

AUDIT & RISK MANAGEMENT COMMITTEE - INDEPENDENT MEMBER APPOINTMENT

Report Author: Executive Officer Risk & Compliance

Responsible Officer: Director Corporate Services

Ward(s) affected: (All Wards);

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.

SUMMARY

This report recommends the appointment of Mr David Ashmore as an Independent Member of Yarra Ranges Council's Audit and Risk Management Committee (the Committee) for a three-year period commencing 2 August 2024.

Mr Ashmore is a highly experienced private sector and local government Audit and Risk Management Committee member. Mr Ashmore would bring a wealth of experience and advice to the Committee across a range of domains including, but not limited to risk, financial, fraud, cyber security and auditing management practices.

The recommendation for Mr Ashmore's appointment has the full support of the other members of the Committee, including Councillor representatives.

RECOMMENDATION

- 1. That Council endorse the appointment of Mr David Ashmore as an Independent Member of the Yarra Ranges Council Audit and Risk Management Committee for a three-year term commencing 2 August 2024.***
- 2. That remuneration be set from 1 July 2024 for Committee Independent Members at \$1,461.10 per meeting (excluding GST) and for the Committee Chair at \$1,773.46 per meeting (excluding GST).***

RELATED COUNCIL DECISIONS

Council endorsed the Audit and Risk Management Committee Charter (the Charter) in November 2022.

During its meeting of 27 June 2023 Council endorsed 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.

DISCUSSION

Background

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 Charter.

The term of Mr Simon Mahoney, Independent Member, expires on 1 August 2024. The concluded term will be Mr Mahoney's third term as an independent member. A maximum of three consecutive terms can be undertaken 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.
- Majority (three) independent members.
- Two Councillor representatives.
- 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 Committee Chair, Mr Stephen Schinck, 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, Mr David Ashmore is recommended for the role of Independent Member for a three-year period commencing 2 August 2024. See Attachment 1 for a brief biography for Mr Ashmore.

The recommendation for Mr Ashmore's appointment has the full support of the other members of the Committee, including Councillor representatives.

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. Member fees are indexed annually each 1st of July in alignment with the rate cap percentage.

From 1 July 2024, recommended remuneration (inclusive of indexation for the 2024-25 rate cap of 2.75%) is:

- *Independent Members:* \$1,461.10 per meeting (excluding GST and based on 5 meetings per year); and
- *Chair:* \$1,773.46 per meeting (excluding GST and based on 5 meetings per year).

FINANCIAL ANALYSIS

The recommended increased remuneration for 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.

SUSTAINABILITY IMPLICATIONS

Economic Implications

Positive Impact: The appointment of Mr Ashmore as an Independent Member of the Committee contributes to economic sustainability by ensuring effective oversight of financial management practices within the Council. This oversight can help identify inefficiencies and opportunities for cost-saving measures, thereby promoting fiscal responsibility and long-term economic viability.

Social Implications

Positive Impact: Mr Ashmore's appointment enhances social sustainability by fostering trust and transparency within the community. Effective governance and risk management practices, overseen by the Committee, contribute to the public's

confidence in the council's operations. This, in turn, promotes social cohesion and engagement, key components of social sustainability.

Environmental Implications

Positive impact: The appointment of Mr Ashmore and, therefore, the effective functioning of the Committee can indirectly support environmental sustainability efforts. By ensuring sound financial management practices, the Committee enables Council to allocate resources efficiently, including funds earmarked for environmental initiatives such as sustainability measures, waste management, and renewable energy projects.

COMMUNITY ENGAGEMENT

No community engagement has been undertaken in preparing this recommendation.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

Internal collaboration was sought within the Council during the recruitment process for the new Independent Member of the Committee. The Director Corporate Services, along with Davidson Recruitment and the Committee Chair, Mr Schinck, conducted interviews and assessments to select the most suitable candidate. This collaboration ensured a comprehensive evaluation of candidates' skills and alignment with the Committee's requirements.

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 TO THE REPORT

1. Mr David Ashmore Biography