

Audit, Risk & Improvement Committee Terms of Reference (Charter)

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1. Introduction

Shoalhaven City Council (Council) has established an audit, risk and improvement committee (ARIC, the committee) in compliance with section 428A of the *Local Government Act 1993*, the *Local Government (General) Regulation 2021* and the Office of Local Government's *Guidelines for risk management and internal audit for local government in NSW*. These terms of reference set out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

2. Objective

The objective of Council's ARIC is to provide independent advice to Council by monitoring, reviewing and providing feedback about the Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

3. Independence

The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice.

The committee is to have an advisory role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of the Council. The committee will provide independent advice to the Council that is informed by the Council's internal audit and risk management activities and information and advice provided by staff, relevant external bodies and subject matter experts.

The committee must always ensure it maintains a direct reporting line to and from the Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the Chief Executive Officer on matters affecting the performance of the internal audit function.

4. Authority

Council authorises the committee, for the purposes of exercising its responsibilities, to:

- access any information it needs from the Council
- use any Council resources it needs
- have direct and unrestricted access to the Chief Executive Officer and senior management of the Council
- seek the Chief Executive Officer's permission to meet with any other Council staff member or contractor
- discuss any matters with the external auditor or other external parties
- request the attendance of any employee at committee meetings,
- receive information from Councillors in accordance to clause 7.3 of Council's Code of Conduct and

- with the approval of the Chief Executive Officer and/or the Mayor, obtain external legal or other professional advice in line with councils’ procurement policies. Details of any costs incurred shall be included in the ARIC annual report to Council.

Information and documents pertaining to the committee are confidential and are not to be made publicly available. The committee may only release Council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the Chief Executive Officer, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

5. Composition and tenure

The committee consists of an independent Chair and two independent members who have voting rights and one non-voting councillor, as required under the *Local Government (General) Regulation 2021 (216C Composition of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B)*.

The governing body is to appoint the Chair and members of the committee. Current committee members are:

Donna Rygate	Independent Chair (voting)
John Gordon	Independent member (voting)
Deborah Goodyer	Independent member (voting)
Clr Patricia White	Councillor member (non-voting)
Clr Gillian Boyd	Alternate Councillor member (non-voting)]

All committee members must meet the independence and eligibility criteria prescribed under the *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B, 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*.

The appointment of independent ARIC members, ARIC Chair and non – voting Councillor member will be guided by the procedure on ‘Recruitment of Members to Audit Risk and Improvement Committee’ attached as schedule 3 to the ARIC Charter.

Members will be appointed for up to a four-year term in accordance to *Local Government (General) Regulation 2021, 216G Term of office—the Act, Sch 6, cl 19B*. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as Chair of the committee. Members who have served an eight-year term (either as a member or as Chair) must have a two-year break from serving on the committee before being appointed again. To preserve the committee’s knowledge of the Council, ideally, no more than one member should retire from the committee because of rotation in any one year.

The terms and conditions of each member’s appointment to the committee are to be set out in a letter of appointment. New members will be thoroughly inducted to their role and receive

relevant information and briefings on their appointment to assist them to meet their responsibilities.

Prior to approving the reappointment or extension of the Chair's or an independent member's term, the governing body is to undertake an assessment of the Chair's or committee member's performance. Reappointment of the Chair or a committee member is also to be subject to that person still meeting the independence and eligibility requirements prescribed under the *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B and 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*.

Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of the Council, the environment in which the Council operates, and the contribution that the committee makes to the Council. At least one member of the committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a local government environment. All members should have sufficient understanding of the Council's financial reporting responsibilities to be able to contribute to the committee's consideration of the Council's annual financial statements.

6. Role

As required under section 428A of the *Local Government Act 1993* (the Act), the role of the committee is to review and provide independent advice to the Council regarding the following aspects of the Council's operations:

- compliance
- risk management
- fraud control
- financial management
- governance
- implementation of the strategic plan, delivery program and strategies
- service reviews
- collection of performance measurement data by the Council, and
- internal audit.

The committee must also provide information to the Council for the purpose of improving the Council's performance of its functions.

The committee's specific audit, risk and improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to these terms of reference.

The committee will act as a forum for consideration of the Council's internal audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.

The committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.

The committee is directly responsible and accountable to the governing body for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all

times recognise that primary responsibility for management of the Council rests with the governing body and the Chief Executive Officer.

The responsibilities of the committee may be revised or expanded in consultation with, or as requested by, the governing body from time to time.

7. Responsibilities of members

Independent members

The Chair 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
- 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
- have strong leadership qualities (Chair)
- lead effective committee meetings (Chair), and
- oversee the Council's internal audit function (Chair).

Councillor members

To preserve the independence of the committee, the Councillor member of the committee is a non-voting member. Their role is to:

- relay to the committee any concerns the governing body may have regarding the Council and issues being considered by the committee
- provide insights into local issues and the strategic priorities of the Council that would add value to the committee's consideration of agenda items
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee.

Issues or information the councillor member raises with or provides to the committee must relate to the matters listed in Schedule 1 and issues being considered by the committee.

The Councillor member of the committee must conduct themselves in a non-partisan and professional manner. The Councillor member of the committee must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

If the Councillor member of the committee engages in such conduct or in any other conduct that may bring the committee and its work into disrepute, the Chair of the committee may recommend to the Council, that the Councillor member be removed from membership of the committee. Where the Council does not agree to the committee Chair's recommendation, the Council must give reasons for its decision in writing to the Chair.

Conduct

The chair and independent committee members are required to comply with the Council's code of conduct.

Complaints alleging breaches of the Council's code of conduct by the Chair or an independent committee member are to be dealt with in accordance with the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW*. The Chief Executive Officer must consult with the governing body before taking any disciplinary action against the Chair or independent committee member in response to a breach of the Council's code of conduct.

Conflicts of interest

Once a year, committee members must provide written declarations to the Council stating that they do not have any conflicts of interest that would preclude them from being members of the committee. Independent committee members are 'designated persons' for the purposes of the Council's code of conduct and must also complete and submit returns of their interests.

Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting at the start of each meeting or as soon as they become aware of the conflict of interest. Where a committee member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from committee deliberations on the issue. Details of conflicts of interest declared at meetings must be appropriately minuted.

8. Work plans

The work of the committee is to be thoroughly planned and executed. The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

The committee may, in consultation with the governing body, vary the strategic work plan at any time to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the strategic work plan. Any decision to vary the strategic work plan must be made by the committee.

The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

The committee may, in consultation with the governing body, vary the annual work plan to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the annual work plan. Any decision to vary the annual work plan must be made by the committee.

When considering whether to vary the strategic or annual work plans, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the work plan.

9. Reporting

The committee must regularly report to the Council to ensure that it is kept informed of matters considered by the committee and any emerging issues that may influence the strategic direction of the Council or the achievement of the Council's goals and objectives.

The committee will provide an update to the governing body and the Chief Executive Officer of its activities and opinions after every committee meeting.

The committee will provide an annual assessment to the governing body and the Chief Executive Officer on the committee's work and its opinion on how the Council is performing.

The committee will provide a comprehensive assessment every council term of the matters listed in Schedule 1 to the governing body and the Chief Executive Officer.

The committee may at any time report to the governing body or the Chief Executive Officer on any other matter it deems of sufficient importance to warrant their attention. The Chair Mayor and the Chair of the committee may also meet at any time to discuss issues relating to the work of the committee.

Should the governing body require additional information, a request for the information may be made to the Chair by resolution. The Chair is only required to provide the information requested by the governing body where the Chair is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual councillors are not entitled to request or receive information from the committee.

10. Administrative arrangements

Meetings

The committee will meet at least 4 times per year, and where required, hold special meeting to review Council's financial statement in accordance to *Local Government (General) Regulation 2021* (216J Meetings of Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B)

The committee can hold additional meetings when significant unexpected issues arise, or if the Chair is asked to hold an additional meeting by a committee member, the Chief Executive Officer or the governing body.

Committee meetings can be held in person, by telephone or videoconference, with in person attendance required for at least 2 of the scheduled quarterly meetings. Proxies are not permitted to attend meetings if a committee member cannot attend.

A quorum will consist of a majority of independent voting members. Where the vote is tied, the Chair has the casting vote.

The Chair of the committee will be consulted on items for inclusion on the agenda for each committee meeting. Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.

The following officers should attend committee meetings as non-voting observers:

Mayor (standing invite)

Chief Executive Officer
Chief Internal Auditor
Audit & Assurance Officer
Lead Enterprise Risk Management
Manager Business Assurance & Risk
Director City Performance
Director City Development
Director City Services
Director City Futures
Director City Lifestyle
Executive Manager Shoalhaven Water
Chief Financial Officer
Chief Information Officer

The external auditor (or their representative) is to be invited to each committee meeting as an independent observer.

The Chair can request the any employee/contractor of the council and any subject matter expert to attend committee meetings. Where requested to attend a meeting, persons must attend the meeting where possible and provide any information requested.

Observers have no voting rights and can be excluded from a meeting by the Chair at any time.

The committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.

The committee must meet separately with the Chief Internal Auditor and the Council's external auditor at least once each year.

Dispute resolution

Members of the committee and the Council's management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.

In the event of a disagreement between the committee and the Chief Executive Officer or other senior managers, the dispute is to be resolved by the governing body.

Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.

Administrative Support

The Chief Internal Auditor will provide administrative support to the committee in accordance with *Local Government (General) Regulation 2021 (216L Assistance to Audit, Risk and Improvement Committee—the Act, Sch 6, cl 19B)*. The Chief Internal Auditor will ensure the agenda for each meeting and supporting papers are circulated at least 1 week before the meeting and ensure that minutes of meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within 3 weeks of the meeting to each member.

Resignation and dismissal of members

Where the Chair or a committee member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they should give 3 months notice to the

Chair and the governing body prior to their resignation to allow the Council to ensure a smooth transition to a new Chair or committee member.

The governing body can, by resolution, terminate the appointment of the Chair or an independent committee member before the expiry of their term where that person has:

- breached the Council's code of conduct
- performed unsatisfactorily or not to expectations
- declared, or is found to be in, a position of a conflict of interest which is unresolvable
- been declared bankrupt or found to be insolvent
- experienced an adverse change in business status
- been charged with a serious criminal offence
- been proven to be in serious breach of their obligations under any legislation, or
- experienced an adverse change in capacity or capability.

This should be done in accordance with *Local Government (General) Regulation 2021* (216H Removal of members—the Act, Sch 6, cl 19B)

The position of a Councillor member on the committee can be terminated at any time by the governing body by resolution.

11. Remuneration

In accordance with *Local Government (General) Regulation 2021 (216I Remuneration—the Act, Sch 6, cl 19B)*, the independent members of the Committee will be entitled to remuneration on the basis of a fee determined by Council. In addition to the fee, independent members will be paid for all expenses incurred in relation to their responsibilities as members of the Committee, including travel costs, accommodation, attendance at inductions, training and personal development opportunities. The fee will be payable following each meeting of the Committee, and upon receipt of an invoice. In the absence of the Council appointed Chair at a meeting, the Committee member who chairs the meeting will be paid the usual Committee member fee.

12. Review arrangements

At least once every Council term, the governing body must review or arrange for an external review of the effectiveness of the committee.

These terms of reference must be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

For further information on Council's audit, risk and improvement committee, contact Internal Audit Team on internalaudit@shoalhaven.nsw.gov.au or by phone 1309 293 111.

Reviewed by Chair of the audit, risk and improvement committee

13 May 2024

Reviewed by Council in accordance with a resolution of the governing body.

03.06.2024

MIN24.303

Next review date: *ARIC – June 2025*

Schedule 1: Audit, risk and improvement committee responsibilities

Note: The responsibilities of the Audit, Risk and Improvement Committee is limited by the information provided to the committee in accordance with the workplan.

1. Audit

1.1 Internal audit

- 1.1.1 Provide overall strategic oversight of internal audit activities
- 1.1.2 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit
- 1.1.3 Oversee, as far as is practicable, the work programs of internal audit and other assurance and review functions
- 1.1.4 Review and advise the Council:
 - (i) on whether the Council is providing the resources necessary to successfully deliver the internal audit function
 - (ii) if the Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework
 - (iii) if the Council's internal audit charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by the Council are suitable
 - (iv) of the strategic four-year work plan and annual work plan of internal audits to be undertaken by the Council's internal audit function
 - (v) if the Council's internal audit activities are effective, including the performance of the Chief Internal Auditor and the internal audit function
 - (vi) of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
 - (vii) of the implementation by the Council of these corrective actions
 - (viii) on the appointment of the Chief Internal Auditor and external providers, and
 - (ix) if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities

1.2 External audit

- 1.2.1 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit
- 1.2.2 Oversee as far as is practicable, the work programs of internal audit and external audit
- 1.2.3 Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- 1.2.4 Review all external plans and reports in respect of planned or completed audits and monitor council's implementation of audit recommendations
- 1.2.5 Provide advice to the governing body and/or Chief Executive Officer on action taken on significant issues raised in relevant external audit reports and better practice guides

2. Risk

2.1 Risk management

2.1.1 Review and advise the Council:

- (i) if the Council's has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
- (ii) whether the Council is providing the resources necessary to successfully implement its risk management framework
- (iii) whether the Council's risk management framework is adequate and effective for identifying and managing the risks the Council faces, including those associated with individual projects, programs and other activities
- (iv) if risk management is integrated across all levels of the Council and across all processes, operations, services, decision-making, functions and reporting
- (v) of the adequacy of risk reports and documentation, for example, the Council's risk register and risk profile
- (vi) whether a sound approach has been followed in applying risk management methodology into plans for major projects or undertakings
- (vii) whether appropriate policies and procedures are in place for the management and exercise of delegations
- (viii) if the Council has taken steps to embed a culture which is committed to ethical and lawful behaviour
- (ix) if there is a positive risk culture within the Council and strong leadership that supports effective risk management
- (x) of the adequacy of staff training and induction in risk management
- (xi) how the Council's risk management approach impacts on the Council's insurance arrangements
- (xii) of the effectiveness of the Council's management of its assets, and
- (xiii) of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

2.2 Internal controls

2.2.1 Review and advise the Council:

- (i) whether the Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- (ii) whether the Council has in place relevant policies and procedures and that these are periodically reviewed and updated
- (iii) whether appropriate policies and procedures are in place for the management and exercise of delegations
- (iv) whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- (v) if the Council's monitoring and review of controls is sufficient, and
- (vi) if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

2.3 Compliance

Review and advise the Council of the adequacy and effectiveness of the Council's compliance framework, including:

- (i) if the Council has appropriately considered legal and compliance risks as part of the Council's risk management framework

- (ii) how the Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- (iii) whether appropriate processes are in place to assess compliance.

2.4 Fraud and corruption

Review and advise the Council of the adequacy and effectiveness of the Council's fraud and corruption prevention framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

2.5 Financial management

Review and advise the Council:

- (i) if the Council is complying with accounting standards and external accountability requirements
- (ii) of the appropriateness of the Council's accounting policies and disclosures
- (iii) of the implications for the Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations
- (iv) whether the Council's financial statement preparation procedures and timelines are sound
- (v) the accuracy of the Council's annual financial statements prior to external audit, including:
 - a. management compliance/representations
 - b. significant accounting and reporting issues
 - c. the methods used by the Council to account for significant or unusual transactions and areas of significant estimates or judgements
 - d. appropriate management signoff on the statements
- (vi) if effective processes are in place to ensure financial information included in the Council's annual report is consistent with signed financial statements
- (vii) if the Council's financial management processes are adequate
- (viii) the adequacy of cash management policies and procedures
- (ix) if there are adequate controls over financial processes, for example:
 - a. appropriate authorisation and approval of payments and transactions
 - b. adequate segregation of duties
 - c. timely reconciliation of accounts and balances
 - d. review of unusual and high value purchases
- (x) if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate
- (xi) if the Council's grants and tied funding policies and procedures are sound.

2.6 Governance

Review and advise the Council regarding its governance framework, including the Council's:

- (i) decision-making processes
- (ii) implementation of governance policies and procedures
- (iii) reporting lines and accountability
- (iv) assignment of key roles and responsibilities

- (v) committee structure
- (vi) management oversight responsibilities
- (vii) human resources and performance management activities
- (viii) reporting and communication activities
- (ix) information and communications technology (ICT) governance, and
- (x) management and governance of the use of data, information and knowledge

3. Improvement

3.1 Strategic planning

Review and advise the Council:

- (i) of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
- (ii) if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- (iii) whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

3.2 Service reviews and business improvement

- (i) Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)
- (ii) Review and advise the Council:
 - a) If the Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
 - b) if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
 - c) how the Council can improve its service delivery and the Council's performance of its business and functions generally

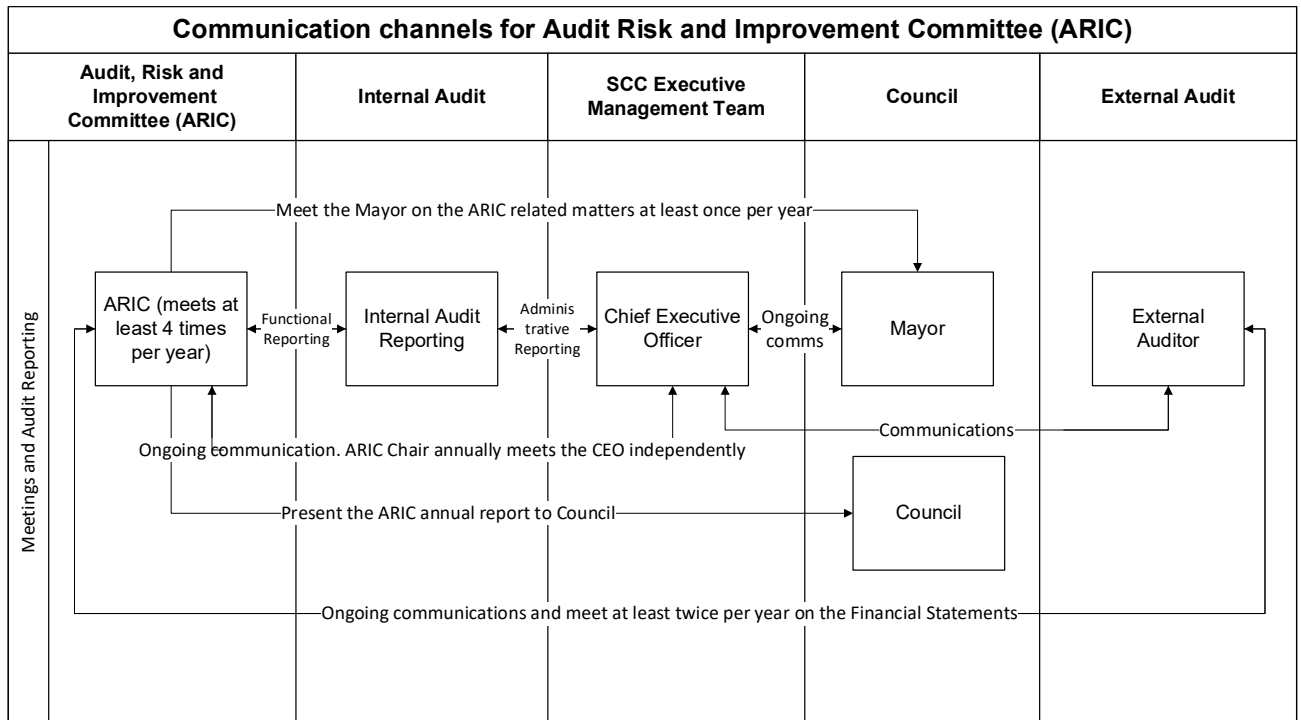
3.3 Performance data and measurement

Review and advise the Council:

- (i) if the Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- (ii) if the performance indicators the Council uses are effective, and
- (iii) of the adequacy of performance data collection and reporting.

Schedule 2: Audit Risk and Improvement Committee Communications Guidelines

The following diagram depicts communication channels:



Chief Internal Auditor:

- Provide administrative support to ARIC to meet the ARIC Charter requirements.
- Will report to the ARIC with full independence from Council, management and staff.
- Will seek information from staff or request staff to report on certain matters to the ARIC.
- Will provide feedback to staff from decisions / recommendations by the ARIC.
- Attends all ARIC meetings.

Chief Executive Officer:

- Provides “administration” supervision and direction to the Chief Internal Auditor. Reports directly to the ARIC on strategic risks as requested by the ARIC.
- Attends ARIC meetings (unless excluded by Committee).

Executive Management Team (Directors):

- Report directly to the ARIC on strategic risks within their responsibility areas as requested by the ARIC or General Manager.
- Attend ARIC meetings (unless excluded by Committee).

Audit Risk and Improvement Committee:

- Meets minimum four times per year.
- Undertakes role in accordance with ARIC Terms of Reference (Charter).
- Reports annually to Council on its annual activities. The ARIC Chair presents the ARIC annual report to Council.

- ARIC Chair meets with Mayor at least once per annum.
- ARIC Chair meets with the Chief Executive Officer regularly.
- Meets the external auditor at least twice per year to discuss the financial statements.

Schedule 3: Procedure – Recruitment of Members to Audit, Risk and Improvement Committee (ARIC)

Purpose:

This procedure documents the expected process for the appointment of independent member, Chair and Councillor non-voting member to the ARIC.

Procedure

The process will be coordinated by the Chief Internal Auditor. The Chief Internal Auditor will have no decision making rights.

ARIC independent members are appointed on a staggered basis to ensure continuity and succession.

Recruitment of an Independent ARIC Member

- An eligibility criteria for appointment for independent ARIC member will be established as per *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B, 216E Eligibility for appointment as independent member—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*. The applicant will be required to demonstrate how they meet the legislative requirements. A current resume and referees will be required.
- A panel for selection and recruitment will be established. The panel will consist of the CEO, The Mayor (or a nominated Councillor) and the ARIC Chair (or a nominated in an advisory role).
- An expression of interest (EOI) will be advertised through various recruitment channels (seek, Council's website, Council's social media, local newspaper, advertisement through Institute of Internal Auditors and circulation of EOI on professional network bodies such as Local Government Internal Audit Network).
- In instances where Council had received generic EOI's from member of public which had been received through Records section, those persons would be notified via email on the current vacancy at the time of advertisement.
- Advertisement period will be 3 weeks. No late submissions will be considered unless there is no merit based applications received.
- Upon closing of the advertisement, all involved in the selection process will be required to complete conflict of interest declaration form.
- Applications will be shortlisted and selected candidate/s will be offered an interview.
- Where required, referee check will be conducted by the ARIC Chair.
- The panel will make an assessment and recommend the person for appointment. A selection report will be prepared.

- The selection report will be provided at the Council meeting for approval of the selected member to the ARIC.
- The period of appointment will be for 2 to 4 years with an option to extend for a further 4 years.

Appointment of a Councillor non-voting member

- When core committees are determined by Council, the Council will appoint and reconfirm the non-voting Councillor member to ARIC. An alternate non-voting Councillor member can be appointed to the ARIC.

Nomination and selection of Independent ARIC Chair

- Upon vacancy, a nomination process will be called via an email prior to the ARIC meeting by the CEO or appointed delegate.
- Only independent members will be invited in the nomination process.
- The nomination process will include a confirmation on whether nominees meet the ARIC Chair criteria as per the *Local Government (General) Regulation 2021 (216D Eligibility for appointment as chairperson—the Act, Sch 6, cl 19B and 216F Persons taken not to be independent of council—the Act, Sch 6, cl 19B)*.
- At the beginning of the ARIC meeting, the ARIC Chair will be determined.
- If only one nomination is received, that person is declared as elected
- If more than one nomination is received, the independent ARIC members will be asked to resolve whether the election is to take place by open voting (i.e. show of hands) or ordinary ballot (i.e. written votes recorded and provided in secret).
- In the event of equal nominations, the position shall be determined by draw. The name drawn by the CEO will be appointed to the position.
- A report on the appointment of ARIC Chairperson will be provided at the Council meeting for approval.
- The period of appointment shall be equivalent to the existing term of the appointment as an independent ARIC member, as stipulated in the Guidelines.



Address all correspondence to:

The Chief Executive Officer

PO Box 42, Nowra NSW 2541

shoalhaven.nsw.gov.au/contact

1300 293 111

shoalhaven.nsw.gov.au    