

---

# Audit, Risk and Improvement Committee - appointment of Councillor Members

*Responsible Officer: General Manager (Phillip Rudd)*

---

## Recommendation

That nominations for a primary and alternate member on the Audit, Risk and Improvement Committee be sought from Councillors (excluding the Chair).

## Background

Council's [Audit, Risk and Improvement Committee Charter](#) provides that the Committee is constituted of the following 3 voting members only:

1. **Independent External Chair** – Four-year term – **Occupied** by Brian Wilkinson until September 2023;
2. **Independent External Member** – Four-year term – **Occupied** by Andrew MacLeod until April 2025;
3. **Councillor Member** (and alternate Councillor member) – Two-year term - **Vacant**.

The alternate Councillor member is appointed as a contingency for situations when the Councillor Member is unable to attend meetings.

The Charter provides that only Council can appoint members to the Committee and that taken collectively, the Committee is to have a broad range of skills and experience relevant to the operations of Council.

The current Committee Chair, Brian Wilkinson, is a former local council General Manager (Richmond Valley Council) with a strong governance skill set. The Independent Member, Andrew MacLeod, was appointed to the Committee in 2021 and has extensive experience in audit and risk management.

## Governance

The Committee meets five times a year with meetings in 2022 to commence from 10am on 28 March, 23 May, 25 July, 17 October and 28 November.

The October meeting is reserved for consideration of Council's Financial Statements prior to being furnished to Council.

Committee Members can attend meetings in-person (at the Council Administration building) or remotely via Microsoft Teams. Both methods of attendance have been utilised by Committee Members previously (particularly in 2020 and 2021) without any impact to meetings.

A report on the key points of business and a copy of the minutes of each Committee meeting are, where possible, provided to the Council at the next Council meeting following that meeting of the Committee.

Committee members are covered by Council's Public Liability, Professional Indemnity and Voluntary Workers' Insurance (excluding medical expenses) subject to the applicable policy terms and conditions.

---

## Finance

Rous County Council maintains a recurrent budget allocation that covers all costs associated with payment for two independent Committee members and contract internal auditors. For 2021/22 the budget allocation is \$31,700 distributed as follows:

Description	Rate	Budget allocation
Independent External Chair	\$494 per meeting (CPI increase annually)	\$2,470
Independent External Member	\$300 per meeting (CPI increase annually)	\$1,500
Travel expenses – Chair and Independent Member	Vehicle expenses: \$0.78 per km Accommodation expenses: as per ATO Tax Determination for applicable FY (currently TD 2021/6)	\$2,896
Internal audit services	-	\$24,834 (incl GST)

The Councillor member on the Committee does not receive a sitting fee, however actual travel and out-of-pocket expenses are reimbursed.

## Legal

In September 2019 the Office of Local Government ('OLG') released for discussion its first iteration of the proposed 'New risk management and internal audit framework for local councils in NSW' ('Framework').

This Framework proposed regulatory changes and mandatory guidelines to complement amendments to the *Local Government Act 1993 (NSW)* ('LG Act') prescribing the appointment by councils of an Audit, Risk and Improvement Committee.

In August 2021, the OLG released revised draft mandatory guidelines and proposed regulatory changes and invited final submissions from councils by November 2021<sup>1</sup>.

The amendments to the *Local Government Act 1993 (NSW)* requiring councils to appoint an Audit, Risk and Improvement Committee ('ARIC') have now commenced<sup>2</sup>, however the foreshadowed amendments to the regulation and the mandatory guidelines have not yet been formalised.

The mandatory guidelines are expected to exclude councillors from holding a voting position on a council's Committee, but may allow an optional, non-voting councillor member to attend meetings.

The draft mandatory guidelines indicate that councils will have until 2027 to ensure its Committee membership complies with the mandatory guidelines.

Accordingly, a voting Councillor Member will continue to hold membership on Council's Committee for the next two-years, in accordance with the current Committee Charter, after which the Committee Charter will be updated to reflect composition requirements of the mandatory guidelines expected to be in-force by that time.

---

<sup>1</sup> Refer to the Office of Local Government's website for further information :  
<https://www.olg.nsw.gov.au/councils/governance/risk-management-audit-and-internal-controls/risk-management-and-internal-audit-framework-for-local-councils-in-nsw/>

<sup>2</sup> [Section 428A](#) *Local Government Act 1993* (NSW).

---

**Consultation**

Not applicable.

**Conclusion**


The position of Councillor member and alternate Councillor member on Council's Audit, Risk and Improvement Committee are vacant, and nominations are sought from Councillors to fill these positions.

A vote will be taken in the event of more than one nomination being received for each position.

Nominations are to be made by Councillors by completing the nomination form provided at Attachment 1.

**Attachment**

1. Nomination forms (*copies also available at the meeting*)

 <p><b>ROUS</b> COUNTY COUNCIL</p>	<p><b>NOMINATION FORM 2022</b> <b>Audit, Risk and Improvement Committee</b> <b>Councillor Member (primary)</b></p>
<p>We nominate:</p> <p>..... <i>(Councillor name)</i></p> <p>for the position of <b>councillor member (primary)</b> of the Audit, Risk and Improvement Committee.</p> <p>..... <i>(Councillor/signature)</i></p> <p>..... <i>(Councillor/signature)</i></p> <p>Date:</p> <p>I consent to the nomination.</p> <p>..... <i>(Councillor/signature)</i></p> <p>Date:</p>	



**NOMINATION FORM 2022**  
**Audit, Risk and Improvement**  
**Committee**  
**Councillor Member (alternate)**

We nominate:

.....  
(Councillor name)

for the position of **councillor member (alternate)** of the Audit, Risk and Improvement Committee.

.....  
(Councillor/signature)

.....  
(Councillor/signature)

Date:

I consent to the nomination.

.....  
(Councillor/signature)

Date: