided by the Committee serves to provide confidence in Council's practices and supports Council's commitment to good governance, public transparency, and accountability to the community.

### ***Environmental Implications***

The Committee assists Council by provided advice and guidance on the adequacy of initiatives including financial statements, performance, and public accountability reporting.

## **COMMUNITY ENGAGEMENT**

Not applicable to this report.

## **COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT**

Whilst no collaboration with other Councils, Governments or statutory bodies was sought in respect of this item, the Committee members have reviewed and approved the Charter. The Independent Committee members provide insights and advice gathered from their vast experiences, as well as from sitting on Advisory and Audit and Risk Committees for other Councils and Government agencies.

## **RISK ASSESSMENT**

The Audit and Risk Management Committee Charter serves as a foundational document that outlines the Committee's key responsibilities and ensures governance consistency across its meetings and membership. As a central advisory body to Council, the Committee's adherence to the Charter is crucial for fulfilling both legislated obligations and Council-imposed responsibilities, thereby supporting effective governance and accountability.

Failure to uphold the Charter could undermine the Committee's ability to meet these obligations, leading to potential governance risks, diminished oversight, and misalignment with Council's strategic objectives.

Regular reviews of the Charter are essential for maintaining the Charter's alignment with changing governance and sector expectations and broader influences, which

may include legislative updates, emerging best practices, and shifts in Council priorities. The ongoing review process mitigates the risk of outdated or unclear responsibilities, which could compromise the Committee's effectiveness.

To further mitigate risks associated with non-compliance or underperformance, the Committee undertakes an annual self-assessment to evaluate its adherence to the obligations set forth in the Charter. This performance review provides the Committee with critical insights into areas for improvement, ensuring that it continues to meet both internal and external expectations.

## **CONFLICTS OF INTEREST**

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

## **ATTACHMENTS TO THE REPORT**

1. ARMC Charter Updated February 2025