

D. Actions for council audit committees

This report covers audit committees for local governments in Queensland. The audit committee is typically a subcommittee of council and, as such, reports to the council.

Actions to improve audit committees in local governments

1 Charter

Council regularly reviews the roles and responsibilities in the audit committee charter to clearly define the objectives of the committee and ensure the committee has the authority to perform its role.

2 Annual work plan

Council and the audit committee prepare an annual work plan that is informed by the key risks and challenges facing council. The number, length, and focus of meetings are planned to ensure the committee delivers on all responsibilities in its charter.

3 Information

Council supports the audit committee by providing it with timely agendas and meeting packs that consist of clear and concise management reports that provide needed information and address council's key risks.

4 Membership

Council engages independent members that align with the needs of its business. A skills matrix should be used to identify suitable candidates for membership.

5 Member induction

New audit committee chairs and members have access to appropriate induction, training, and other resources to ensure adequate knowledge of the role and other subject matter areas relevant to committee discussions. Council should provide induction training on:

- the committee's roles and responsibilities
- topics included in the committee's annual work plan
- council's key strategic and operational risks and financial reporting risks.

6 CEO engagement

Council CEO engages with the audit committee, which is demonstrated by:

- the CEO and audit committee chair meeting regularly throughout the year and outside of audit committee meetings
- ensuring, where practicable, the CEO attends all meetings agreed with the audit committee chair and provides an update on emerging issues and risks (better practice is a written report).

7 Reporting

Audit committee chair provides a summary written report to council as soon as practical after a meeting of the audit committee so that all elected members of council are informed of the committee's discussions and recommendations.

8 Audit committee performance

Council reviews the audit committee's performance annually to ensure that:

- members possessed the right skills to deliver on the work plan
- members contributed to committee discussions
- the committee met its responsibilities within the charter
- the committee provided sufficient reporting to council.

