



Information pack

Audit, Risk and Improvement Committee

Overview

Located 3.5 hours from Sydney and home to almost 25,000 people, the Mid-Western Regional Council area includes the historic towns of Gulgong, Kandos, Mudgee and Rylstone and many smaller rural centres.

Council manages an annual budget of approximately \$140 million. Over 500 staff provide a diverse range of services to the community that extends across our region.

Role of the Committee

The Audit, Risk and Improvement Committee (ARIC) is established to provide the elected Council with advisory assurance in respect of Mid-Western Regional Council's risk profile, management controls and compliance frameworks.

The role of the Committee is to:

- Report to Council and provide appropriate advice and recommendations on matters relevant to the Charter.
- Assist Council by providing independent advice to Council on it fulfilling its responsibilities by ensuring that management has an appropriate governance and business framework in place across Council.
- Specifically, the AIRC should advise the Council on the following matters:
 - Effectiveness of Council's Enterprise Risk Management Framework in terms of identifying and managing Council's financial and business risks.
 - Effectiveness of key controls including policy, procedure and governance processes.
 - Legislative compliance by the organization.
 - Effectiveness of external accountability mechanisms.
- At all times recognise that the primary responsibility for the management of Council rests with the Council and the General Manager as defined by the Local Government Act.
- Assist Council to ensure that the services and facilities provided by the Council are managed efficiently and effectively.
- Identify strategies to assist with the continuous improvement of the provision of services and facilities to the community.
- Promote continuous improvement across business processes with a focus on efficiencies and savings.
- The focus of the Committee should only be on matters of significance and materiality.

As part of this objective, the Committee 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.

Charter

The Committee will operate in accordance with the Audit, Risk and Improvement Committee Charter. The Charter is based on the guidelines issued by the Office of Local Government and drafted in consideration of the Local Government General Amendment Audit Risk and Improvement Committees Regulation 2023 and the Guidelines for Risk Management and Internal Audit for Local Government in NSW issued under section 23A of the Local Government Act 1993.

Membership

From July 2024, the Committee membership will comprise of one independent Chair and two other independent committee members. Council may also include an elected Councillor on the Committee.

The General Manager and other staff participate in Committee meetings as required.

Appointment of Committee members

Councillors and independent members will be appointed for the term of the Council (usually 4 years) or as otherwise determined by resolution of Council.

All appointees are to be made based upon a demonstrated ability to meet the selection criteria.

Vacancies shall be filled by public advertising followed by an evaluation and interview of shortlisted candidates and a recommendation to Council.

Any person/company or organisation (or their clients) contracting services to Mid-Western Regional Council may be ineligible from being a member of the Committee on the grounds of a conflict of interest.

Selection criteria

The independent external members of the Committee, taken collectively, will have a broad range of personal qualities, skills and experience relevant to the operations of Mid-Western Regional Council.

At least one member of the Committee will have a strong financial management and/or audit background, with an understanding of accounting and auditing standards in a public sector environment. Legal, governance, risk management, information and communications technology (ICT) and business management skills and experience are desirable.

The following criteria will be considered in relation to skills and experience when assessing applications:

- Relevant professional qualifications
- Relevant professional knowledge and expertise
- Accounting or related financial management
- Current and prior experience on similar committees in local government, broader public and private sector
- Performance improvement
- Governance, risk and compliance
- Knowledge of the local government environment
- The broad range of activities and services that Council provides.

Essential criteria for independent committee members:

- 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,
- 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 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 chairperson based on their assessment of the skills, knowledge and experience of the independent member.

Desirable criteria for independent committee members:

- 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)).

Role and responsibilities

The role and responsibilities of the Committee is in accordance with the Audit, Risk and Improvement Committee Charter, which may be revised or expanded by Council from time to time.

Members of the Committee are expected to:

- Have a high level of personal integrity and ethics, as well as acting honestly and in good faith.
- Attend and actively participate in meetings of the Audit, Risk and Improvement Committee and contribute the time needed to understand the reports provided.
- Broadly be aware of and understand the relevant legislative and regulatory requirements appropriate to Mid-Western Regional Council.
- Work collaboratively with other members of the Committee in achieving the Committee's objectives.
- Express opinions frankly and ask questions that go to the fundamental core of issues.
- Review the risks, progress, controls, finances and performance surrounding major projects.
- Have an understanding of management principles required recognising and evaluating the materiality and significance of deviations from good business practices.
- Have strong interpersonal skills, oral and written communication skills, analytical skills and ability to apply objectivity with sound judgment.
- Comply with the Audit, Risk and Improvement Committee Charter.

Committee meetings

The Committee shall meet at least four times per year (quarterly). It is expected that the meetings will be for approximately four hours. If necessary, any additional meeting will be approved by the Chair of the Committee. Preparation will involve review and analysis of the agenda reports.

Induction and training

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

Remuneration for meetings

Council's nominated remuneration for independent external membership of the Audit, Risk and Improvement Committee is \$1,000 per meeting (excluding GST) with an additional \$200 per meeting (excluding GST) paid to the Chairperson. This rate is inclusive of time spent on preparation for the meeting. Reasonable travel will be reimbursed in accordance with Council's policy.

Attachments

Audit, Risk and Improvement Committee Charter as adopted by Council 19 September 2018.

Evaluation

The evaluation of expressions of interest applications will be undertaken by the General Manager, the elected Councillor who forms part of the Committee and the Director Community. The appointment to the Committee will be made by Council.

Applicants should provide the following information as part of their Expression of Interest:

- A resume including an outline of your professional qualifications.
- A submission of 1-2 pages outlining your skills and experience and how they meet the criteria for independent committee members as outlined in the Office of Local Government Guidelines.
- Two referees contact details.

Expression of interest

Council invites interested persons to submit an Expression of Interest to Council by 4pm on 5 April 2024. Expressions of Interest can be submitted electronically by emailing the application to the General Manager at council@midwestern.nsw.gov.au.

Enquiries

All enquiries or requests for information should be directed to Simon Jones, Director Community on 02 6378 2850 or email council@midwestern.nsw.gov.au .