

## ORDINARY MEETING - ADDENDUM

26 February 2020

### 11.5 AUDIT AND RISK COMMITTEE APPOINTMENT

#### **Purpose**

The purpose of this report is to recommend to Council the appointment of an external independent member to Council's Audit and Risk Advisory Committee. The report also recommends the appointment of an external person as a non-voting observer of committee meetings to provide a learning and professional development opportunity.

#### **Officer Recommendation**

##### **That Council:**

- 1. Appoint Mr Craig Nisbet to the Audit and Risk Advisory Committee as an independent member in accordance with the terms of the Audit and Risk Advisory Committee Charter**
- 2. Formally thank Michele Sheward for her six years as an independent member of the Audit and Risk Advisory Committee**
- 3. In recognition of the calibre of applicants, appoint an observer to the Committee as an extension of Council's commitment to supporting training opportunities for young professionals for an initial period of one year, with continuation subject to review and evaluation.**

#### **Background**

The primary objective of the Council's Audit and Risk Advisory Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

The Charter of the Audit and Risk Advisory Committee is the primary instrument outlining the composition, roles and responsibilities of the Committee and Committee members.

Currently one vacancy exists for an independent Committee member. This position was held by Michele Sheward who has reached the end of her second term (6 years) on the Committee.

#### **Discussion**

Council officers sought expressions of interest to fill the vacant position on the Committee. Six expressions of interest were received.

In accordance with the Committee Charter a selection panel consisting of the Mayor, a Councillor member of the Committee and the Chief Executive Officer considered all submissions, and noted that they were all of a high standard.

Following this assessment which included an interview process, the panel has recommended that Council appoint Mr Craig Nisbet to the vacant committee position.

Mr Nisbet has significant senior executive experience in leading and managing audit and risk management for several large corporations in the private sector. He has also served as Chair and Independent Member of the South Gippsland Shire Council Audit Committee and Independent Member of the City of Glen Eira Council Audit Committee. Mr Nisbet resides outside of Murrindindi Shire. The panel determined that Mr Nisbet would be a valuable contributor to the Committee.

The selection panel was impressed by the calibre of applicants, which included young professionals seeking to gain local government experience. Given Council's commitment to supporting training opportunities for young people the panel recommends that Council support the opportunity for a young professional to be appointed as an observer of Audit and Risk Committee meetings as a learning opportunity, for an initial twelve month period. Continuation beyond this period would be subject to review and evaluation of the initiative by the Committee and Council. If successful, the Committee Charter could be subsequently amended to enable this opportunity to be offered on an ongoing basis.

Subject to Council endorsing this initiative at this meeting the selection panel members will discuss this initiative with the Committee at its March 2019 meeting with the aim of inviting a young professional from the list of applicants to attend future meetings in an observer capacity.

**Council Plan/Strategies/Policies**

This report is consistent with the *Council Plan 2017-2021* Our Promise strategy to 'maintain Council's financial sustainability through sound financial and asset management.

**Relevant Legislation**

Appointment of a member to the Audit and Risk Advisory Committee is consistent with the Committee Charter Clause 2 (b) which allows membership of three independent persons. The term of appointment is for two years with the option for a further one year.

There current Committee Charter is silent with respect to creating an opportunity for a young professional to observe regular committee meetings as a form of professional development.

**Financial Implications and Risk**

An honorarium \$2,000.00 per annum is budgeted to be paid to external independent members of the Audit Committee.

**Conflict of Interest**

There are no declared conflicts of interest by Council officers in relation to this report.

**Community and Stakeholder Consultation**

The Expression of Interest was advertised on Council's website and through the following publications (refer below) and via social media on Council's Linked In page calling for submissions.

Newspaper / Other	Publishing Date(s)
Newspaper:	
Alexandra and Eildon Standard	15/1, 22/1, 29/1, 5/2
Yea Chronicle	15/1, 22/1, 29/1, 5/2
Local Paper	15/1, 22/1, 29/1, 5/2
Website	15/1 – 5/2