



CUMBERLAND
CITY COUNCIL

ARIC Charter Terms of Reference

AUTHORISATION & VERSION CONTROL

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1. Introduction

Council has established an Audit, Risk and Improvement Committee (**ARIC**) in compliance with:

1. s428A of the [Local Government Act 1993](#);
2. [Local Government \(General\) Regulation 2021](#) as amended by the *Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023*.
3. [Guidelines for Risk Management and Internal Audit for Local Government in NSW](#)

2. Definitions

Words beginning with a capital letter and all abbreviations used throughout this document have the meaning ascribed to them in **Schedule 3** of this document.

3. Terms of Reference

Section 216K of the Regulation requires Council to adopt Terms of Reference (**TOR**) for its ARIC. The adoption of the TOR must be by resolution of Council.

Council must consider the model TOR approved by the OLG before adopting its own TOR. Once adopted, the ARIC must exercise its functions in accordance with the adopted TOR.

These TOR are consistent with the model TOR approved by the OLG. They set out the ARIC's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

4. Objective

The objective of Council's ARIC is to provide independent assurance to Council by monitoring, reviewing and providing advice about Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

5. Independence

Council's ARIC must be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently, and to provide Council with robust, objective and unbiased advice and assurance.

The Act and Regulation also prescribe the following requirements in relation to ARIC:

1. to have an advisory and assurance role only;
2. not to exercise any administrative functions, delegated financial responsibilities or any management functions of Council;
3. to provide independent advice to Council that is informed by Council's internal audit and risk management activities, information and advice provided by staff, relevant external bodies and subject matter experts;

4. to always ensure it maintains a direct reporting line to and from Council’s internal audit function; and
5. to act as a mechanism for internal audit to report to the Governing Body and the GM on matters affecting the performance of the internal audit function.

6. Authority

For the purpose of exercising the responsibilities prescribed by the Act, Regulation and Guidelines, Council authorises the ARIC to do the following:

Action	Source of Authority
Access any information it needs from Council.	s216L Regulation
Use any Council resources it needs.	s216L Regulation
Have direct and unrestricted access to the GM and senior management of Council.	s216L Regulation & Guidelines
Seek the GM’s permission to meet with any other Council staff member or contractor.	Guidelines
Discuss any matters with the external auditor or other external parties.	Guidelines
Request the attendance of any employee at ARIC meetings.	Guidelines
Obtain external legal or other professional advice in line with Councils’ procurement policies.	Guidelines

All ARIC members should also note the following:

6. The ARIC must first obtain the GM’s or delegate’s permission prior to obtaining external legal or other professional advice.
7. Only ARIC minutes will be published on Council’s website. All other information and documentation pertaining to the ARIC will remain confidential and will not be made publicly available.
8. The ARIC may only release Council confidential information and documentation to external parties that are assisting the ARIC to fulfil its responsibilities with the approval of the GM or delegate, except where such information and documentation is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

7. Composition and Tenure

7.1 Composition

In accordance with s216C of the Regulations, the ARIC must comprise the following:

1. one (1) independent Chairperson;
2. at least two (2) Independent Members who have voting rights; and
3. one (1) non-voting Councillor Member, who must not be the Mayor of the Council.

The Governing Body must appoint the Chairperson, Independent Members and Councillor Member.

A register of Council's ARIC Members is included in **Schedule 1** of this document.

All ARIC Members must meet the independence and eligibility criteria prescribed by s216D, s216E and s216F of the Regulation.

Members of the ARIC must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of Council, the environment in which Council operates, and the contribution that the ARIC makes to Council.

At least one (1) Member of the ARIC must have accounting or related financial management experience with an understanding of accounting and auditing standards in a local government environment. All Members should have sufficient understanding of Council's financial reporting responsibilities to be able to contribute to the ARIC's consideration of Council's annual financial statements.

7.2 Tenure

The tenure of Members is prescribed under s216G of the Regulation.

1. Members may be appointed for a term of no more than four (4) years.
2. Eligible Members may be reappointed for a further term however the total period of continuous membership must not exceed eight (8) years in a ten (10) year period. This includes any term as the Chairperson.
3. Except as otherwise exempted by the OLG, all Independent Members who have served an eight (8) year term (either as a Member or as Chairperson) must have a two (2) year break from serving on the ARIC before being eligible for reappointment.

To preserve the ARIC's knowledge of Council, ideally, no more than one (1) Member should retire from the ARIC because of rotation in any single year.

7.3 Appointment and Induction

The terms and conditions of each Member's appointment to the ARIC must be set out in a letter of appointment signed by the Mayor.

The Chairperson must provide new Members with a thorough induction to ensure they understand:

1. the role and responsibilities of the ARIC;
2. their role as a Member of the ARIC;
3. the business, operations, culture, risks and controls of Council; and
4. the expectations of Council about their responsibilities and performance.

The Members will receive relevant information and briefings on their appointment to assist them to meet their responsibilities. Senior staff within Council may provide this information.

The Mayor, GM or delegate and existing Chairperson (where appropriate) will induct the new Chairperson.

7.4 Reappointment

Prior to approving the reappointment or extension of term for any Member, the Governing Body must undertake an assessment of that Member's performance.

Reappointment of any Member must also be subject to that person still meeting the independence and eligibility requirements prescribed by the Regulation.

8. Role

Section 428A of the Act requires the ARIC to review and provide independent advice to Council regarding the following aspects of Council's operations:

1. compliance;
2. risk management;
3. fraud control;
4. financial management;
5. governance;
6. implementation of the strategic plan, delivery program and strategies;
7. service reviews;
8. collection of performance measurement data by Council; and
9. internal audit.

The ARIC must also provide information to Council for the purpose of improving the performance of Council's functions.

The ARIC's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in **Schedule 2** of this document.

The ARIC will act as a forum for consideration of Council's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The ARIC has no power to direct any external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The ARIC is directly responsible and accountable to the Governing Body for the exercise of its responsibilities. In carrying out its responsibilities, the ARIC must at all times recognise that primary responsibility for management of Council rests with the Governing Body and the GM.

The responsibilities of the ARIC may be revised or expanded in consultation with, or as requested by, the Governing Body from time to time.

9. Responsibilities of Members

9.1 Independent Members

The Chairperson and Independent Members are expected to understand and observe the requirements of the Guidelines.

All Independent Members are also expected to:

1. make themselves available as required to attend and participate in meetings;
2. contribute the time and effort needed to review and understand information provided to it;
3. have sufficient understanding of Council's financial reporting responsibilities and be able to contribute to ARIC's consideration of the annual financial statements;
4. apply good analytical skills, objectivity and judgement;
5. act in the best interests of Council;
6. have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry;
7. maintain effective working relationships with Council;
8. know the business, culture and values of Council and take the time to understand changes that affect how Council operates and its risks;
9. understand the role of ARIC and the expectations of Council;
10. be a good communicator and build effective relationships with Council and other ARIC Members; and
11. take a professional approach to their responsibilities.

In addition to the above, the Chairperson must:

1. have strong leadership qualities;
2. lead effective meetings (including planning and setting agendas, ensuring Members are adequately informed of matters to be considered prior to meetings and allow sufficient discussion during the meeting, focus deliberations on the most important issues, seek input from advisers, Non-voting Observers (as appropriate) to maximise deliberations, and summarise outcomes and actions);
3. oversee Council's internal audit function;

4. be able to recommend the appointment of ARIC Members to the Governing Body;
5. arrange for Members to maintain an up-to-date knowledge of Council and its activities (regulatory and financial); and
6. know the strengths and weaknesses of the ARIC and individual Members and how this may affect opinions of the ARIC.

9.2. Councillor Member

To preserve the independence of the ARIC, the Councillor Member is a non-voting Member. Their role is to:

1. relay to the ARIC any concerns the Governing Body may have regarding Council and issues being considered by the ARIC;
2. provide insights into local issues and the strategic priorities of Council that would add value to the ARIC's consideration of agenda items;
3. advise the Governing Body (as necessary) of the work of the ARIC and any issues arising from it; and
4. assist the Governing Body to review the performance of the ARIC.

Issues or information the Councillor Member raises with or provides to the ARIC must relate to the matters listed in **Schedule 2** and to issues being considered by ARIC.

The Councillor Member must conduct themselves in a non-partisan and professional manner. They must not engage in any conduct that seeks to politicise the activities of the ARIC or the internal audit function or that could be seen to do so.

If the Councillor Member engages in such conduct or in any other conduct that may bring the ARIC and its work into disrepute, the Chairperson may recommend to the Governing Body that the Councillor Member be removed from membership of the ARIC. Where the Governing Body does not agree to the Chairperson's recommendation, Council must give reasons for its decision in writing to the Chairperson.

10. Conduct

All Members are required to comply with Council's [Code of Conduct](#).

Complaints alleging breaches of Council's *Code of Conduct* by an Independent Member must be dealt with in accordance with the [Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW](#).

The GM must consult with the Governing Body before taking any disciplinary action against an Independent Member in response to a breach of Council's *Code of Conduct*.

11. Conflicts of interest

As required under Council's [Code of Conduct](#), all Members must provide written declarations to Council stating that they do not have any conflicts of interest (pecuniary or non-pecuniary) that would preclude them from being Members of the ARIC.

Non-voting Observers must also declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting.

At the start of each meeting or as soon as they become aware of the conflict of interest, all conflicts of interest must be appropriately managed in relation to any matters being dealt with by the ARIC.

Where a Member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from ARIC deliberations on the issue.

Declarations of conflicts of interest and the actions taken to manage them must be recorded in the minutes of ARIC meetings.

12. Non-voting Observers

For the purposes of Council's [Code of Conduct](#), Independent Members are 'Designated Persons' and must also complete and submit returns of their interests.

13. Standards

Where applicable, ARIC Members must conduct their work in accordance with the following standards:

1. [International Standards for the Professional Practice of Internal Auditing](#) issued by the Institute of Internal Auditors; and
2. Current Australian Risk Management Standard (ISO 31000:2018).

14. Work Plans

The work of the ARIC must be thoroughly planned and executed to ensure that all Council activities and functions are reviewed and assured by ARIC.

ARIC must develop two (2) work plans, as follows:

Strategic Work Plan

The ARIC must develop a strategic work plan in consultation with the Governing Body, GM, Internal Audit Coordinator and senior managers (where appropriate) every four (4) years to ensure that the matters listed in **Schedule 2** are reviewed by the ARIC and considered by the internal audit function when developing their risk-based program of internal audits.

When adopting a strategic work plan, the Governing Body must be careful not to direct the ARIC's work over the Term.

The strategic work plan:

1. must be adopted by the Governing Body at the start of each Term;
2. must be reviewed at least annually to ensure it remains appropriate;
3. at a minimum, should document the following:
 - a. the goals and expected outcomes of ARIC for the Term;

- b. key organisational issues and risk faced by Council and how ARIC will review these; and
- c. key performance indicators to measure progress across the Term.

The strategic work plan should be sufficiently flexible to accommodate the need for additional audits on emerging risks, from time to time.

The ARIC may, in consultation with the Governing Body, vary the strategic work plan at any time to address new or emerging risks. The Governing Body may also, by resolution, request the ARIC to approve a variation to a strategic work plan, however. a decision to make any variation must be made by the ARIC.

Annual Work Plan

The ARIC must also develop an annual work plan in consultation with the Governing Body, GM, Internal Audit Coordinator and senior managers (where appropriate), to guide its work, and the work of the internal audit function over the forward year.

The annual work plan:

1. must be consistent with the requirements of the [*International Professional Practices Framework*](#);
2. identify the internal audits with will be carried out during the year;
3. identify key goals, objective and scope of proposed audits;
4. identify resources needed for each audit; and
5. identify key performance indicators to measure annual progress.

The annual work plan should be sufficiently flexible to accommodate the need for additional audits on emerging risks, from time to time.

The ARIC may, in consultation with the Governing Body, vary the annual work plan at any time to address new or emerging risks. The Governing Body may also, by resolution, request the ARIC to approve a variation to the annual work plan, however. a decision to make any variation must be made by the ARIC.

When considering whether to vary either work plan, the ARIC must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under each work plan.

15. Administrative Arrangements

15.1 Meetings

Frequency

Section 216J of the Regulations requires the ARIC to meet at least once in each quarter, including a special meeting to review Council's financial statements.

The Chairperson must decide the frequency and timing of the meetings and plan them in advance to ensure the availability of all Members and Non-Voting Observers.

The ARIC may hold additional meetings in the following circumstances:

1. when significant unexpected issues arise; or
2. if the Chairperson is asked to hold an additional meeting by a Member or the GM; or
3. if the Governing Body resolves to request that the ARIC holds an additional meeting. In this circumstance, the Chairperson can decide whether the additional meeting is required.

Manner and Quorum

ARIC meetings can be held in person, by telephone or videoconference.

Proxies are not permitted to attend meetings on behalf of Members who are unable to attend.

A quorum will consist of a majority of Independent Members.

Where the vote is tied, the Chairperson has the casting vote.

Agenda and Minutes

The Chairperson will decide the agenda for each meeting.

Each meeting must be minuted to preserve a record of the issues considered and the actions and decisions taken by the ARIC.

Attendance of Non-voting Observers

The Mayor, GM and the Internal Audit Coordinator should attend ARIC meetings as Non-voting Observers.

The NSW Auditor-General (as Council's external auditor), or their representative, must be invited to each ARIC meeting as an independent Non-voting Observer.

The Chairperson can also request Council's Executives, any Councillors, any employee/contractor of Council and any subject matter expert to attend ARIC meetings. When requested, these persons must attend the meetings and must, as far as is practicable, provide any information requested.

Non-voting Observers can be excluded from a meeting by the Chairperson at any time.

Closed Meetings

The ARIC can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting Members of the ARIC present.

The ARIC must meet privately at least once each year (and at any other time thereafter) with the Internal Audit Coordinator and/or external auditor without the GM present.

15.2 Dispute Resolution

ARIC Members and Council's management staff should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the ARIC and the GM or other senior managers, the dispute must be resolved by the Governing Body.

Unresolved disputes regarding compliance with statutory or other requirements must be referred to the OLG in writing.

15.3 Secretariat

The GM must nominate a staff member to provide secretariat support to the ARIC.

The secretariat will ensure the agenda for each meeting and supporting papers are circulated after approval from the Chairperson at least one (1) week before the meeting and ensure that minutes of meetings are prepared and maintained.

Minutes must be approved by the Chairperson and circulated within three (3) weeks of the meeting to each ARIC Member.

15.4 Remuneration of Members

In accordance with s216I of the Regulation, Council may pay remuneration to the Chairperson and Independent Members of the ARIC.

The Guidelines state that councils are obliged to make superannuation guarantee contributions on behalf of the Chairperson and Independent Members of the ARIC where they are remunerated. In accordance with s12(1) and s12(3) of the *Superannuation Guarantee (Administration) Act 1992* (Cth) (**SGA Act**), Independent Members are 'employees' for the purpose of receiving superannuation contributions. In accordance with the SGA Act (as amended from time to time), Council will make superannuation contributions to remunerated ARIC members.

15.5 Resignation and Dismissal of Members

Where the Chairperson or an Independent Member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they must give at least three (3) months' notice to the Chairperson (in the case of a Member) and the Governing Body (in the case of the Chairperson) prior to their resignation to allow Council to ensure a smooth transition to a new Independent Member or Chairperson.

Section 216H of the Regulation allows the Governing Body to terminate by resolution, the appointment of the Chairperson or an Independent Member, at any time before the expiry of their term where that person has:

1. breached Council's *Code of Conduct*;
2. performed unsatisfactorily or not to expectations;
3. declared, or is found to be in, a position of a conflict of interest which is unresolvable;
4. been declared bankrupt;
5. experienced an adverse change in business status;

6. been charged with a serious criminal offence;
7. been proven to be in serious breach of their obligations under any legislation; or
8. experienced an adverse change in capacity or capability.

The termination of an Independent Member or the Chairperson must be reported to the OLG within twenty-eight (28 days) after removal of the person (s216H Regulation).

The position of a Councillor Member can be terminated at any time by resolution of Council.

16. Review Arrangements

At least once every council term, the Governing Body must review or arrange for an external review of the effectiveness of the ARIC.

These terms of reference must be reviewed annually by the ARIC and once each Term by the Governing Body. Any substantive changes must be approved by the Governing Body.

17. Further Information

Director of Governance & Risk – charlie.ayoub@cumberland.nsw.gov.au

Review Page

Reviewed by:

Chairperson of ARIC

Council in accordance with Council Resolution _____

Signature

Signature

Name

Name

Date

Date

Schedule 1 Register of ARIC Members

Date Appointed	Name	Position	Date Ceased
19 June 2024	Mr. Mark Sercombe	Independent Chairperson (voting)	
19 June 2024	Ms. Rhonda Wheatley	Independent Member (voting)	
19 June 2024	Dr. Jason Young	Independent Member (voting)	
19 June 2024	Clr. Michael Zaiter	Councillor Member (non-voting)	

Schedule 2

Specific Audit, Risk and Compliance Responsibilities

1. Audit

1.1 Internal Audit (s428A(2) Act)

Council must have an internal audit function to provide an independent unbiased assessment of Council's operations, risk, and control activities.

Section 216O of the Regulations requires Council to adopt, by resolution, an internal audit charter setting out how Council will exercise its internal audit functions.

Under section 216M, 216P and 216R of the Regulations, ARIC must exercise functional oversight of Council's internal audit function by undertaking the following:

1. oversee the internal audit activities carried out in relation to Council;
2. review the performance and efficacy of the activities over each period of four (4) years;
3. prepare a report on the review that may include recommendations; and
4. give a copy of the report to the Governing Body.

Additionally, ARIC's role in relation to the internal audit requirement includes the following:

1. provide overall strategic oversight of internal audit activities;
2. act as a forum for communication between the Governing Body, GM, senior management, the internal audit function and external audit;
3. coordinate, as far as is practicable, the work programs of internal audit and other assurance and review functions; and
4. Review and advise Council in relation to the following:
 - a. whether Council is providing the resources necessary to successfully deliver the internal audit function;
 - b. whether Council is complying with internal audit requirements, including conformance with the *International Professional Practices Framework*;
 - c. whether Council's internal audit charter is appropriate and whether the internal audit policies and procedures, and audit and risk methodologies used by Council are suitable;
 - d. the strategic four (4) year work plan and annual work plan of internal audits to be undertaken by Council's internal audit function;
 - e. whether Council's internal audit activities are effective, including the performance of the internal audit coordinator and the internal audit function generally;
 - f. the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised;

- g. the implementation by Council of any corrective actions (referred to in (f) above);
- h. the appointment of the internal audit coordinator (s216P Regulations) function and any external providers; and
- i. whether the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities.

1.2 External Audit (s428A(2) Act)

ARIC's role in relation to the external audit requirement includes the following:

1. act as a forum for communication between the Governing Body, GM, senior management, the internal audit function and external audit;
2. coordinate as far as is practicable, the work programs of internal audit and external audit;
3. provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided;
4. review all external plans and reports in respect of planned or completed audits and monitor Council's implementation of audit recommendations; and
5. provide advice to the Governing Body and/or GM on action taken on significant issues raised in relevant external audit reports and better practice guides.

2. Risk

Section 216S of the Regulations requires Council to adopt and implement a system for managing risk. ARIC must monitor and review the implementation of the system, and report to Council on the operation and efficacy of the system.

Additionally, ARIC has the following roles in relation to risk:

2.1 Compliance (s428A(2)(a) Act)

ARIC's role in relation to compliance is to review and advise Council of the adequacy and effectiveness of Council's compliance framework, including:

1. whether Council has appropriately considered legal and compliance risks as part of Council's risk management framework;
2. how Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements; and
3. whether appropriate processes are in place to assess compliance.

2.2 Risk management (s428A(2)(b) Act)

Risk Management Framework

ARIC's role in relation to risk management is to review and advise Council in relation to the following:

1. whether Council's has in place a current and appropriate risk management framework that is consistent with the Australian Risk Management Standard;
2. whether Council is providing the resources necessary to successfully implement its risk management framework;
3. whether Council's risk management framework is adequate and effective for identifying and managing the risks Council faces, including those associated with individual projects, programs and other activities;
4. whether risk management integrated across all levels of Council and across all processes, operations, services, decision-making functions and reporting;
5. the adequacy of risk reports and documentation, for example, Council's risk register and risk profile;
6. whether a sound approach has been followed in developing risk management plans for major projects or undertakings;
7. whether appropriate policies and procedures are in place for the management and exercise of delegations;
8. whether Council has taken steps to embed a culture which is committed to ethical and lawful behaviour;
9. whether there is a positive risk culture within Council and strong leadership that supports effective risk management;
10. the adequacy of staff training and induction in risk management;
11. how Council's risk management approach impacts on Council's insurance arrangements;
12. the effectiveness of Council's management of its assets; and
13. the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

Internal Control Framework

ARIC's role in relation to internal controls is to review and advise Council whether:

1. Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective;
2. Council has in place relevant policies and procedures and that these are periodically reviewed and updated;
3. appropriate policies and procedures are in place for the management and exercise of delegations;

4. staff are informed of their responsibilities and processes and procedures to implement controls are complied with;
5. Council's monitoring and review of controls is sufficient; and
6. internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

2.3 Fraud Controls (s428A(2)(c) Act)

ARIC's role in relation to fraud and corruption is to review and advise Council of the adequacy and effectiveness of Council's fraud and corruption prevention framework and activities, including whether Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

2.4 Financial Management (s428A(2)(d) Act)

ARIC's role in relation to financial management is to review and advise Council as follows:

1. whether Council is complying with accounting standards and external accountability requirements;
2. the appropriateness of Council's accounting policies and disclosures;
3. the implications for Council of the findings of external audits and performance audits and Council's responses and implementation of recommendations;
4. whether Council's financial statement preparation procedures and timelines are sound;
5. the accuracy of Council's annual financial statements prior to external audit, including:
 - a. management compliance/representations;
 - b. significant accounting and reporting issues;
 - c. the methods used by Council to account for significant or unusual transactions and areas of significant estimates or judgements; and
 - d. appropriate management signoff on the statements;
6. whether effective processes are in place to ensure financial information included in Council's annual report is consistent with signed financial statements;
7. whether Council's financial management processes are adequate;
8. the adequacy of cash management policies and procedures;
9. whether there are adequate controls over financial processes, for example:
 - a. appropriate authorisation and approval of payments and transactions;
 - b. adequate segregation of duties;
 - c. timely reconciliation of accounts and balances; and
 - d. review of unusual and high value purchases;

10. whether policies and procedures for management review and consideration of the financial position and performance of Council are adequate; and
11. whether Council's grants and tied funding policies and procedures are sound.

2.5 Governance (s248A(2)(e) Act)

ARIC's role in relation to governance is to review and advise Council regarding its governance framework, including Council's:

1. decision-making processes;
2. implementation of governance policies and procedures;
3. reporting lines and accountability;
4. assignment of key roles and responsibilities;
5. committee structure;
6. management oversight responsibilities;
7. human resources and performance management activities;
8. reporting and communication activities;
9. information and communications technology governance; and
10. management and governance of the use of data, information and knowledge.

3. Improvement

3.1 Strategic Planning (s428A(2)(f) Act)

ARIC's role in relation to strategic planning is to review and advise Council as follows:

1. the adequacy and effectiveness of Council's integrated, planning and reporting (IP&R) processes;
2. whether appropriate reporting and monitoring mechanisms are in place to measure progress against objectives; and
3. whether Council is successfully implementing and achieving its IP&R objectives and strategies.

3.2 Service Reviews and Business Improvement (s428A(2)(g) and s428A(3) Act)

ARIC's role in relation to service reviews and business improvement is as follows:

1. to act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies); and
2. to advise the GM and Council:
 - a. whether Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance;
 - b. whether appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance; and
 - c. how Council can improve its service delivery and Council's performance of its business and functions generally.

3.3 Performance Data and Measurement (s428A(2)(h) Act)

ARIC's role in relation to performance data and measurement is to review and advise Council:

1. whether Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives;
2. whether the performance indicators Council uses are effective; and
3. the adequacy of performance data collection and reporting.

Schedule 3

Definitions

Term	Definition
Act	<i>Local Government Act 1993.</i>
ARIC	Audit, Risk and Improvement Committee.
Chairperson	the chairperson of ARIC appointed by the Governing Body.
Council	Cumberland City Council.
Councillor	an elected member of the Cumberland local government area.
Councillor Member	the Councillor member of ARIC appointed by the Governing Body.
Designated Person	has the same meaning given to it in Council's Code of Conduct.
Executives	includes Council's chief finance officer, chief risk officer and executive management staff.
GM	the General Manager of Council.
Governing Body	the elected Councillors for the given council term.
Guidelines	<i>Guidelines for Risk Management and Internal Audit for Local Government in NSW</i> published by the OLG in November 2023.
Independent Member	an independent member of ARIC appointed by the Governing Body, including the Chairperson.
Member	includes an Independent Member, Councillor Member and Chairperson.
Non-voting Observer	any person invited to attend an ARIC meeting who is not a formally appointed Member.
OLG	Office of Local Government.
Regulations	<i>Local Government (General) Regulation 2021.</i>
Term	A council term of four (4) years.