



Gunnedah
Shire Council
Open New Horizons

Audit, Risk and Improvement Committee Independent Member Expression of Interest - Information Packet



Overview of Gunnedah Shire Council

The Gunnedah Shire is situated on the Liverpool Plains between the Nandewar and Great Dividing Ranges, in the North West Slopes region of New South Wales. Located in the Namoi River valley, Gunnedah is traversed by the Oxley Highway and the Kamilaroi Highway.

The Shire was established in 1980 from the amalgamation of the Municipality of Gunnedah and Liverpool Plains Shire. The Shire includes the town of Gunnedah, and surrounding villages of Curlewis, Breeza, Carroll, Emerald Hill, Tambar Springs and Kelvin.

Gunnedah Shire delivers services to approximately 13,280 residents, and the Shire covers approximately 5,000 square kilometres.

Council has a public library, a public swimming pool, at-home community care, parks and reserves, 108 hectares of sports fields, a showground, waste management facility, water treatment plant, a cultural precinct including a cinema, theatre and town hall and numerous other assets.

Council's financial statements, delivery and operational plans, budgets and other strategic documents can be found at:- <https://gunnedah.nsw.gov.au/index.php/council/the-future-of-gunnedah/integrated-planning-reporting>

Audit Risk Improvement Committee

All councils are required under the *Local Government Act 1993* to have an Audit Risk and Improvement Committee ("ARIC") from 4 June 2022. Amendments have been made to the *Local Government (General) Regulation 2021* to require all councils to have a risk management framework and an internal audit function and to prescribe membership requirements for ARICS. Councils are required to comply with these requirements from 1 July 2024 and, commencing with the 2024/25 annual report, to attest to their compliance with the requirements in their annual reports.

Gunnedah Shire Council's ARIC comprises three (3) voting independent members (including a Chair) and 1 non-voting Councillor member. Two (2) vacancies have arisen for independent members. Through this Expression of Interest (EOI) process, Council is seeking to appoint two (2) suitable candidates with appropriate skills and experience for the roles of independent members of the ARIC.

ARIC Objective

ARIC operates in accordance with the ARIC Terms of Reference. This can be found at:- <https://www.gunnedah.nsw.gov.au/index.php/council/council-information/council-policies>

The ARIC is to 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 ARIC is to have an advisory and assurance role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of the Council. The committee will provide independent advice to Council that is informed by Council's internal audit and risk management activities and information and advice provided by staff, relevant external bodies and subject matter experts.

The ARIC must always ensure it maintains a direct reporting line to and from the Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the General Manager on matters affecting the performance of the internal audit function.

The objective of the 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.

Expression of Interest for Two (2) Independent Committee Members

Members will be appointed for up to a four-year term. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as chairperson of the committee. Members who have served an eight-year term (either as a member or as chairperson) must have a two-year break from serving on the committee before being appointed again. To preserve the committee's knowledge of the Council, ideally, no more than one member should retire from the committee because of rotation in any one year.

The chairperson and members of the committee are expected to understand and observe the requirements of the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. Members are also expected to:

- make themselves available as required to attend and participate in at least four meetings per year
- 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 GSC
- 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 GSC
- have strong leadership qualities (chairperson)
- lead effective committee meetings (chairperson), and
- oversee GSC's internal audit function (chairperson).
- Independent committee members are required to comply with the GSC's code of conduct.
- Complaints alleging breaches of GSC's code of conduct by an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The General Manager must consult with the governing body before taking any disciplinary action against an independent committee member in response to a breach of GSC's code of conduct.

Remuneration

The independent member's positions will be paid a fee of \$1,200.00 per meeting plus GST. This fee covers meeting preparation time and attendance – it does not include the cost of travel which will be reimbursed.

Eligibility for Appointment as Independent Member

All committee members must meet the independence and eligibility criteria prescribed under the *Local Government (General) Regulation 2021*:-

- (a) is able to read and understand financial statements, and
- (b) is able to understand the ethical requirements of government, including conflicts of interest, and
- (c) is able to form independent judgements, and
- (d) is willing to constructively challenge and question management practices and information, and
- (e) is professional and ethical in the exercise of the person's duties, and

- (f) is able to devote the necessary time and effort to the person's functions as a member of the committee, and
- (g) has knowledge in one or more of the following that is relevant to the person's role on the Audit, Risk and Improvement Committee—
 - i. risk management,
 - ii. (ii) performance management,
 - iii. (iii) human resources management,
 - iv. (iv) internal and external auditing,
 - v. (v) financial reporting,
 - vi. (vi) accounting,
 - vii. (vii) management control frameworks,
 - viii. (viii) internal financial controls,
 - ix. (ix) governance of organisations,
 - x. (x) business operations, and
- (h) is independent of the council.

Further, the following persons **are not** eligible to apply:-

- (a) a person who is a councillor of a council in New South Wales,
- (b) a person who was a candidate for election to the council in the last election of the council,
- (c) a person who was a councillor during the term of the council ending at the last election of the council,
- (d) for a joint organisation or council that is a member council of a joint organisation—a person who is a non-voting representative of the board of the joint organisation,
- (e) for a council that has entered an arrangement under the Act, section 428B with another council or body—a person who is an employee of the other council or body,
- (f) a person who is employed by the council or was employed by the council in the previous 12 months,
- (g) a person who conducts audits of the council for the Audit Office of NSW,
- (h) a person who has a close personal or business relationship with a councillor or a person who has a senior role in the council that may lead to an actual or perceived conflict of interest,
- (i) a person who provides, or has in the previous three years provided, material goods or services which directly affect matters considered by the Audit, Risk and Improvement Committee, Example— consultancy, legal, internal audit or advisory services
- (j) a person who is a shareholder, owner, officer or employee of a company if—
 - i. the company has a business relationship with the council or a related entity, and
 - ii. the business relationship comprises—
 - (A) a material business relationship, or
 - (B) a contractual relationship, or
 - (C) a direct financial interest, or
 - (D) a material indirect financial interest, and
 - iii. the business relationship could reasonably be considered to be an actual or perceived conflict of interest,
- (k) a person who is a relative of a person referred to in paragraph (i),
- (l) a person who acts, or has previously acted, as an advocate for the council or a related entity, if the advocacy—
 - i. relates to a material interest, and
 - ii. could reasonably be considered to be an actual or perceived conflict of interest.

Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of GSC, the environment

in which Council operates, and the contribution that the committee makes to the Council. At least one member of the committee 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 GSC's financial reporting responsibilities to be able to contribute to the committee's consideration of the Council's annual financial statements.

ARIC Meetings

The ARIC typically meets four times per year, with one of these meetings to include review of the annual financial reports and external audit opinion.

Meetings generally will commence at 10.00am in Gunnedah.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

Preparation will involve review and critical analysis of the agenda package.

Council is set up to allow members to remotely attend meetings via video conferencing software.

Selection Process

The evaluation of applicants will be undertaken by a panel comprised of the Director Corporate Services and the Chair of the Audit, Risk and Improvement Committee. The panel will be required to provide a declaration of no conflict of interest, or disclose if there are any, to ensure that the selection process is fair.

Pre Appointment Probity Checks

Applicants must not be undischarged bankrupts or have been charged with or convicted of a serious criminal offence.

Successful applicants will undergo pre appointment probity checks, including criminal record and financial status (bankruptcy) checks. These checks will be conducted at Council's cost. Applicants will be required to provide necessary information and documents for those checks. Reference checks may also be conducted.

Conflict of Interest

Committee members (including alternates if they are in attendance) must declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

Induction and Training

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

Submissions and Enquiries

All submissions, enquiries or requests for information should be directed to Kelly Stidworthy, Director Corporate Services, on (02) 6740 2100 or by email kellystidworthy@gunnedah.nsw.gov.au.

Please put forward your expression before 4pm Friday 7 June 2024