



EXPRESSION OF INTEREST

AUDIT, RISK AND IMPROVEMENT COMMITTEE INDEPENDENT MEMBER

Information Pack

Overview

Northern Beaches Council administers an area of 254 square km with over 274,000 residents on Sydney's Northern Beaches. Council is working closely with the community to build strategies that enhance our quality of life, promote sustainable development and protect our environment.

The Audit, Risk and Improvement Committee (ARIC) has been established to promote open and transparent governance at Northern Beaches Council. Good governance supports Council's vision of delivering the highest quality service valued and trusted by the community, in an effective and efficient manner.

Through this Expression of Interest (EOI) process, Council is seeking to appoint a suitable candidate with appropriate skills and experience for the role of an independent external member of the ARIC.

Committee Objectives

The objective and focus of the ARIC is to provide independent assurance, oversight and assistance to Council in an advisory capacity. The responsibilities of the ARIC will include, but not be limited to, keeping under review 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
- any other matters prescribed by the regulations.

As part of this objective, the ARIC will ensure that there are adequate and effective systems of internal control in place throughout Council and will assist in the implementation of the internal and external audit plans. The ARIC is also to provide advice to Council for the purpose of improving Council's performance of its functions.

Audit, Risk and Improvement Committee Terms of Reference

The ARIC will operate in accordance with the [Audit, Risk and Improvement Committee Terms of Reference](#).

Committee Membership

The ARIC membership (voting) consists of an independent chairperson, at least 3 independent members and one non-voting councillor, as required under the Local Government (General) Regulation 2021.

The Chief Executive Officer and other staff participate in ARIC meetings as required.

Representatives from Council's external and co-sourced internal audit firms may also be in attendance.

Role and Responsibilities of committee members

The role and responsibilities of the ARIC is in accordance with the Audit, Risk and Improvement Committee Terms of Reference. As well as taking into consideration the Office of Local Government's Guidelines for risk management and internal audit for local government in NSW.

Members of the ARIC 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:

- understand the relevant legislative and regulatory requirements appropriate to Northern Beaches Council
- provide well considered advice and recommendations to Council based on objective analysis of facts that are relevant to the agenda items being considered
- make themselves available as required to attend and participate in meetings
- work collaboratively with other members of the ARIC in achieving the ARIC's objectives
- contribute the time needed to review and understand information provided to it
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the core of an issue and pursue independent lines of inquiry
- act in the best interests of and maintain effective working relationships with the Northern Beaches Council.

ARIC Meetings

The ARIC meets at least 4 times per year (quarterly), with the standard duration for a meeting being 3 hours. If necessary, an additional meeting will be held to review and endorse the annual audited financial reports and external audit opinion. Preparation will involve review and critical analysis of the agenda pack.

The need for any additional meetings will be directed by the Chair, although the other ARIC members may make requests to the Chair for additional meetings.

Reporting Arrangements

The ARIC's role is to review aspects of Council's operation and provide advice and guidance to Council for the purpose of improving the performance of its functions.

Minutes of the ARIC are reported quarterly to Council.

Constraints

All ARIC members are required to:

- maintain confidentiality in relation to all discussions and information obtained during or as a result of Committee meetings
- declare conflicts of interest and leave the meeting if necessary
- complete an annual pecuniary interest disclosure as a designated person of Council

Code of Conduct

All ARIC members must abide by Council's Code of Conduct and relevant policies at all times.

Induction and training

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

Remuneration for meetings

Council will pay a competitive remuneration rate for independent external membership of the ARIC. This rate will be inclusive of time spent on preparation for the meeting and reasonable travel expenses will be reimbursed.

Appointment of ARIC members

Appointment of members will be for a term of up to 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 ARIC as a whole has a complementary mix of skills/experience in the following areas:

- Financial management
- Legal/compliance
- Business management
- Risk management
- Audit
- Corporate governance
- Local Government
- Operational matters relevant to Northern Beaches Council ie ICT

Selection Criteria

Applicants should review and consider the following 3 criteria: independence, essential and desirable as detailed below. It is also noted that councils must undertake a criminal record and a financial status (bankruptcy) check of ARIC chairs and independent members before their appointment.

1. Independence Criteria

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

- currently be a councillor of any NSW council

- be a non-voting representative of the board of a local government joint organisation
- be a candidate at the last election of the council
- be a person who has held office in the council during its previous term
- be currently employed by the council or joint organisation, or been employed during the last 12 months
- conduct audits of the 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 the council that may lead to a real or perceived conflict of interest
- currently, or within the last 3 years, provided any material goods or services (including consultancy, legal, internal audit and advisory services) to the council which directly affect subjects or issues considered by the ARIC
- 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 the council or a related entity 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 the council or a related entity which could be considered a real or perceived conflict of interest.

2. Essential criteria

At least one member of the ARIC will have a strong financial management and/or audit background, with an understanding of accounting and auditing standards in a public sector environment.

Independent members of the ARIC 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 an audit, risk and improvement committee, and
- preparedness to undertake any training on the operation of audit, risk and improvement committees recommended by the chair based on their assessment of the skills, knowledge and experience of the independent member.

3. Desirable criteria

Ideally, independent members of audit, risk and improvement committees 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), CPA Australia (CPA) and Chartered Accountants Australia and New Zealand (CA)).

Expression of Interest Submission

Council invites interested persons to submit an Expression of Interest to Council via the on-line application process on our website at:

<https://www.northernbeaches.nsw.gov.au/council/committees-and-panels/committees/audit-risk-and-improvement-committee-members/expression>

Enquiries

All enquiries or requests for information should be directed to Sarah Dunstan, Executive Manager Governance and Risk (02) 8495 6832 or email governance@northernbeaches.nsw.gov.au