



Expression of Interest

Audit, Risk and Improvement Committee

Independent Member Information Package

Closes 5.00pm, Friday 1 August 2024

Overview

Byron Shire Council (Council) is committed to open and transparent governance that satisfies the community expectations and best practice standards.

Council's Audit, Risk and Improvement Committee (ARIC) plays an important role in strengthening risk management and corporate governance practices within Council. This is in line with the current Office of Local Government's [Guidelines on Risk Management and Internal Audit for Local Government in NSW](#).

Through this expression of interest process, Council is seeking to appoint persons with the appropriate skills for the role of Chairperson and independent members of the ARIC.

It is envisaged that this appointment will be finalised by late October 2024, with the successful applicants commencing their appointment in November 2024. The first meeting of the ARIC is expected to be on 21 November 2024.

Structure and Membership

From 1 July 2024, the membership of the ARIC will comprise three voting independent members (including one chairperson) and one non-voting councillor member.

ARIC members will be appointed by a resolution of Council following an Expression of Interest and interview process. Recommendation for appointment will be based on a demonstrated ability to meet the selection criteria.

All independent members may be appointed by Council for a term of up to four years. Council is seeking to appoint a Chairperson for a four-year term, one independent member for a two-year term and one independent member for a three-year term. Members are eligible for extension or re-appointment following a formal review of their performance up to a maximum term of eight years and the total period of continuous membership on the Committee cannot exceed eight years in any ten-year period (i.e. two terms).

Four to five meetings are held annually.

Role of the ARIC

The key role of the ARIC is to provide independent assurance, oversight and assistance to Byron Shire Council by keeping under review the following Council functions:

- 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 regulation
- j) provide information to Council for the purpose of improving Council's performance of its functions
- k) administrative and attendance duties associated with running the ARIC

In fulfilling its objective, the ability of the ARIC to maintain independent and objective judgement is vital.

Members appointed by Council to serve on the ARIC must exhibit an independence of mind in their deliberations and not act as a representative of a particular area or organisation of the community or with conflicts of interest.

Terms of Reference

The Audit, Risk and Improvement Committee Terms of Reference sets out the Committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Selection Criteria

The following criteria will be used to assess any Expressions of Interest received for the position of independent member.

1. Independence Criteria

The Chairperson and all independent voting members of ARIC must 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 can provide the Council with robust, objective and unbiased advice about how the Council is functioning.

The Chairperson and independent members of the ARIC must meet the following independence criteria. The Chairperson and independent voting committee members must not:

- a) currently be a councillor of any NSW council
- b) be a person who has held office in the council during its previous term
- c) be a candidate at the last election of the council
- d) be a non-voting representative of the board of the joint organisation
- e) be currently employed by the council or joint organisation, or been employed during the last 12 months
- f) conduct audits of the council on behalf of the Audit Office of NSW
- g) 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

- h) currently, or within the last three 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 audit, risk and improvement committee
- i) 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
- j) be a relative of a person referred to in h), or
- k) 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.

Current staff of Council may serve as an independent member of another council's audit, risk and improvement committee but not as its chair. Current Council staff may only serve on another council's ARIC if they meet the independence and eligibility criteria for membership of the committee and their employer is not participating in a shared arrangement with the other council in relation to the audit, risk and improvement committee or the internal audit function.

General managers will require the approval of their council under section 353 of the Local Government Act before they can serve as an independent member of another council's ARIC. Other council staff will require the approval of their general manager.

2. Eligibility Criteria

In addition to meeting the independence requirements specified above, independent members of an ARIC must satisfy the following eligibility criteria to be appointed as an independent committee member. Ideally, they will also be able to demonstrate the desirable criteria.

Chairpersons and independent members of ARIC must demonstrate the following:

Essential Criteria	
Chairperson	Independent member
leadership qualities and the ability to promote effective working relationships in complex organisations	an ability to read and understand financial statements and a capacity to understand the ethical requirements of government (including potential conflicts of interest)
an ability to communicate complex and sensitive assessments in a tactful manner to the council's internal audit coordinator, senior management and the mayor and councillors	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

<p>a sound understanding of:</p> <ul style="list-style-type: none"> • the principles of good organisational governance and capacity to understand local government accountability, including financial reporting • the business of the council or the environment in which it operates • internal audit operations, including selection and review of the council's internal audit coordinator, and • risk management principles 	<p>a capacity to form independent judgements and willingness to constructively challenge/question management practices and information</p>
<p>extensive senior level experience in governance and management of complex organisations, an ability to read and understand financial statements and a capacity to understand the ethical requirements of government (including potential conflicts of interest)</p>	<p>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</p>
<p>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</p>	<p>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</p>
<p>a capacity to form independent judgements and a willingness to constructively challenge/question management practices and information</p>	
<p>a professional, ethical approach to the exercise of their duties and the capacity to devote the necessary time and effort to the responsibilities of the chairperson of an audit, risk and improvement committee</p>	
<p>Desirable Criteria</p>	
<p>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)) is desirable.</p>	<p>extensive senior level experience in governance and management of complex organisations</p>
	<p>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))</p>

Criminal record and financial status checks

A criminal record and financial status (bankruptcy) check of all independent members will be undertaken before an appointment is made.

Responsibilities of an Independent Member

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 meetings
- 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 the [council/joint organisation]
- 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 the [council/joint organisation]
- have strong leadership qualities (chairperson)
- lead effective committee meetings (chairperson), and
- oversee the [council's/joint organisation's] internal audit function (chairperson).

Remuneration, Superannuation and Insurances

Fees will be paid per formal committee meeting and is inclusive of preparation time and reasonable travel costs.

Chairperson: \$2000

Member: \$1500

Chairpersons and members can serve on the ARIC in a voluntary capacity.

Council is obliged under the Superannuation Guarantee (Administration) Act 1992 to make compulsory superannuation guarantee contributions on behalf of ARIC chairs and independent members where they are remunerated.

ARIC committee members will be covered under Council's insurance policies for public liability and professional indemnity.

Committee Meetings

The first meeting will be held on **21 November 2024 commencing at 11.30am.**

The ARIC meets at least 4 times per year. Meetings are anticipated to be two to three hours in length dependent upon the issues to be discussed at the time of the meeting. There will also be an amount of pre-reading required prior to attending the meetings.

Conflicts of Interests

Committee members must declare any conflicts of interests at the start of each meeting or before discussion of a relevant agenda item or topic.

Where members 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.

Members will also be required to complete an annual return of pecuniary interests.

Induction and Training

At the beginning of the ARIC term, Committee members will participate in an induction session. An induction session will be held for new members in **early November 2024**.

The Chairperson and members of the ARIC are encouraged to keep informed of current developments and to maintain and develop skills, knowledge and capabilities necessary to exercise their functions effectively.

EoI Submission

Council invites interest from relevantly qualified, independent persons to submit an expression of interest to Council by 5.00pm on **Friday 1 August 2024**.

Expressions of Interest are to comprise:

- Completed Expression of Interest form on-line
- Current CV

All enquiries or requests for information should be directed to the Manager Corporate Services, Heather Sills.

Reference material

- [Code of Conduct for Council Committee Members, Delegates of Council and Council Advisers](#)
- [Audit, Risk and Improvement Committee Constitution](#)
- [Guidelines for Risk Management, and Internal Audit for Local Government in NSW](#)