
Appointment of Chair and Independent External Member – Audit, Risk and Improvement Committee

Responsible Officer: Group Manager People and Performance (Helen McNeil)

Recommendation

That Council appoint to the Audit, Risk and Improvement Committee:

1. Laurie Lefcourt as Chair for a four (4) year term commencing at the conclusion of the hand over period; and
2. Raymond Wong as Independent Member for a four (4) year term.

Background

Council's Audit, Risk and Improvement Committee ('ARIC') is currently comprised of three voting members as follows:

- Independent Chair – Brian Wilkinson – Four (4) year term expiring September 2023
- Independent Member – Andrew MacLeod – Four (4) year term expiring April 2025
- Councillor Member – Cr Big Rob – Two (2) year term expiring February 2024

From 1 July 2024, the composition of the ARIC will need to comply with the '[Risk Management and internal audit guidelines for local government in NSW](#)' (the 'Guidelines') issued by the Office of Local Government.

Under the Guidelines, an ARIC must be composed, at a minimum, of one (1) independent chair and two (2) independent members with an option to include a non-voting councillor member.

To be in a position to comply with the Guidelines and fill the position of Chair - due to become vacant in September 2023 following confirmation the incumbent Chair will not be seeking reappointment - a recruitment process was undertaken to identify suitable candidates to fill the position of Chair and an additional Independent Member position on the ARIC.

Recruitment process

The selection criteria for the two (2) positions were developed in accordance with the independence and essential selection criteria applicable to the position of Chair as set out in the Guidelines, which focussed on attracting candidates with:

- Leadership qualities and the ability to promote effective working relationships in complex organisations
- An ability to communicate complex and sensitive assessments in a tactful manner to the head of the council's internal audit function, senior management and the chairperson and councillors
- A sound understanding of:
 - 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 head of the council's internal audit function, and
 - risk management principles

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- 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)

The expression of interest inviting applications for appointment to the positions available on the ARIC was advertised on Council's website and Seek from 13 March 2023 to 27 March 2023.

Ten (10) applications were received by Council. Four (4) of those applicants were shortlisted and invited to an interview conducted by a three-person panel consisting of:

- Brian Wilkinson, ARIC Chair
- Helen McNeil, Group Manager, People and Performance
- Lauren Edwards, Governance and Risk Manager.

Preferred candidates

As an outcome of the recruitment process Laurie Lefcourt was identified as the preferred candidate, by a clear margin, for the position of Chair and Raymond Wong identified as preferred candidate for the position of Independent Member.

Both candidates have returned clear criminal history, bankruptcy and Right to Work checks and favourable endorsements from their nominated referees (two (2) each).

Details of their professional skills, experience, and qualifications relevant to the respective roles can be found in their applications and summarised as follows:

- Laurie Lefcourt – Extensive board level experience at ASX listed companies across a range of industries, finance qualifications and demonstrated governance and risk management experience.
- Raymond Wong – Strong technical skills in governance, risk management and audit and membership with associated professional bodies.

The applications of the four (4) candidates (including the two preferred candidates above) invited for interview contain personal information that must be treated confidentially and can be made available to Councillors on that basis upon request.

Comment

A handover period between the outgoing and incoming ARIC Chairs will occur for the remainder of the term of the incumbent Chair.

The incumbent Chair's final ARIC meeting will be held on 24 July 2023 with the annual ARIC performance report being provided for the final time by the incumbent Chair to the Council at its meeting on 16 August 2023.

Governance

• Finance

Council currently pays the following sitting fees per meeting (5 x meetings per year), with annual CPI increases:

- Chair \$516 per meeting
- Independent Member \$313 per meeting

Reimbursement of travel expenses in accordance with the applicable ATO thresholds and superannuation contributions (excluding the Councillor Member who is not eligible as no sitting fee is paid) are also paid in addition to the sitting fees.

These fees are paid from the reoccurring annual internal audit budget (\$32,800 in 2022/23).

- **Legal**

Council is required to maintain an ARIC in accordance with section [428A](#) of the *Local Government Act 1993*.

In accordance with the current ARIC Charter and the new Guidelines, the appointment of voting members must occur by way of Council resolution and for an initial term of four (4) years.

The current ARIC Charter will be updated to reflect the requirements of the Guidelines in the latter half of this year and will be presented to Council for adoption at its ordinary meeting in December 2023.

This approach will allow the term of the current councillor member to conclude naturally while noting that the amendments to the *Local Government (General) Regulation 2021*, that will enliven the requirements of the Guidelines, have not yet been enacted as at the time of writing this report.

Consultation

The recruitment process was conducted in consultation with Council's Human Resources staff and utilised the Human Resources Information System (ELMO) for the evaluation of candidates.

The incumbent Chair of Council's ARIC was consulted in the development of the selection criteria for the positions and was a member of the three-person interview panel.

Conclusion

Following a robust recruitment process, Laurie Lefcourt and Raymond Wong are submitted to Council as the preferred candidates for appointment to Council's ARIC as Chair and Independent Member, respectively.

Attachments:

**Candidate applications are available to councillors on a confidential basis upon request.*