

AUDIT AND RISK MANAGEMENT COMMITTEE - INDEPENDENT MEMBER APPOINTMENT

Report Author: Executive Officer Governance, Risk & Compliance
Responsible Officer: Director Corporate Services
Ward(s) affected: All

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

PURPOSE

This report recommends the appointment of Ms Katie Baldwin as an Independent Member of the Audit and Risk Management Committee (the Committee) for a three-year period commencing 1 July 2023.

This report also recommends that the remuneration for the positions of Independent Member and Chair of the Committee be increased to allow for indexation in line with the current rate cap of 3.5 per cent, effective 1 July 2023.

RECOMMENDATION

That Council endorse

- 1. The appointment of Ms Katie Baldwin as an Independent Member of the Yarra Ranges Council Audit and Risk Management Committee for a three-year term commencing 1 July 2023 with remuneration of \$1,422 (excl. GST) per meeting from 1 July 2023.*
- 2. The remuneration for Independent Members and the Chair be increased to allow for indexation in line with the current rate cap from 1 July 2023.*

RELATED COUNCIL DECISIONS

Council approved the Audit and Risk Management Committee Charter (the Charter) in August 2020.

DISCUSSION

Background

The Audit and Risk Management Committee (the Committee) has been established by Council under section 53 of the *Local Government Act 2020* and is comprised of five members, with the majority being independent members. The terms of reference of the Committee are outlined in the Audit and Risk Management Committee Charter (the Charter).

The term of Ms Bev Excell - Independent Member and Chair expired on 31 May 2023. The concluded term was Ms Excell's third and final term as an independent member (maximum of three consecutive terms as per the Charter). As such, a recruitment process has been undertaken to appoint a new independent member to the Committee.

The Charter requires that the composition of the Committee include:

- Maximum of five members;
- Minimum of two independent members;
- Minimum of one Councillor representative;
- Majority of Independent Members; and
- Chairperson to be appointed by Council from the Independent Members for up to three years.

Independent Member terms of appointment are limited to a maximum of three terms, with each term being a maximum of three years. Over recent months the Director Corporate Services with assistance from Davidson Recruitment and the outgoing Committee Chair, Bev Excell conducted interviews for a new Independent Member. This recruitment process canvassed a strong pool of candidates with a broad range of skills in the context of the Committee's Charter and duties, a skills matrix assessment of current Committee members, and the organisation's emerging risks.

Following a highly competitive recruitment process, Ms Katie Baldwin is recommended for the role of Independent Member for a three-year period commencing 1 July 2023. See Attachment 1 for a brief bio for Ms Baldwin.

Remuneration

Section 12.5 of the Charter states that remuneration will be paid to each Independent Member and the Chair on a per meeting basis, with fees being indexed in alignment with the rate cap each 1 July. With the addition of a new independent member. Independent member fees have been reviewed and standardised.

From 1 July 2023, recommended remuneration is (inclusive of indexation for the 2023-24 rate cap):

- Independent Members: \$1,422 per meeting (excluding GST and based on 5 meetings per year); and
- Chair: \$1,726 per meeting (excluding GST and based on 5 meetings per year).

FINANCIAL ANALYSIS

The recommended increased remuneration of Independent Members and Chair are within the current budget, and future year remuneration adjustments (based on rate cap) are within forecast budgets.

APPLICABLE PLANS AND POLICIES

The appointment of Independent Members to the Committee links to the Council's Key Strategic Objective – High Performing Organisation and meets Council's obligations under the Local Government Act 2020.

RELEVANT LAW

It is a legislated requirement that Council establish an Audit and Risk Management Committee, appoint Independent Members, adopt and maintain an Audit and Risk Management Committee Charter and provide a bi-annual report to Council.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken in preparing this recommendation.

RISK ASSESSMENT

The Committee provides independent assurance to Council in respect of Council's management of risk, and as such the recommended appointment of a new Independent Member will ensure the continuation of a high performing Committee, therefore reducing Council's overall risk exposure.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS

Attachment 1 – Katie Baldwin Biography