



AUDIT, RISK AND IMPROVEMENT COMMITTEE OVERVIEW

Gilgandra Shire has a land area of 4,836 kms², with an estimated population of 4,236. In addition to the township of Gilgandra, the Shire has two villages; Tooraweenah located at the southern entrance to the Warrumbungle National Park (estimated 233 persons), and Armatree in the north of the Shire (estimated 152 persons).

Council manages an operating budget of approximately \$52 million per year plus capital budget of \$28 million per year and an asset base of over \$424 million. About 240 staff provide a diverse range of services to the community that extends across the region.

Coonamble Shire has an area of 9,955 kms². The Coonamble Shire has a population of 3,732 persons. In addition to the township of Coonamble, the Shire has two villages; Gulargambone located 47 kilometres south of Coonamble on the Castlereagh River (estimated 528 persons), and Quambone in the west of the Shire (estimated 128 persons).

Council manages an operating budget of approximately \$38 million per year, including grant funded projects and works, and an asset base of over \$394 million. About 110 staff provide a diverse range of services to the community that extends across our region.

ROLE OF THE COMMITTEE

The Audit, Risk and Improvement Committee (ARIC) is established to provide the elected Council with advisory assurance in respect of Gilgandra and Coonamble Shire Council's risk profile, management controls and compliance frameworks.

The role of the ARIC is to:

- Report to Council and provide appropriate advice and recommendations on matters relevant to the Charter.
- Assist by providing independent advice to Council on it fulfilling its responsibilities by ensuring that management has an appropriate governance and business framework in place across the organisation.
- Specifically, the ARIC should advise Council on the following matters:
 - o Effectiveness of the Enterprise Risk Management Framework in terms of identifying and managing Council's financial and business risks.
 - Effectiveness of key controls including policy, procedure and governance

processes.

- Legislative compliance by the organisation.
- Effectiveness of external accountability mechanisms.
- At all times recognise that the primary responsibility for the management of Council rests with the Council and General Manager as defined by the Local Government Act 1993.
- Assist Council to ensure that the services and facilities provided by the Council are managed efficiently and effectively.
- Identify strategies to assist with the continuous improvement of the provision of services and facilities to the community.

- Promote continuous improvement across business processes with a focus on efficiencies and savings.
- The focus of the committee should only be on matters of significance and materiality.

As part of this objective, the ARIC will ensure that there are adequate and effective systems of internal control in place throughout Council and will assist in the implementation of the internal and external audit plans.

TERMS OF REFERENCE

The ARIC will operate in accordance with the Audit, Risk and Improvement Committee Terms of Reference. The Terms of Reference are based on the guidelines issued by the Office of Local Government.

MEMBERSHIP

The ARIC membership (voting) comprises three (3) independent voting members comprising:

- a) 1 chair prequalified under the NSW Government's prequalification scheme
- b) 2 independent persons that meet the eligibility criteria for non-prequalified committee members (see below), and
- c) (optional) 1 non-voting councillor that meets the eligibility criteria for councillor members (see below).

The General Manager and other staff participate in ARIC meetings as required.

APPOINTMENT OF ARIC MEMBERS

Councillors and independent members will be appointed for the term of the Council or as otherwise determined by resolution of Council.

All appointees are to be made based upon a demonstrated ability to meet the selection criteria.

Vacancies shall be filled by public advertising followed by an evaluation and interview of shortlisted candidates and a recommendation to Council.

Any person/company or organisation (or their clients) contracting services to

Gilgandra or Coonamble Shire Councils. may be ineligible from being a member of the ARIC on the grounds of a conflict of interest.

SELECTION CRITERIA

The independent external members of the ARIC, taken collectively, will have a broad range of personal qualities, skills and experience relevant to the operations of Gilgandra or Coonamble Shire Councils.

A least one member of the ARIC will have a strong financial management and/or audit background, with an understanding of accounting and auditing standards in a public sector environment. Legal, governance, risk management, information and communications technology (ICT) and business management skills and experience are desirable.

The following criteria will be considered in relation to skills and experience when assessing applications:

- Relevant professional qualifications.
- Relevant professional knowledge and expertise.
- Accounting or related financial management.
- Current and prior experience on similar committees in local government, broader public and private sector.
- Performance improvement.
- Governance, risk and compliance.
- Knowledge of the local government environment.
- The broad range of activities and services that Council provides.

ROLE AND RESPONSIBILITIES

The role and responsibilities of the ARIC is in accordance with the Charter, which may be revised or expanded by the Councils from time to time.

Members of the Committee are expected to:

- Have a high level of personal integrity and ethics, as well as acting honestly and in good faith.
- Attend and actively participate in meetings of the ARIC and contribute the time needed to understand the reports provided.
- Broadly be aware of and understand the relevant legislative and regulatory requirements appropriate to Gilgandra or Coonamble Shire Councils.
- Work collaboratively with other members of the ARIC in achieving the Committee's objectives.
- Express opinions frankly and ask questions that go to the fundamental core of issues.
- Review the risks, progress, controls, finances and performance surrounding major projects.
- Have an understanding of management principles required, recognising and evaluating the materiality and significance of deviations from good business practices.
- Have strong interpersonal skills, oral and written communication skills,

- analytical skills, and ability to apply objectivity with sound judgment.
- Comply with the Audit, Risk and Improvement Committee Charter.
- Comply with Council's Code of Conduct.

COMMITTEE MEETINGS

The ARIC shall meet at least twice per year but is expected to meet five (5) times. It is expected that the meetings will be for approximately three hours. If necessary, any additional meeting will be approved by the Chair of the Committee. Preparation will involve review and analysis of the agenda reports.

INDUCTION AND TRAINING

Committee members will receive information and briefings on their appointment to assist them to meet their responsibilities.

REMUNERATION FOR MEETINGS

Remuneration for independent external membership of the ARIC is \$750 per meeting (excluding GST). This rate is inclusive of time spent on preparation for the meeting. Reasonable travel will be reimbursed in accordance with Council's policy.

ATTACHMENTS

Audit, Risk and Improvement Committee Terms of Reference, adopted by Coonamble Shire Council 2 May 2022.

EVALUATION

The evaluation of external members will be undertaken by the General Managers and the elected councillor who forms part of the ARIC and will involve a review of the Expression of Interest applications. The appointment to the ARIC will be made by the Councils.