Rural City of Wangaratta

Audit and Risk Committee Charter 2026

Policy Type	Council Policy
Department	Council-wide
Date of Council Endorsement	23 June 2026
Date for Review	23 June 2030
Responsible Officer	Governance and Reporting Advisor
Authorising Officer	Director Corporate and Leisure
Version Reference Number	3.0
SIM Reference Number	RCOW-4484649-15956

1. Purpose of Charter

This Wangaratta Rural City Council ('Council') Audit and Risk Committee ('Committee') Charter sets out the membership, functions and roles and responsibilities, appropriate standards of behaviour and obligations of the Committee and other associated governance and administrative functions in accordance with section 54 of the *Local Government Act 2020* (Vic) ('the Act').

1.1 Establishment

a. Council's Audit and Risk Committee was established under section 53 and54 of the Act.

1.2 Functions and Responsibilities

a. Section 54 of the Act outlines that an Audit and Risk Committee's functions and responsibilities are to:

   i. monitor Council's compliance with policies and procedures and with the overarching governance principles, the Act, any associated Regulations and any Ministerial Directions; and

   ii. monitor Council's financial and performance reporting by providing professional and independent assurance that the reporting is accurate, complete and consistent with Council's legal obligations; and

   iii. monitor and provide advice on risk management and fraud prevention systems and controls by supporting Council's management in ensuring risks are accurately identified, assessed and mitigated effectively; and

   iv. oversee internal and external audit functions, including reviewing and confirming, in consultation with Council management and Council's internal

auditors, the scope of upcoming audits and risk areas for audit considerations.

2. Committee Membership

2.1 Members

a. The Committee must comprise at least 5 and no more than 7 members, including:

   i. Up to three members who are Councillors; and

   ii. And up to four independent members.

b. The chairperson must be appointed by the Committee by resolution and must be an independent member.

c. The chairperson may be appointed for a one or two-year term by committee resolution.

d. Prospective members of the Committee must be appointed by a Council resolution and only after:

   i. An expression of interest process for each vacancy has been undertaken, and candidates have been interviewed and identified as suitable for Committee membership; and

   ii. existing independent members (including Council members) must be afforded the opportunity to vet any prospective candidates to ensure each candidate's suitability.

e. Independent members must collectively have expertise in financial and risk management and compliance, audit, experience in public sector management and experience in cybersecurity.

Council will actively promote inclusion, gender diversity and cultural diversity during an expression of interest and recruitment process.

2.2 Remuneration

a. Independent members must be paid a fee for their membership of the Committee.

b. The fee amount must be indexed by 3 percent each 1 July, unless otherwise determined by Council resolution at least every two years.

c. The fee will be paid per meeting at the end of each quarter in arrears for all quarterly meetings and pro rata for all special meetings.

d. Councillors must not be paid a fee for their membership of the Committee.

2.3 Induction of members

a. New and prospective members should be provided with access to the:

i. Audit and Risk Committee Charter.

ii. Audit and Risk Committee Annual Work Plan

iii. Long Term Financial Plan.

iv. Council Plan.

v. the most recent council plan performance report.

vi. the last two Annual Reports.

vii. the last two Budgets.

viii. Risk Management Policy, Framework and Risk Appetite Statement.
ix. Council Strategic Risk Register and Operational Risk Register.
x. the agenda and minutes of the two most recent committee meetings.
xi. the current VAGO Letter of Memorandum.
xii. the current Internal Audit Strategy.
xiii. the previous four internal audit final reports; and
xiv. a list of all currently open actions.

2.4 Conduct

a. All independent members of the Committee must provide an Initial and Biannual Personal Interest Return whenever directed by Council staff.
b. A Register of all disclosable conflicts of interest must be provided to the Governance Manager at least three months after each independent member commencing their term. Any material changes to each independent member's conflicts of interest must be reported to the Governance Manager immediately, consistent with Council's Conflict of Interest Policy
c. All independent members must act in good faith and due propriety and must exercise reasonable professional judgement and expertise to support the Council in maintaining sound levels of governance and prudent financial, risk and performance management.
d. A Committee member who does not comply with their obligations

under the Act may have their membership terminated.

2.5 Insurance and indemnity

a. Council must indemnify and keep indemnified, each independent member of the Committee, exercising any function or power on behalf of this Committee against all actions or claims in respect of any act or thing done or omitted to be done in good faith. Council's insurance policies shall cover members of the Committee while engaged in the business of the Committee.

b. As Councillors have professional indemnity insurance by virtue of their elected position, there is no additional requirement for Council to indemnify Councillors for their Committee membership.

2.6 Authority

The Committee is advisory only and does not have any delegated functions, duties or authority. The Committee may only make recommendations to Council or Council's Corporate Management Team ('CMT'). The Committee is independent of Council.

2.7 Terms of office

a. Councillors

i. Members who are Councillors may be appointed for either a one- or two-year term by a council resolution.

b. Independent members

i. Independent members may be appointed for a term of up to 3 years.

ii. Council retains the option to extend an independent member's term by a further 3-year term by a Council resolution. The maximum being two terms.

The terms of office of independent members may be arranged to avoid more than 2 independent members retiring at the same time.

3. Committee responsibilities

3.1 Risk management

a. The Committee must monitor and provide advice on risk management systems and controls, including:

i. Monitoring and providing advice on Council's risk culture.

ii. Reviewing significant strategic and emerging risks.

iii. Providing specialist industry risk advice.

iv. Receiving reports on significant control failures and making recommendations.

v. Monitoring major lawsuits.

vi. Reviewing compliance investigations.

vii. Monitoring the development and implementation of the Council's risk management framework; and

viii. Reviewing the risk profile and risk appetite annually.

3.2 Fraud prevention

a. The Committee must monitor and provide advice on fraud prevention systems and controls, including:

i. Monitoring the development and implementation of a fraud prevention framework.

ii. Reviewing Councillors and CEO expenses.

iii. Reviewing credit card expenditure; and

iv. Receiving reports on major fraud incidents.

3.3 Internal and External audit

a. The Committee must oversee internal and external audit functions, including:

i. Facilitating discussion between the internal and external auditors to promote compatibility, to the extent appropriate, between their audit programs.

ii. Contributing to the internal and external audit strategy.

iii. Reviewing the interim and final management letter.

iv. Monitoring the status of internal and external audit actions.

v. Recommending to the Chief Executive Officer the appointment of

an internal auditor.

vi. Endorsing a risk-based and strategic internal audit program; vii. Reviewing final internal audit reports; and

viii. Monitoring the status of Committee meeting actions.

3.4 Council policies

a. The Committee must monitor the compliance of Council policies and procedures with the overarching governance principles and with the Act and the regulations and any Ministerial Directions.

b. The compliance of policies that are mandated by the *Local Government Act 2020* (Vic), have a significant impact on Council's operations and/or have a significant impact on the community will be presented as a priority.

c. The Committee will be presented with an opportunity to request a specific compliance policy analysis when endorsing the Annual Work Plan in December each year.

3.5 Council financial and performance reporting

a. The Committee must monitor Council financial and performance reporting.

b. Monitoring processes may include:

i. Reviewing the most recently reported financial statements.

ii. Reviewing the most recently reported council plan project status report.

iii. Reviewing the most recently reported council plan measures report.

iv. Review the annual financial statements and performance statement having considered implications of accounting standards, policies, and practices, processes used to make material accounting estimates, material adjustments arising from the external audit process and material variances from prior years; and

v. Recommending the adoption of the annual financial report, financial statements and performance statement to Council.

3.6 Business Continuity Planning and Disaster Recovery

a. The Committee must, at least once per year, review Council's business continuity and disaster recovery processes.

4. Governance and Administrative Procedures

4.1 Date, time, and place of meetings

a. The Committee must schedule five meetings each year: four quarterly Committee meetings and one special meeting in September to consider the Draft Financial and Performance Statements.

4.2 Meeting procedures

a. Council's Governance Rules do not apply to the proceedings of Audit and Risk Committee Meetings.
b. Notwithstanding 4.2a, all recommendations made by Council officers must be moved and seconded by a member of the Committee (including a Councillor representative).

4.3 Attendance

a. Members may participate in meetings by attending in person or virtually.
b. Where a member does not attend two (2) meetings within a 12-month period without sufficient reason or without an approved leave of absence, the member may be removed from the Committee by a Council resolution and only after the request to remove this member has been recommended by a Committee resolution.
c. 4.3(b) may only commence the member has been given the opportunity to explain the reasons for the absences and procedural fairness and natural justice must be actively considered before any determination is made.
d. A quorum for a meeting is at least 3 independent members and at least 2 Councillors.

4.4 Non-members may attend meetings

a. The Chief Executive Officer or their nominee should attend all meetings except when the Committee chooses to meet without management in attendance.

b. Members of Council staff who have authored a report on an agenda must attend the meeting that the agenda relates to in person or through a nominee.

c. Other members of Council staff may attend to support the committee and provide advice and information.

d. A representative of the internal auditor should attend all Committee meetings.

e. A representative of the external auditor:

i. should attend all Committee meetings; and

ii. must attend Committee meetings where the draft annual financial report and results of an external audit are on the meeting agenda.

5. Business at meetings

5.1 Order of business

At the chairperson's discretion, the order of business for meetings should follow councils governance rules.

5.2 Annual work program

a. An annual work program must be adopted at or before the last Committee meeting each calendar year for the following calendar year.

b. The annual work program should set out a program of meetings, reports, internal audits, and committee activities including the timing of the committee annual committee performance assessment and biannual audit and risk reports to the Council.

5.3 Minutes

a. Unconfirmed minutes must be provided in draft form to the Committee within 2 weeks after the meeting.
b. Unconfirmed minutes must not be published on Council's website.
c. A report summarising the meeting content will be included in the agenda of the next practicable Council meeting.

6. References

Legislation

- *Local Government Act 2020*

7. Review

This Charter must be reviewed by Council at least once in each Council term or at the Committee's discretion.

Version History	Date of review	Reason for review
1.0	September 2020	Establishment of Charter in accordance with the Act.
2.0	May 2024	Review of Charter to satisfy section 54 of the Act.
3.0	December 2025	Reviewed to ensure with Council resolution made on 25 November 2025 to have an additional councillor representative on the Audit and Risk Committee.