

WEST WIMMERA SHIRE COUNCIL



Information Package

For the appointment of External Independent Member to
the Audit & Risk Committee.

Closing Date: Friday 22 March 2019



WEST WIMMERA SHIRE COUNCIL

BACKGROUND INFORMATION

West Wimmera Shire Council (WWSC) is located in Western Victoria and has a strong economy, primarily based on agriculture with growth sectors in health, education and retail. The Shire covers an area of 9,256 square kilometres and includes the townships of Apsley, Edenhope and Harrow to the south of the Shire and Goroke, Kaniva and Serviceton to the north.

The Audit & Risk Committee is an advisory committee to Council and consists of two Councillors and three external independent members (one elected as Chair) as well as non-voting members made up of senior staff from within Council.

The Audit & Risk Committee is formed under Section 139 of the *Local Government Act 1989*.

The primary objective of the Audit and Risk Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintenance of its internal systems and governance activities.

The Audit & Risk Committee's internal monitoring function is undertaken by a contracted Internal Auditor according to the agreed audit plan. The internal auditor reports to the Audit & Risk Committee.

The Committee meets quarterly. The schedule of meetings is developed and agreed to by the Committee on an annual basis.

Further details on roles and responsibilities are available in the attached Audit & Risk Committee Charter.

More information on the Council Plan, Budget and Annual Report can be found on our website westwimmera.vic.gov.au



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THE POSITION

Skills qualifications and experience:

The following are desirable key criteria of an independent Audit and Risk Committee member:

- Financial literacy and, if possible, qualifications in the field of business management or accounting;
- Knowledge of local government operations and the environment within which councils operate;
- Strong communication skills;
- High level of personal integrity and ethics; and
- Demonstrated knowledge of risk management principles and practices.

Remuneration:

Independent members receive an allowance of \$500 per meeting, paid following attendance. Allowances are provided for reasonable out of pocket expenses, including travel and accommodation.

Appointment:

Appointment of an independent member is made by a resolution of Council and is for a term of four years.



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GUIDELINES FOR APPLICANTS

Thank you for taking an interest in the role of Independent Member with the West Wimmera Shire Council's Audit and Risk Committee.

The following information is provided to ensure that all applicants clearly understand the requirements of the overall selection process.

Audit and Risk Committee Charter

The Audit and Risk Committee Charter should be read carefully as it describes the requirements and duties of the Audit and Risk Committee and its members. A copy of the Charter has been included in the information package.

Your Application

Applications may be lodged by mail or electronically.

Applications must include a cover letter, along with a brief resume outlining your relevant skills, experience and qualifications.

Please ensure any attachments are clearly marked with your name in the event they are dislodged from your letter of application.

Closing Date

Applications for this vacancy close at 5pm Friday 22 March 2019 and should be forwarded to:

Andrea Hayes
Manager Finance
West Wimmera Shire Council
PO Box 201
Edenhope VIC 3318

Applications can be email to: council@westwimmera.vic.gov.au

Evaluation Process:

The evaluation of applications for the Independent Member will be undertaken by the Mayor, Chief Executive Officer, Director Corporate and Community Services and Manager Finance, taking into account the experience of applicants and their likely capacity to apply the appropriate analytical and strategic management skills required in the role.

Enquiries:

For further information, please contact Andrea Hayes, Manager Finance 03 5585 9900 or by email andregash@westwimmera.vic.gov.au

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AUDIT AND RISK COMMITTEE CHARTER

1. Purpose

Section 139 of the *Local Government Act (1989)* (The Act) requires that each Council establish an Audit Committee. The Audit and Risk Committee is a formally appointed Advisory Committee of Council.

The Audit and Risk Committee's role is to report to Council and provide appropriate advice and recommendations relevant to its charter in order to facilitate decision-making by Council in relation to the discharge of its responsibilities. The Audit and Risk Committee plays a key role in assisting Council to fulfil its governance and overseeing responsibilities in relation to financial reporting, internal control, risk management systems, ethical accountability and the internal audit function.

The Audit and Risk Committee (The Committee) does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and is therefore independent of management. The Committee does not have any role in relation to issues normally addressed by Council or a sub-committee of Council, which may have delegated powers and financial management responsibilities in relation to budgets, financing decisions and expenditure priorities. The Committee is a separate activity and acts independently of Council and does not have any role in relation to financial management issues or have any executory role or powers.

The Committee is not a special committee under Section 86 of The Act. It is an advisory committee according to section 139 (2) of The Act.

2. Authority

The Committee is an advisory committee and has the responsibility for advising Council on:

- Seeking resolution on any disagreements between management and the external auditors on financial reporting;
- Seeking information it requires from Council members, and Council staff via the Chief Executive officer and external parties; and
- Formally meeting with Council staff, internal and external auditors as necessary.

3. Composition

The Audit and Risk Committee will consist of five members, comprised as follows:

- Two Councillors; and
- Three suitably qualified independent representatives, one of whom will be appointed annually as Chair of the Committee.
 - One of the independent members should be financially literate with relevant experience and/or qualifications.

The Chief Executive Officer, Director Corporate and Community Services, and Finance Manager are not members, but should attend meetings in an advisory capacity. Council's Internal and External Auditors are to attend meetings as required to present their reports and findings in an advisory capacity. Other

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Senior Officers of Council may attend Audit Committee meetings on invitation by the Chair if the need arises.

4. Meetings

- The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require;
- All Committee members are expected to attend each meeting in person, or via teleconference or video conference;
- The Chief Executive Officer will facilitate the meetings of the Committee and invite members of management, auditors or others to attend meetings to provide information as necessary;
- Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials;
- Management, including the Chief Executive Officer, may be asked to leave a meeting at any time should the Chairperson consider it appropriate;
- Minutes will be prepared and reported to Council at the next Forum and/or Council Meeting after the Audit and Risk Committee meeting; and to the Audit Committee in a timely manner; and
- Each meeting will require a quorum of three members of the Committee, two of whom should be independent members.

5. Responsibilities

The Audit and Risk Committee will carry out the following responsibilities:

5.1 Monitoring financial and regulatory reporting, including:

- Scrutinising financial statements and providing advice to the Council.
- Monitoring compliance with accounting policies and financial management compliance framework.
- Monitoring the adequacy of, and compliance with internal control systems.
- Reviewing the acceptability, disclosure and correct accounting treatment of significant and non-routine transactions.
- Reviewing related-party transactions.
- Meeting with the external auditors:
 - Prior to the annual audit to discuss the audit plan; and
 - Following the annual audit.
- To be informed and abreast of evolving compliance requirements.
- Sign-off on accounting policies.
- Financial reports provided to the Council will also be included with agenda papers for Committee meetings.
- To exercise Risk Management Principles in providing advice / recommendations regarding financial management.

5.2 Perform independent review and assessment of key risks by independent audit including:

- Develop, review, and recommend to Council a risk based internal audit program.
- Regularly review and approve the Internal Audit Charter.
- Managing the procurement, scope of works, performance and quality of internal audit



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service provision.

- Considering the scope, quality and findings of the external audit.
- Review relationships that may impact the internal and external auditor's independence.

5.3 Regular review of Council's Risk Management Policy and Risk Management Framework.

5.4 Review the adequacy of Council's Risk Register, associated internal controls and strategies to mitigate the risks, including:

- Monitoring the presence and effectiveness of internal controls.
- Monitoring the implementation of internal audit and external audit findings and associated management actions.
- Monitoring key risks and trigger events, including; prevention and investigation of fraud, ethical culture, protection of assets and insurance.

5.5 Ensuring that there is a suitable framework and process for compliance with legislation, regulations, standards, and best practice guidelines.

5.6 Monitor processes and practices of Council to ensure for effective business continuity.

5.7 Other responsibilities:

- Deal with matters delegated by Council;
- Annually review the Audit Committee Charter and request Council approval for any proposed changes.
- Annually review the performance of the Committee.
- In accordance with the Act, Committee members must declare any conflicts of interest at the start of each meeting and such details shall be appropriately minuted.
- In accordance with the Act, Committee members are to submit a primary and ordinary return in the prescribed form to the Chief Executive Officer within 30 days of becoming a member of The Committee; 30 June or within 40 days after 30 June; and 31 December or within 40 days after 31 December.
- Prior to 30 September each year, the Chairperson shall report to Council a summary of the activities and achievements of the Committee during the financial year.