

Independent Member - Finance and Audit Committee

Originating Officer	Governance Officer - Angela Porter
Corporate Manager	Manager Corporate Governance - Kate McKenzie
General Manager	General Manager City Services - Tony Lines
Report Reference	RSC200804R03

REPORT OBJECTIVE

For the Review and Selection Committee to consider and make a recommendation to Council regarding the appointment and or recruitment process for an Independent Member to the Finance and Audit Committee (FAC).

EXECUTIVE SUMMARY

The FAC has three expert members that form part of the membership of the Committee. The term of the expert members has historically been for a three-year period and is structured to ensure that the expiration of the term falls at different times to allow continuity of membership despite changes to Council's elected representatives.

This report highlights that Ms Natalie Johnston's term on the FAC expires on 30 November 2020. Ms Johnston's term on the FAC commenced on 13 February 2018. Council has two options regarding this position:

1. Re-appoint Ms Johnston for a term of three years, or
2. Undertake a recruitment process for the position.

The views of Ms Johnston have been sought and she expressed her desire to continue on the FAC if Council so determines.

If the Committee wishes to discuss the performance of Ms Johnston, it is recommended that the Review and Selection Committee move into confidence in accordance with the following resolution:

That Pursuant to Section 90(2) and (3)(a) of the Local Government Act, 1999 the Review and Selection Committee orders that all persons present, with the exception of Adrian Skull, CEO, Kate McKenzie, Manager Corporate Governance and Steph Roberts, Manager People and Culture be excluded from the meeting as the Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will consider the performance of the Finance and Audit Committee.

The Committee is required to make a recommendation to Council regarding how to progress.

RECOMMENDATION

That the Review and Selection Committee recommends to Council:

1. **That Ms Natalie Johnston be re-appointed to the Finance and Audit Committee for a period of 3 years until 30 November 2023.**
or
2. **That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.**

GENERAL ANALYSIS

The FAC was established in 2006 pursuant to section 126 of the *Local Government Act 1999*. Under the FAC's Policy and Terms of Reference, the FAC will comprise of five members— two elected members and three expert members.

Section 3.6 to 3.11 of the FAC Terms of Reference states the following:

External Expert Members

3.6 External expert members will have senior business, legal, audit knowledge and experience, and be conversant with the local government environment.

3.7 At least one external expert member will have expertise and knowledge in financial management/reporting.

3.8 The Council will determine the process for appointing an expert member.

3.9 Appointment of external representatives will be made by Council for a term to be determined by Council. To ensure succession planning for the Committee, the terms of appointment should be arranged on a rotational basis and continuity of membership despite changes to Council's elected representatives. Council may resolve to re-appoint an external expert member for consecutive terms.

3.10 If Council proposes to remove an expert member from the Committee, it must give written notice to the expert member of its intention to do so and provide that expert member with the opportunity to be heard at a Council meeting which is open to the public, if that expert member so requests.

3.11 Remuneration will be paid to each expert member of the Committee to be set by Council from time to time. At a minimum, the remuneration paid to expert member will be reviewed within 12 months from the date of a Council (periodic) election. The basis will be a set fee per meeting, with an additional amount paid to the Chairperson

The following table provides the details of the current FAC membership, when they were appointed and when their terms expire.

Member	First Appointed	Expiry of Term
Ms Natalie Johnston	13 February 2018	30 November 2020
Ms Emma Hinchey	1 January 2017	30 November 2021
Mr David Papa	1 December 2019	30 November 2022
Councillor Tim Gard	27 November 2018	30 November 2020
Councillor Ian Crossland	25 February 2020	30 November 2020

If a recruitment process is undertaken, the Review and Selection Committee will manage this process.

If the Committee recommends to re-appoint Ms Johnston it is recommended that the term be three years until November 2023.

Elected Member Positions

Council has resolved that the Elected Member positions for the FAC will be Councillors Tim Gard (appointed from 28 November 2018 to 30 November 2020) and Ian Crossland (appointed from 25 February 2020 to 30 November 2020). These appointments will be considered along side Council's various positions for Elected Member Representatives prior to their expiry in November 2020.

CONCLUSION

The Review and Selection Committee is required to make a recommendation to Council regarding the approach to the reappointment or appointment of an expert member to the FAC.