
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 14 FEBRUARY 2024
CONFIDENTIAL MATTERS REPORT

Item from the General Manager: -

The following item is reported in a Closed Meeting of Council in accordance with Section 10A(2)(a) of the Local Government Act 1993, being personnel matters concerning particular individuals (other than councillors) and is therefore not in the public interest to disclose.

1. EXPRESSIONS OF INTEREST – AUDIT RISK AND IMPROVEMENT COMMITTEE INDEPENDENT MEMBER

Author	Director Governance
Responsible Officer	General Manager
Link to Strategic Plans	CSP 4.2.1 Strive for business excellence through continuous improvement and creativity DP 4.2.1.3 Effective use of Audit Risk and Improvement Committee

Executive Summary

This report is presented to Council to appoint an Independent Member to Council's Audit Risk and Improvement Committee.

Report

In accordance with the Local Government (General) Regulation 2021, and the Guidelines for Risk Management and Internal Audit for Local Government in NSW, Audit Risk and Improvement Committees are to comprise of an independent chairperson and at least two independent members.

Audit, Risk and Improvement Committee members are appointed by a resolution of the governing body of Council.

When selecting individual audit, risk and improvement committee members, Council should ensure the committee has the appropriate mix of skills, knowledge and experience necessary to successfully implement its terms of reference and add value to the Council.

The Committee should have at least one member with financial expertise and a mix of skills and experience in:

- Business
- Financial and legal compliance
- Risk management, and
- Internal audit, and
- Any specialised business operations of the Council.

All members should have sufficient understanding of Council's financial reporting responsibilities to be able to contribute to the committee's consideration of the annual financial statements.

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INDEPENDENT MEMBER (Cont'd)**

Each committee member should also have sufficient time to devote to their responsibilities as a member of the committee.

Independent members **must not**:

- Currently be a Councillor of any NSW Council
- Be a non-voting representative of the board of the 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 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 committee
- 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 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

Three Expressions of Interest have been received; however, one individual has since withdrawn their submission. The Expressions of Interest to be considered are reported in Closed Meeting.

Financial Implications

Independent members are paid \$1,255 (excluding GST) per meeting, with \$2,000 (excluding GST) per meeting paid to the Chair of the Committee. The Committee meets four times per year. Travel costs are currently not reimbursed.

Councils are also obliged to make compulsory superannuation guarantee contributions on behalf of committee independent members where they are remunerated.

Legal and Regulatory Compliance

Local Government Act 1993

Local Government (General) Regulation 2021

OLG Guidelines for Risk Management and Internal Audit (November 2023)

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INDEPENDENT MEMBER (Cont'd)**

Risk Management Issues

Membership requirements for Council's audit, risk and improvement committee has now been prescribed. Councils are to comply with these requirements from 1 July 2024 and commencing with the 2024/25 annual report, to attest to their compliance with the requirements in their annual reports.

Internal/External Consultation

Chair, Audit Risk and Improvement Committee
General Manager

RECOMMENDATION

That Council move into Closed Meeting in accordance with Section 10A(2)(a) of the Local Government Act 1993, to consider the Expressions of Interests received, as they are of a personnel nature concerning particular individuals (other than councillors) and are therefore not in the public interest to disclose.

Jane Redden
General Manager