

# Audit, Risk and Improvement Committee Members Information Pack

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## Overview of the City of Canada Bay Council

The City of Canada Bay Council (**Council**) has a land area of 19.9km<sup>2</sup> and an estimated population of 89,177 living in the local government area's 17 suburbs. The area boasts over 26 kilometres of Parramatta River foreshore and is a beacon to locals and visitors who flock to enjoy its more than 300 open green recreation spaces and 348 hectares of open space.

By 2036, the population of Council's local government area is forecast to grown by almost 30,000 people – an increase of around 30 per cent.

There are nine Councillors that make up Council including a popularly elected Mayor and a further eight Councillors, one of which is the Deputy Mayor.

Council is working closely with the community to build strategies that balance growth and development whilst maintaining our heritage, environment and our sustainable, well-functioning and equitable community.

## Objective of the Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee (**Committee**) has been established to provide independent assurance to Council by monitoring, reviewing and giving advice about Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

## Terms of Reference

The Committee will operate in accordance with the *Audit, Risk and Improvement Committee Terms of Reference*.

## Role of the Committee

The Committee will review and provide independent advice to Council on the following aspects of Council's operations:

- compliance
- risk management
- fraud control
- financial management
- governance
- implementation of the strategic plan, delivery program and strategies
- service reviews
- collection of performance measurement data by Council, and
- internal audit.

In addition to the above, the Committee will:

- act as a forum for consideration of Council's Internal Audit Function and oversee its planning, monitoring reporting to ensure it operates effectively
- act as a forum for the consideration of external audit findings, and
- provide advice to Council for the purpose of improving Council's performance of its functions.

## Responsibilities of Committee members

The responsibilities of the Committee are set out in the *Audit, Risk and Improvement Committee Terms of Reference*.

Independent members of the Committee are expected to:

- make themselves available as required to attend and participate in meetings
- contribute the time needed to review and understand information provided to it
- apply good analytical skills, objectivity and judgement
- act in the best interests of Council
- 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
- maintain effective working relationships with Council
- have strong leadership qualities (Chairperson)
- lead effective Committee meetings (Chairperson), and
- oversee Council's internal audit function (Chairperson).

## Committee meetings

The Committee shall meet at least four times per year (quarterly). The need for any additional meetings will be directed by the Chairperson, although the other Committee members may make requests to the Chairperson for additional meetings.

## Remuneration for meetings

Remuneration for the Committee Chairperson is \$1,700 per meeting (excluding GST). This fee is inclusive of time spent on preparation for the meeting and travel.

Remuneration for independent members is \$1,300 per meeting (excluding GST). This fee is inclusive of time spent on preparation for the meeting and travel.

Superannuation is paid in addition to the above set fee in accordance with the requirements of the *Superannuation Guarantee (Administration) Act 1992*.

## Reporting arrangements

Confidential Committee meeting minutes will be submitted to Councillors via email/memo after every Committee meeting.

The Committee will provide an annual assessment to Council and the General Manager of the Committee's work and its opinions on how the Council is performing.

## Code of Conduct

All Committee members are required to comply with the Council's Code of Conduct.

## Conflicts of interest

All Committee members are required to comply with the following:

- Maintain confidentiality in relation to all discussions and information obtained during or as a result of Committee meetings,
- Declare a conflict of interest on any matter being discussed at the start of each meeting or as soon as there is an awareness of a conflict of interest,
- All conflicts of interest are to be declared and recorded in the minutes and where necessary, the parties involved may be removed from the Committee deliberations on the issue, and
- Complete an annual pecuniary interest disclosure as a designated person.

## Induction and training

New Committee members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

## Appointment of Committee members

Appointment of Committee members will be for a term of up to four (4) years, or as otherwise determined by resolution of Council, after which members may be eligible for extension or re-appointment following a formal review of performance by Council.

All appointments are to be made based upon a demonstrated ability to meet the selection criteria as detailed in the next section and ensuring the Committee has a complementary mix of skills/experience in the following areas.

- Financial expertise
- Legal compliance
- Business management
- Risk management
- Internal audit, and
- Operational matters relevant Council such as ICT and cyber security.

## Selection criteria

Applicants should review and consider the criteria as detailed below.

### 1. Independence criteria

To ensure Committee members can maintain an independent position from Council all members must not:

- currently be a Councillor of any NSW Council
- be a candidate at the last election of Council
- be a person who has held office in Council during its previous term
- be currently employed by Council, or been employed during the last 12 months
- conduct audits of Council on behalf of the Audit Office of NSW
- have a close personal or business relationship with a Councillor or a person who has a senior role in Council that may lead to a real or perceived conflict of interest
- currently, or within the last three years, provided any material goods or services (including consultancy, legal, internal audit and advisory services) to Council which directly affect subjects or issues considered by the Committee
- be (or have a close family member who is) a substantial shareholder, owner, officer or employee of a company that has a material business, contractual relationship, direct financial interest or material indirect financial interest with Council which could be considered a real or perceived conflict of interest, or
- currently or have previously acted as an advocate of a material interest on behalf of Council which could be considered a real or perceived conflict of interest.

### 2. Essential criteria

Independent members of the Committee must demonstrate the following:

- an ability to read and understand financial statements and a capacity to understand the ethical requirements of government (including potential conflicts of interest)
- functional knowledge in areas such as risk management, performance management, human resources management, internal and external auditing, financial reporting, accounting, management control frameworks, internal financial controls, governance (including planning, reporting and oversight), or business operations
- a capacity to form independent judgements and willingness to constructively challenge/question management practices and information
- a professional, ethical approach to the exercise of their duties and the capacity to devote the necessary time and effort to the responsibilities of an independent member of the Committee, and

- preparedness to undertake any training on the operation of audit, risk and improvement committees recommended by the Chairperson based on their assessment of the skills, knowledge and experience of the independent member.

### 3. Desirable criteria

Ideally, independent members of the Committee should also meet the following criteria, but these are not essential:

- extensive senior level experience in governance and management of complex organisations, and
- possession of a relevant professional qualification or membership (e.g., Institute of Internal Auditors (IIA), Governance Institute of Australia (GIA), CPA Australia (CPA) and Chartered Accountants Australia and New Zealand (CA)).

### Criminal record and financial status checks

Council will undertake a criminal record and a financial status (bankruptcy) check of independent members before their appointment.

### Expression of Interest submission

Council invites interested persons to submit an Expression of Interest to Council via the online application process on Council's website.

### Enquiries

All enquiries or requests for information should be directed to Evan Hutchings, Director Corporate Services and Strategy by phone on 9911 6555 or email [council@canadabay.nsw.gov.au](mailto:council@canadabay.nsw.gov.au).