

CORPORATE GOVERNANCE COMMITTEE CHARTER



1 Purpose and Functions

The Purpose of the Corporate Governance Committee (the 'Committee') is to provide independent assurance and advice to Council on accounting, financial management, internal controls, risk management and governance matters.

The Committees functions are;

- 1.1 Fulfil the role of the Council's audit committee as required in Section 126 of the *Local Government Act 1999*.
- 1.2 Review Council's annual financial statements to ensure that they present fairly the state of affairs of the Council.
- 1.3 Proposing, and providing information relevant to review of the Council's strategic management plans and annual business plans.
- 1.4 Monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by Council's External and Internal Auditors.
- 1.5 Proposing, and reviewing the exercise of powers under Section 130A – Other Investigations of the *Local Government Act 1999*.
- 1.6 Liaising with Council's External Auditor.
- 1.7 Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of Council on a regular basis.
- 1.8 Providing oversight of the Internal Audit function in planning and scoping of the Internal Audit Work Plan.
- 1.9 Reviewing and commenting on the Internal Auditor's Reports on a quarterly basis.
- 1.10 Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management, and review of strategic, financial, and operational risks on a regular basis.
- 1.11 Reviewing any report obtained by Council that addresses prudential issues of a project as per Section 48 (1) of the *Local Government Act 1999*.
- 1.12 Performing any other function determined by Council or prescribed by regulations.

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2 Terms of Reference

The Committee's terms of reference are to consider all matters outlined in section 126(4) of the *Local Government Act 1999* being the functions of an audit committee.

2.1 Financial Reporting

The Committee shall review the Council's Annual Financial Statements to ensure that they present fairly the state of affairs of the Council and review significant financial reporting issues and judgements which they contain.

The Committee shall review and challenge where necessary:

- a) The consistency of, and any changes to, accounting policies on a year-on-year basis;
- b) The methods used to account for significant or unusual transactions where different approaches are possible;
- c) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
- d) The clarity of disclosure in the Council's financial reports and the context in which statements are made; and
- e) All material information presented with the financial statements, such as the operating and financial review and the External Auditor statement (insofar as it relates to the audit and risk management).

2.2 Strategic Management Plans and Annual Business Plans

The Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan, and review and provide recommendations on the sustainability of Council's financial performance giving consideration to Council's financial indicators.

2.3 Monitor Auditor Recommendations

The Committee shall:

- a) Review management responses to External and Internal Auditors recommendations.
- b) Monitor the timeliness of response.

2.4 Other Investigations or Evaluations

- a) The Committee shall, when necessary, propose and review the exercise of Council's powers under Section 130A of the *Local Government Act 1999*, in relation to the conduct of efficiency and economy Audits in relation to any matter relating to financial management or the efficiency and economy with which Council manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of an annual external audit and that is considered by Council to be of such significance as to justify examination.
- b) A Report under Section 130A is to be provided to the principal member of Council and the Committee.

- c) The Committee may review and consider reports or recommendations from external agencies where an investigation or evaluation relates to the role of the committee.

2.5 Council's External Auditor

The Committee shall:

- a) Provide input and make recommendation to Council on the appointment of the External Auditor.
- b) Meet with the External Auditor, as needed.
- c) Meet with the External Auditor at least once a year, on a confidential basis where the majority of members of the committee are present and without staff or other elected members being present, to discuss their remit and any issues arising from the External Audit.
- d) Annually review the performance of the External Auditor.

2.6 Accounting, Internal Control, Reporting and other Financial Management Systems

The Committee shall:

- a) Review the policies, practices, and procedures of internal control.
- b) Keep under review the effectiveness of the Council's internal controls systems.
- c) Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls.

2.7 Internal Audit Function

The CEO shall consult with the Committee before the appointment or assignment of an internal auditor.

The Committee shall:

- a) Oversee the planning and scoping of the Internal Audit Work Plan.
- b) Receive a report annually from the Chief Executive Officer on Council's internal audit processes.
- c) Directly receive any reports from the Internal Auditor.
- d) Review and comment on the Internal Auditor's reports on a quarterly basis.
- e) Review management's response to audits.
- g) Consider and make recommendations on the adequacy of resources and access to information to enable the internal audit program to perform its function effectively and in accordance with the relevant professional standards.

2.8 Risk Management

The Committee shall:

- a) Review and evaluate the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring,

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management, and review of strategic, financial, and operational risks on a regular basis.

- b) Review and recommend the approval, where appropriate of statements to be included in the annual report concerning risk management.
- c) Receive and review strategic risk reports.

2.9 Prudential Reports

The Committee shall review all Prudential Reports as per Section 48(1) of the *Local Government Act 1999*.

2.10 Public Interest Disclosures

The Committee shall review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoings in financial reporting, fraud and corruption and other matters.

The Committee shall ensure these arrangements allow for independent investigations where appropriate and appropriate follow-up action.

3 **Definitions**

Act for the purpose of this policy means the *Local Government Act 1999*.

Chief Executive Officer (CEO) means the Chief Executive Officer of a council and includes a deputy or other person acting in the officer of Chief Executive Officer.

Council Member means the Principal Member, or a Councillor elected by the electors of a particular ward, as a representative of the ward in the City of Playford.

Electronic Means includes a telephone, computer or other electronic device used for communication.

Executive Officer is a staff member appointed by the Chief Executive Officer to support a Section 41 Committee, other committee or advisory group.

Independent Members are members on a committee or panel who are not elected but have been appointed by the Council to undertake a similar role as Councillors on Council's Section 41 Committees or the Council Assessment Panel. They are external appointees.

Mayor is the person elected as the Principal Member of the Council to represent the local government area as a whole.

Staff includes Council staff, contractors, volunteers, and all others who perform work on behalf of Council.

Strategic Management Plans are defined as Council's Long Term Financial Plan, Council's Strategic Plan, Council's Asset Management Plan, and the Council's Annual Business Plan.

4 Delegations

- 4.1** The Committee has delegation for the following:
- a) Approve Committee's Minutes as a true and accurate record of proceedings.
 - b) Develop and approve the Committee's Work Plan.
 - c) Appoint a Presiding Member from within the Committee.
- 4.2** Any other business referred to the Committee in accordance with its Purpose and Functions, and Terms of Reference, or where the Committee does not hold the delegated authority, this business may be debated with a recommendation referred to the next Ordinary Council Meeting for consideration.
- 4.3** The Executive Officer in consultation with the Presiding Member may approve a deputation request for business that falls in-line with the Committee's Purpose and Functions, and Terms of Reference. The Committee may resolve to seek further information on the business of a deputation; although no further resolution may be passed for the business of a deputation at the meeting the deputation was provided.
- 4.4** Petitions are not delegated to the Committee and are only to be presented to Council.

5 Meetings

- 5.1** The Committee Meeting will be held on the first Tuesday of the month, starting at 5:00pm. The Committee will meet a minimum of six (6) times per annum. The Committee will determine an annual schedule of meetings. Meetings must occur at least quarterly.
- 5.2** The Chief Executive Officer, in consultation with the Presiding Member may determine on reasonable grounds that a meeting is not required to take place where there:
- a) Are insufficient items for consideration by the Committee to warrant a meeting being held;
 - b) There are unforeseeable, unusual or emergency circumstances for the meeting not being held.
- 5.3** The Committee Meeting will be hosted in the Committee Room at the Playford Civic Centre, 10 Playford Boulevard, Elizabeth, unless otherwise determined by the Committee prior to the meeting.
- 5.4** Meetings may either wholly or in part be held via electronic means.

A member of the Council participating in a Council meeting by electronic means is taken to be present at the meeting provided that the member:

- a) can hear all other members present at the meeting;
- b) can be heard by all other members present at the meeting; and
- c) can be heard by the person recording the minutes of the meeting.

5.5 The agenda will be prepared and distributed to all Committee Members at least three clear days before the date of the meeting, with the preference being to distribute electronically.

5.6 Special Meetings of the Committee may be necessary from time to time and may be called in accordance with Section 82 of the *Local Government Act 1999*. Notice of a Special Committee Meeting may be at a minimum of four (4) hours' notice, due to the urgency of the matters on the agenda.

6 Membership

6.1 Term rules:

- a) The Committee shall comprise five (5) members consisting of the Mayor and one (1) Council Member and three (3) Independent Members.
- b) The term of the Council Member appointment will be for a period determined by Council but not exceeding the next General Election.
- c) Independent Members who are appointed to the Committee may carry over past an election term.
- d) The Presiding Member must be an Independent Member and will be determined by the Committee for a period of two years, after which they may stand for re-election.
- e) The Council may appoint a Deputy Member for the purpose of attending meetings where the Mayor or appointed Council Member are unable to attend a meeting. A Deputy Member is not permitted to attend a meeting in place of an Independent Member.
- f) Unless the context otherwise requires, a reference to a CGC Member in this document includes a Deputy Member.

6.2 The members of the Committee (when considered as a whole) must have skills, knowledge, and experience relevant to the functions of the committee, including in financial management, risk management, governance, and asset management.

6.3 A table providing a summary of current CGC members and terms of office will be made available on a website determined by the Chief Executive Officer.

7 Role of the Presiding Member

7.1 Oversee the conduct of Committee Meetings in accordance with the *Local Government Act 1999* and Code of Practice for Council and Committee Meetings.

7.2 Ensure all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

7.3 Where a matter has been debated significantly and no new information is being discussed the Presiding Member may call the meeting to order and ask for the debate to be finalised and a motion be put forward.

8 Role of Committee Members

- 8.1 Actively participate in debate and discussion as a representative of Council in a professional manner at all times.
- 8.2 Ensure the Member is prepared and informed of meeting matters prior to the meeting.
- 8.3 Utilise the skills and experience of the Committee Members to effectively carry out the Committee's role.

9 Independent Member Support

Remuneration

- 9.1 Sitting fees are established by Council and will be reviewed biennially.
- 9.2 Independent Members will be paid per meeting, upon receipt of an invoice.
- 9.3 Independent Members who are required to attend an Ordinary Council meeting, other Committee meetings or mandatory training are entitled to 50% of the sitting fee.
- 9.4 If an Independent Member is also the Presiding Member of a Committee, they will receive 125% of the sitting fee.

Sitting fee	50%	125%
\$550	\$275	\$687.50

Training

- 9.5 A tailored induction and training program will be provided to members joining the committee based on the skills, knowledge and experience of the member.
- 9.6 Independent Members may be offered to undertake training relevant to their role on the Committee. This may include mandatory training required of Council Members and Council and Committee Meeting Procedure training.

Insurance / Liability

- 9.6 Whilst acting in their capacity as an Independent Member, for any honest act or omission, Members will be provided indemnity for civil liability claims under the Local Government Association Mutual Liability Scheme.
- 9.7 Whilst acting in their capacity as an Independent Member, personal accident coverage will be provided to Independent Members. Note that under the *Private Health Act 2007* and the rules attached to that Act, the personal accident policy may not cover medical expenses and Independent Members are responsible for their own medical expenses.

Submission of Returns

- 9.8 Council has determined that Division 2 – Register of Interests of the *Local Government Act 1999* applies to the Corporate Governance Committee.

9.9 Independent Members are required to submit a Primary Return within 30 days of initial appointment to the Committee. Ordinary Returns will be required within 60 days after 30 June each year.

9.10 Failure to supply a return before the expiration of one month from the period outlined in 9.9 will result in a vacancy.

10 Role of the Executive Officer and Administrative Support

10.1 The Executive Officer is appointed by the CEO to support the administration and operation of the Committee.

10.2 The Executive Officer and relevant staff may provide advice during the meeting in order to aid informed decision making.

10.3 The Committee is appointed a Minute Taker.

10.4 Governance will liaise with Independent Members to process remuneration and returns.

11 Reporting and Review

11.1 The Committee will undertake an annual self-assessment (in the election year this will be incorporated into the external review) to assess the on-going role and effectiveness of the Committee and report any recommendations to Council as required.

11.2 In the year leading up to a Council Election the Committee will undertake an external review of the Committee's effectiveness. Any relevant recommendations will be provided to the Council to assist with the on-going structure of the Committee.

11.3 The Committee will provide an annual report to the Council on the work of the Committee and this report will be included in Council's Annual Report.

11.4 The Committee will communicate with Council following each meeting. Communication may be in the form of meeting minutes, a presentation from the Presiding Member or Executive Officer, a written memo, or Council Report.

11.5 Council may invite independent members of the Corporate Governance Committee to workshops with Council to discuss relevant topics as needed.

12 Supporting Documentation

- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2011*
- Code of Practice for Council and Committee Meetings
- Code of Practice for Public Access to Meetings and Associated Meeting Documents
- Code of Conduct for Council Members

13 Approval and Change History

Approval Date	Approval by	Change
27 Nov 2018	Council Resolution No. 3336	Appointment of Members: Mayor Glenn Docherty and Cr Jane Onuzans Removal of cancellation clause.
26 Feb 2019	Council Resolution No. 3419	Reappointment of Independent Member: Ms Merridie Martin
27 Aug 2019	Council Resolution No. 3707	Removal of reference to the Annual Report as a document for the Committee to monitor as it is the Committee's role to consider the Financial Statements that are included in the Annual Report, not the Annual Report itself. Whistleblower provisions removed and replaced with provisions regarding Public Interest Disclosures, and the inclusion of reference to fraud and corruption. Inclusion of the Committee to provide input into the appointment of the External Auditor. Minor, administrative wording changes also made.
24 Sep 2019	Council Resolution No. 3746	Reappointment of Members: Cr Jane Onuzans and Mr Martin White Extension of appointment: Mr Damian Pulgies.
26 Nov 2019	Council Resolution No. 3848	Appointment of Independent Member: Mr Peter Brass
24 Mar 2020	Council Resolution No. 3981	Appointment of Independent Member: Mr Mark Labaz
07 Apr 2020	Council Resolution No. 3983	Definition of <i>Electronic Means</i> added in line with the new capability of electronic meetings.
25 May 2021	Council Resolution No. 4621	Inclusion of Independent Member Support
24 August 2021	Council Resolution No. 4731	Meeting Commencement time amended from 4:30pm to 5:00pm
26 October 2021	Council Resolution No. 4790	Appointment of Member: Cr Shirley Halls
22 February 2022	Council Resolution No. 4915	Reappointment of Members: Mr Martin White and Mr Mark Labaz
29 November 2022	Council Resolution No. 5209	Appointment of Members: Cr Shirley Halls reappointed with Cr Jane Onuzans appointed as a Deputy Council Member to the Corporate Governance Committee.