

**Independent Member - Finance and Audit Committee and SRWRA Audit Committee**

<b>Originating Officer</b>	Unit Manager Governance and Records - Jaimie Thwaites
<b>Corporate Manager</b>	Manager Corporate Governance - Kate McKenzie
<b>General Manager</b>	Acting General Manager Corporate Services - Ray Barnwell
<b>Report Reference</b>	GC190813F02

**Confidential****Confidential Motion****That**

1. 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 Adrian Skull, CEO, Kate McKenzie, Manager Corporate Governance, Ray Barnwell, Acting General Manager Corporate Services, Tony Lines, General Manager City Services, Fiona Harvey, Acting General Manager City Development and Victoria Moritz, Governance Officer 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 the Council to consider the appointment and or recruitment process:

1. for an Independent Member to the Finance and Audit Committee (FAC), and
2. for a City of Marion Representative on the Southern Region Waste Resources Authority (SRWRA) Audit Committee.

**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 Mr Greg Connor's term on the FAC expires on 30 November 2019. Mr Connor's term on the FAC commenced on November 2013 and he is the current Chair of the Committee. Council has two options regarding this position:

1. Re-appoint Mr Connor for a term of three (3) years, or
2. Undertake a recruitment process for the position.

Mr Connor is also the Council nominated representative on the SRWRA Audit Committee. Mr Connor is appointed in this position until November 2019. This position is usually held by one of the independent members on the Council's Finance and Audit Committee.

The views of Mr Connor have been sought and he expressed his desire to continue on the FAC if Council so determines.

The Review and Selection Committee (RSC) considered a report on 6 August 2019 (Report Reference: RSC190806R), to make a recommendation to Council to either re-appoint Mr Connor or commence recruitment of a new member. The RSC unanimously resolved:

*That the Review and Selection Committee recommend to Council:*

- 1. Not to re-appoint Mr Greg Connor at the end of his term (November 2019) and to thank him for his service.*
- 2. That Emma Hinchey be appointed as Chair to the Finance and Audit Committee subject to her acceptance for the remainder of her term.*
- 3. That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.*
- 4. That the appointment of Council's representative to the Southern Region Waste Resource Authority - Audit Committee occur at the conclusion of the recruitment process.*
- 5. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes arising from this report, 'Independent Member – Finance and Audit Committee and SRWRA Audit Committee', 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 Council decision on the matter is publically available. This confidentiality order will be reviewed at the General Council Meeting in December 2019.*

## 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 Mr Greg Connor for his leadership, advice and services on the Finance and Audit Committee and confirm that his term will conclude in November 2019.**
- 3. Appoints Ms Emma Hinchey as Chair to the Finance and Audit Committee (subject to her acceptance) for the remainder of her term.**
- 4. That the appointment of Council's representative to the Southern Region Waste Resource Authority - Audit Committee occur at the conclusion of the recruitment process.**
- 5. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes arising from this report, 'Independent Member – Finance and Audit Committee and SRWRA Audit Committee', 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 Council decision on the matter is publically available. This confidentiality order will be reviewed at the General Council Meeting in December 2019.**

## 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 of five (5) members – two (2) elected members and three (3) 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 6 August 2019 (RSC190806R02) 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.

Member	First Appointed	Expiry of Term
Mr. Greg Connor	November 2013	November 2019
Ms Natalie Johnston	13 February 2018	30 November 2020
Ms Emma Hinchey	1 January 2017	30 November 2021
Councillor Kendra Clancy	27 November 2018	27 November 2019
Councillor Tim Gard	27 November 2018	27 November 2019

Mr Connor's current appointment is due to expire on 30 November 2019. The opinion of Mr Connor had been pursued and he communicated his 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 Committees 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 the Council disagrees with the RSC recommendation, it can resolve to re-appoint Mr Connor if it so determines. It is recommended that the term be three years until November 2022.

### Elected Member Positions

Council has resolved that the Elected Member positions for the FAC will be Councillors Tim Gard and Kendra Clancy (appointed from 27 November 2018 to 27 November 2019). These appointments will be considered along side Council's various positions for Elected Member Representatives prior to their expiry in November 2019.

## Attachment

#	Attachment	Type
1	RSC190806 - Confidential Independent Member - Finance and Audit Committee and SRWRA Audit Committee	PDF File

**MINUTES OF THE REVIEW AND SELECTION COMMITTEE MEETING  
HELD AT ADMINISTRATION CENTRE  
245 STURT ROAD, STURT  
ON TUESDAY 6 AUGUST 2019**



**CONFIDENTIAL ITEM**

**Independent Member - Finance and Audit Committee and SRWRA Audit Committee**

**Report Reference:** RSC190806R02

**Moved Councillor Veliskou, Seconded Councillor Pfeiffer**

1. That Pursuant to section 90(2) and (3)(a) of the Local Government Act 1999 the Council orders that all person present, with the exception of the following, Adrian Skull, Chief Executive Officer and Steph Roberts, Manager Human Resources, be excluded from the meeting where the Council receive and consider information pertaining to the item '*Independent Member – Finance and Audit Committee and SRWRA Audit Committee*', upon the basis it is satisfied 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 on the grounds that the discussion contains information relating to personal matters.

Carried Unanimously

6.25pm the meeting went into confidence

6.55pm Kate McKenzie, Adrian Skull, Steph Roberts, Ray Barnwell joined the meeting

**Discussion:**

Confirmed the term expiry dates for existing members.

Clarification that the SRWRA audit committee representation decision was resolved by full Council.

Committee to make a recommendation to Council on appointments to the Finance and Audit Committee and Council representation on the SRWRA audit committee.

Administration provided feedback regarding the contribution of Greg Connor as Chair of the Finance and Audit Committee.

**Moved Councillor Veliskou, Seconded Councillor Pfeiffer**

That the Review and Selection Committee recommend to Council:

1. Not to re-appoint Mr Greg Connor at the end of his term (November 2019) and to thank him for his service.
2. That Emma Hinchey be appointed as Chair to the Finance and Audit Committee subject to her acceptance for the remainder of her term.
3. That a recruitment process for an Independent Member of the Finance and Audit Committee be conducted.

4. That the appointment of Council's representative to the Southern Region Waste Resource Authority - Audit Committee occur at the conclusion of the recruitment process.
5. In accordance with Section 91(7) and (9) of the Local Government Act 1999 the Council orders that the minutes arising from this report, '*Independent Member – Finance and Audit Committee and SRWRA Audit Committee*', 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 Council decision on the matter is publically available. This confidentiality order will be reviewed at the General Council Meeting in December 2019.

Carried unanimously

7.05 pm the meeting came out of confidence

DRAFT