

# Information package

## Expression of Interest

### Audit, Risk and Improvement Committee

### Independent Member



camden  
council

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# EXPRESSION OF INTEREST FOR EXTERNAL AUDIT, RISK AND IMPROVEMENT COMMITTEE MEMBERS

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## 1.OVERVIEW

- 1.1 Camden Council is committed to open and transparent governance that meets the highest community expectations. To enhance its governance framework Council established an Audit, Risk and Improvement Committee comprising of independent representatives and Councillors.
- 1.2 Camden Council's Audit, Risk and Improvement Committee has been in operation since July 2015. Camden Council is seeking Expressions of Interest from suitably qualified and experienced persons to be an independent external member of the Council's Audit, Risk and Improvement Committee ("Committee").
- 1.3 Audit, Risk and Improvement Committees are mandatory for councils under Section 428A of the *Local Government Act 1993*.

Under section 428A of the Act, council Committees must keep under review the following aspects of council's operations:

- (a) compliance,
  - (b) risk management,
  - (c) fraud control,
  - (d) financial management,
  - (e) governance,
  - (f) implementation of the strategic plan, delivery program and strategies,
  - (g) service reviews,
  - (h) collection of performance measurement data by the council,
  - (i) any other matters prescribed by the regulations.
- 1.4 The objective of the Committee is to provide independent assistance to Camden Council by monitoring, reviewing and providing advice about Camden Council's governance processes; risk management and control frameworks; and external accountability responsibilities.
  - 1.5 There are two (2) vacancies available for independent external members of the Committee from 8 March 2023. The position of Chairperson is currently filled.

## 2. STRUCTURE AND MEMBERSHIP

- 2.1 The current structure and membership of the Committee is as follows:
1. three (3) independent external members appointed by Council (one of the three being the Chairperson); and
  2. two (2) Councillors of Camden Council<sup>1</sup>.

- 2.1 The above five (5) members currently have voting rights on the Committee.

- 2.2 The following staff/externals attend Committee meetings as non-voting attendees:

- General Manager;
- Manager Safety and Risk;
- Internal Audit Coordinator;
- Chief Financial Officer; and
- Internal Audit Analyst (Secretariat)

Council's External Auditor has a standing invitation to all Committee meetings.

- 2.3 At least one (1) external independent member of the Committee shall have financial expertise (for example, a qualified accountant or auditor or other financial professional with experience in financial and accounting matters)
- 2.4 The Audit, Risk and Improvement Committee is to have a mix of skills and experience in business; financial and legal compliance; risk management; business improvement; internal audit and other experience relevant to the operations of Council.
- 2.5 The appointment term for the independent external members is up to four years ensuring that continuity of independent membership is maintained over each general Council election where possible.
- 2.6 Independent external members may be reappointed for a further term/s subject to a formal review of performance noting that the total term on the Committee cannot exceed 8 years.

## 3. AUDIT, RISK AND IMPROVEMENT COMMITTEE CHARTER

- 3.1 A copy of the Audit, Risk and Improvement Committee Charter adopted by Council on 8 June 2021 can be found at [Audit Risk and Improvement Committee Charter](#).

## 4. INDEPENDENCE REQUIREMENTS

- 4.1 External members are to be independent to ensure they have no real or perceived bias or conflicts of interest that may interfere with their ability to act independently and in providing Council with robust, objective and unbiased advice.

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<sup>1</sup> The Office of Local Government released Circular 22-21 *Update on membership for audit, risk and improvement committees* that changes the Audit, Risk and Improvement Committee structure to include only 1 optional non-voting Councillor. These requirements will apply to Committees from 1 July 2024.

4.2 In accordance with Office of Local Government Circular 22-21 *Update on Membership for Audit, Risk and Improvement Committees*, independent external members cannot:

1. currently be a councillor of any NSW Council
2. be a candidate at the last election of Camden Council
3. be a person who has held office in Camden Council during the previous term
4. be currently employed, or have been employed in the last 12 months, by Camden Council
5. conduct audits of Camden Council on behalf of the Audit Office of NSW
6. have a close personal or business relationship with a councillor or a person who has a senior role at Camden Council that may lead to a real or perceived conflict of interest
7. currently, or within the last three years, provided any material goods or services (including consultancy, legal, internal audit, and advisory services) to Camden Council which directly affect subjects or issues considered by the Committee
8. 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 Camden Council or a related entity which could be considered a real or perceived conflict of interest, or
9. currently or have previously acted as an advocate of a material interest on behalf of Camden Council or a related entity which could be considered a real or perceived conflict of interest.

## 5. SELECTION CRITERIA

5.1 The following *essential* criteria will be used to assess any Expressions of Interest received:

1. an ability to read and understand financial statements and a capacity to understand the ethical requirements of government (including potential conflicts of interest)
2. 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
3. A capacity to form independent judgements and willingness to constructively challenge/question management practices and information
4. 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 an ARIC,
5. Preparedness to undertake any training on the operation of the ARICs recommended by the Chair based on their assessment of the skills, knowledge and experience of the independent member
6. understanding of the role of local government, and
7. previous experience serving on similar committees.

#### *Desirable Selection Criteria:*

- extensive senior level experience in governance and management of complex organisations;
- possession of a relevant professional qualification or membership (eg Institute of Internal Auditors (IIA); CPA Australia (CPA) and Chartered Accountants Australia and New Zealand (CA)); and
- understanding of the Macarthur Region, particularly the Camden local government area.

## **6. RESPONSIBILITIES OF MEMBERS**

- 6.1 The responsibilities of the members include:
1. Make themselves available as required to attend and participate in meetings;
  2. understanding the relevant legislation and regulatory requirements appropriate to Camden Council;
  3. contribute the time needed to study and understand agenda papers provided;
  4. apply good analytical skills, objectivity and good judgement;
  5. express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of inquiry
  6. work cooperatively with other members in achieving the aims of the Committee; and
  7. action and follow up tasks established by the Committee.

## **7. REMMUNERATION**

- 7.1 Remuneration shall be paid to each external member of the Committee as follows:
- \$1,000 per meeting for external Committee members
  - All costs exclude GST and includes travel and on-costs.<sup>2</sup>

## **8. COMMITTEE MEETINGS**

- 8.1 The Committee will meet at least four times per year with Council currently conducting six meetings per year.
- 8.2 A separate presentations session is held annually to present to Council on matters requested or to provide the Committee a greater understanding of Council operations. These are non-compulsory and unpaid meetings.
- 8.3 The Chairperson may convene meetings as required and in accordance with the Audit, Risk and Improvement Committee Charter.
- 7.3 Final decisions will be made by Camden Council on the recommendations made by the Committee.

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<sup>2</sup> Note that Council is expecting the Office of Local Government to issue Guidelines around the potential payment of superannuation to Committee members. These guidelines will be reviewed on release and any superannuation determined payable will be added to the remuneration.

## **9. REPORTING AND ACCOUNTABILITY**

- 9.1 The Committee shall regularly report to Council.
- 9.2 The Committee's role is to review and provide advice and guidance to Council. Council is under no obligation to accept the advice provided by the Committee.
- 9.3 The Internal Audit branch is responsible for the keeping of minutes of Committee meetings, which must include (but is not limited to); attendance, apologies, declarations of interest, and all decisions made.

## **10. CODE OF CONDUCT**

- 10.1 All Committee members must comply with Council's Code of Conduct and relevant policies at all times.
- 10.2 All Committee members must keep all discussions during meetings confidential.
- 10.3 All Committee members must declare a conflict of interest with any issue on the agenda at the commencement of the meeting or should potential conflicts occur.
- 10.4 All conflicts of interest are to be declared and recorded in the minutes and, if necessary, the parties involved will be asked to leave the room while the matter is discussed.
- 10.5 Committee members are deemed by Council to be "Designated Persons" and as such, are required to lodge with Council an annual Pecuniary Interest Declaration Return.
- 10.6 Council's policy regarding public comment or talking to the media must be observed at all times.

## **11. INDUCTION AND TRAINING**

- 11.1 At the beginning of Audit, Risk and Improvement Committee member terms, members must participate in an induction and training session.

## **12. CONTACT DETAILS AND NEXT STEPS**

If you have any questions in relation to this Expression of Interest, please contact Council as per below noting that interviews for shortlisted applicants will not occur until late January/early February 2023. As a result notification to applicants on shortlisting may not occur until January 2023:

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