

## Independent Member - Finance and Audit Committee

<b>Originating Officer</b>	Unit Manager Governance and Council Support - Jaimie Thwaites
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	General Manager City Services - Tony Lines
<b>Report Reference</b>	GC200811F03

### Confidential



### Confidential Motion

**That pursuant to Section 90(2) and (3)(a) of the Local Government Act 1999, the Council orders that all persons present, with the exception of the following persons: Adrian Skull, Tony Lines, Iliia Houridis, Sorana Dinmore, Kate McKenzie, Jaimie Thwaites and Victoria Moritz, be excluded from the meeting as the Council considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed by the need to keep consideration of the matter confidential given the information relates to the performance of the Finance and Audit Committee.**

### REPORT OBJECTIVE

For Council to consider the appointment 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.

The Review and Selection Committee (RSC) considered a report on 4 August 2020 (Report Reference: RSC200804R03), to make a recommendation to Council to either re-appoint Ms Johnston or commence recruitment of a new member. The RSC unanimously resolved:  
*That the Review and Selection Committee recommend to Council:*

1. *That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.*



2. *In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, Independent Member – Finance and Audit Committee and the minutes arising from this report having been considered in confidence under Section 90(2) and (3)(a) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting. This confidentiality order will be reviewed at the General Council Meeting in December 2020.*

## RECOMMENDATION

**That in-line with the recommendations from the Review and Selection Committee, Council:**

1. **Commences a recruitment process for an Independent Member of the Finance and Audit Committee.**
2. **Thanks Ms Natalie Johnston for her advice and services on the Finance and Audit Committee and confirms that her term will conclude in November 2020.**
3. **In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that this report, 'Independent Member – Finance and Audit Committee' and the minutes arising from the report, having been considered in confidence under Section 90(2) and (3)(a) of the Act, except when required to effect or comply with Council's resolution(s) regarding this matter, be kept confidential and not available for public inspection until Friday 14 August 2020. This confidentiality order will be reviewed at the General Council Meeting in December 2020 unless revoked prior.**

## GENERAL ANALYSIS

The Finance and Audit Committee (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 five members – two elected members and three external 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

## DISCUSSION



The RSC considered a report at its meeting of 4 August 2020 (RSC200804R03) regarding the appointment of an expert Member to the FAC. The following table was presented that provides the details of the current FAC membership, when they were appointed and when their term expires.

<b>Member</b>	<b>First Appointed</b>	<b>Expiry of Term</b>
Ms Natalie Johnston	13 February 2018	30 November 2020
Ms Emma Hinchey	01 January 2017	30 November 2021
Mr David Papa	01 December 2019	30 November 2022
Councillor Tim Gard	27 November 2018	30 November 2020
Councillor Ian Crossland	25 February 2020	30 November 2020

Ms Johnston's current appointment is due to expire on 30 November 2020. The opinion of Ms Johnston had been pursued and she communicated her desire to continue on the FAC, if Council so determined.

Based on the recommendation of the RSC highlighted within the Executive Summary, it is noted that the Committee's unanimous preference is to commence a recruitment process for a new independent member for the FAC. If a recruitment process is undertaken, the Review and Selection Committee will manage this process in accordance with its Terms of Reference.

If Council disagrees with the RSC recommendation, it can resolve to re-appoint Ms Johnston if it so determines. 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 and Ian Crossland. These appointments will be considered along with Council's various positions for Elected Member Representatives prior to their expiry in November 2020.