

Item 4.1**Appointment of Independent Member - Audit Risk and Compliance Committee****File No: X099104****Memorandum by the Chief Executive Officer**

To Council:

Background

Council's Audit Risk and Compliance Committee (the Committee) plays an important role in the City's governance framework. It provides Council with independent oversight and monitoring of the City's audit, compliance, and risk processes and its other internal control activities.

The Committee complies with the Director General's Guidelines for the purposes of section 23A of the Local Government Act 1993 and reports to Council through the Corporate, Finance, Properties and Tenders Committee.

The Committee operates under the Audit, Risk and Compliance Committee Charter, which provides for appointments for independent external members for a four-year period, in line with the draft Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW (December 2022).

The term of one independent member expired on 30 November 2023. The City would like to acknowledge the contributions of the departing Committee member, Ken Barker, for his input to the work of the Committee since 2014.

Recruitment process for new independent committee member

On 26 June 2023, Council endorsed updated position descriptions which reflect the requirements of the Draft Guidelines to enable the conduct of an expression of interest process to identify appropriate candidates for new independent members. Authority was delegated to the Chair of the Audit, Risk and Compliance Committee in conjunction with the Chief Executive Officer to conduct the expression of interest and recruitment process.

The call for expressions of interest was advertised in mainstream media outlets, the City's website, and through the Institute of Internal Auditors. Applications were open from 25 September 2023 to 8 October 2023. A total of 17 expressions were received.

On 23 October 2023, Council appointed Councillor Robert Kok to participate in the interview process and preparation of recommendations to Council for the appointment of new external members to the Audit, Risk and Compliance Committee. It is noted that the selection panel consisted of the Chair of the Audit, Risk and Compliance Committee, a Councillor representative (Councillor Robert Kok) and the Chief Financial Officer.

It is recommended that Council appoint Stephen Horne to the Audit, Risk and Compliance Committee for a period of four years, commencing 1 January 2024. The selection panel confirms that the recommended appointee is eligible in accordance with the requirements of s 216E of the Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023, and that the recommended appointee is independent of council in accordance with s 216F (including not having had any business dealings with the council).

Recent legislation

It is noted that the Local Government (General) Amendment (Audit, Risk and Improvement Committees) Regulation 2023 was made on 1 December 2023 and will commence on 1 July 2024. The new requirements in these regulations will require further resolutions of Council in relation to a new Audit, Risk and Compliance Committee Terms of Reference and Internal Audit Charter. A report addressing these matters will be brought to Council early in 2024.

Recommendation

It is resolved that:

- (A) Council appoint Stephen Horne to the Audit, Risk and Compliance Committee for a four-year term commencing 1 January 2024, as recommended by the selection panel following the recruitment process endorsed by Council; and
- (B) Council note that the remainder of the eligible applicants form an eligibility list which may be called on to recommend future appointments to the Audit, Risk and Compliance Committee for Council consideration.

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Chief Executive Officer