

Item No: 19.3

File No: 9.14.1.14

Date: 16 November 2020

Attachment: A, B

Meeting:	Council
Title:	Appointment of Independent Audit Committee Members
Responsible Manager:	Group Manager Corporate Services - Monique Palmer
Author:	Group Manager Corporate Services - Monique Palmer
Key Focus Area:	Strategic Community Plan Focus area 3- Transparent and accountable local tier of Government
Key Focus Area:	Financial Guiding Principle 1- Finances managed responsibly
Type of Report:	Decision Required

Pursuant to Section 83(5) of the *Local Government Act 1999*, the Chief Executive Officer indicates that the matter contained in this report may, if the Council so determines, be considered in confidence pursuant to Section 90(2) of the *Local Government Act 1999* on the basis that the information contained in the attached report is information of the nature specified in subsections 90(3)(a) of the Act being:

information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)

Recommendation (Public)

Pursuant to s90(3)(a)

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except Chief Executive Officer Kiki Cristol, Group Manager Asset & Infrastructure Ben Clark, Group Manager Planning, Environment & Regulatory Services Andreea Caddy, Group Manager Corporate Services Monique Palmer, Group Manager Customer Experience Danielle Garvey, Manager Community Development & Engagement Fiona Deckert, Business Analyst (Property & Contracts) Scott Reardon and Council Secretariat Vanessa Davidson, be excluded from attendance at the meeting for Agenda Item 'Appointment of Independent Audit Committee Members'.

The Council is satisfied that, pursuant to section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead), being Mr Ross Haslam and Mr Colin Scarlett.

The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because disclosure of details may prematurely be disclosed before the details have been discussed with Mr Ross Haslam and Mr Colin Scarlett.

Recommendation (Confidential)

Council resolves to appoint Mr Ross Haslam and Mr Colin Scarlett as Independent Members to the Audit Committee for a term to commence from 1 December 2020 until 1 December 2023 (inclusive).

Recommendation (Public)

Pursuant to s.91(7)

That having considered Agenda Item [19.3] 'Appointment of Independent Audit Committee Members' in confidence under section 90(2) and (3)(a) of the *Local Government Act 1999*, the Council, pursuant to section 91(7) of that Act orders that the 'Appointment of Independent Audit Committee Members' report and Attachment B relevant to this Agenda Item, be retained in confidence until the matter has been finalised, excepting that Council authorises the release of the minutes to substantive party/parties to enable enactment of the resolution and that pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Council delegates to the Chief Executive Officer the review and power to revoke this Order

and

That Council resolves to end its confidential deliberations pursuant to Section 90(2) of the *Local Government Act 1999* Council and re-admit the public.

Summary

Council utilises its Council Committees to provide advice to Council, which collectively contributes to the achievements of Council's goals and strategies and discharge of its legislative obligations.

The Audit Committee Terms of Reference (TOR) provides that the Committee will consist of five members comprising three independent members and two Council Members (see Attachment A). Further the TOR provides for the structuring of the Independent Member terms to ensure the orderly rotation and continuity of membership despite changes to the composition of the Council.

Council resolved on 21 September 2020 to commence a recruitment process for two of the independent Member positions, which will expire November 2020.

CNC98/20-21

1. *That Council requests Administration conduct an expression of interest process, for the nomination of suitable persons to the Audit Committee for a maximum of three (3) year term anticipating commencement December 2020 and expiring December 2023.*
2. *That Council appoints Cr Furlan and Cr Wilkins along with Group Manager Corporate Services, Monique Palmer on the Independent Audit Committee Members interview panel; and*
3. *That at the conclusion of the interview process, Administration present a report to Council with recommendations for appointment.*

Background

The Audit Committee has the responsibility for monitoring the risk management and internal control environment of Council's operations, as well as overseeing Council's internal and statutory audit responsibilities and functions.

Elected Members shall be appointed to the Committee by resolution of Council and will hold office until the conclusion of the 2022 Local Government Elections. The two Elected Members appointed by Council to the Audit Committee are:

- Council Furlan
- Council Wilkins

The Mayor may be a member of the Committee with voting rights but shall not be the Presiding Member of the Committee.

Clause 5.4 of the Audit Committee TOR (Attachment A) provides for:

“Independent Members will be appointed for a maximum of three (3) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership”.

Independent Members Ms Corinne Garrett’s and Mr Greg Connor’s membership to the Audit Committee expired on the 1 November 2020.

The Audit Committee meets at least quarterly in each financial year and may hold additional meetings as required or as otherwise resolved by Council.

The Committee will conduct its meetings in accordance with the Local Government (Procedure at Meetings) Regulations 2013 and the Town of Walkerville Code of Practice – Procedure at Meetings.

Council resolved 21 September 2020 (**CNC98/20-21**) that the following would occur;

1. *That Council requests Administration conduct an expression of interest process, for the nomination of suitable persons to the Audit Committee for a maximum of three (3) year term anticipating commencement December 2020 and expiring December 2023.*
2. *That Council appoints Cr Furlan and Cr Wilkins along with Group Manager Corporate Services, Monique Palmer on the Independent Audit Committee Members interview panel; and*

Discussion/Issues for Consideration

In accordance with Council resolution **CNC98/20-21**, Administration commenced an expression of interest process seeking suitably experienced and qualified candidates who have a broad knowledge of risk management and governance matters, as well as an understanding of the local government legislation, accounting and reporting standards.

The call for expressions of interest was placed:

- In the Advertiser on the 26 September 2020
- The Council’s website
- The Local Government Association Website
- In the Weekly Round Up

Council received three (3) applications and one (1) application (Mr Greg Connor) after the due date. The selection Panel interviewed 2 candidates as one of the three was based in WA.

A selection process was conducted by the selection Panel and the Panel unanimously decided to recommend Mr Ross Haslam and Mr Colin Scarlett for appointment as the Independent Members on the Audit Committee.

The full profiles of the recommended candidates can be found in Attachment B but summary is as follows:

- Mr Ross Haslam has a sound understanding and affinity for local government. He understands the key issues facing our sector. Risk Management, strategic management and corporate governance are areas of significant interest to him. Currently Ross is director of South Australian Health and Medical Research Institute (SAHMRI) and Women's and Children's Local Health Network (WCHN). He is also on the following external member risk management and audit committees; Scotch College Adelaide, Southern Adelaide Local Health Network (SALHN), Adelaide City Council, Light Regional Council, City of Tea Tree Gulling, Southern Mallee District Council and CMS Advisory- Protected Estates Corporate Governance Committee.
- Mr Colin Scarlett is an experienced commercial and finance manager with excess of 23 years working as part of management team in a competitive and volatile industries. Colin has extensive Commercial experience. Most recently his position as Group Manager Finance and Procurement at the Lifetime Support Authority, in March 2020.

Options for Consideration

Council has the following options-

Option 1

Council resolves to appoint Mr Ross Haslam and Mr Colin Scarlett as Independent Members to the Audit Committee for a term to commence from 1 December 2020 until 1 December 2023 (inclusive).

Option 2

The Council elect not to support the recommendation for the Independent Member Appointments and request Administration re-advertise for a(n) Independent Member(s) and further interviews to be undertaken.

Analysis of Options

Option 1

Administration undertook an EOI process in line with Council's resolution. The selection Panel met and interviewed two (2) candidates. It is the Panel's recommendation that the two applicants be appointed to the Audit Committee.

Option 2

Delays will be experienced should Council choose to undergo a further Expression of Interest process and assemble the panel for further interviews.

Financial Implications

The costs specifically associated with this report relate to the payment of Independent Member sitting fees and Presiding Member allowances. The costs have been incorporated in the adopted budget.

Community Implications

There is a high expectation that Council has appropriate governance and accountability mechanisms in place in relation to its meeting structures and that Council Committee members are competent and understand the role and functions of the committee and their individual obligations with regard to conduct.

Governance Implications

The recommendation is line with Councils Audit Committee TOR and the 2020-2024 strategic community plan pillar of leadership, a responsible and influential local government organisation.

Preferred Option & Reasoning

Option 1 is the preferred option. The panel have used the matrix and interviews to put forward Mr Ross Haslam and Mr Colin Scarlett.

Attachment/s

Attachment A	Audit Committee Terms of Reference
Attachment B	Applications



Independent Members to Audit Committee Application:

Colin Scarlett

Colin Lyndsay Scarlett

Email:

6th October 2020

Monique Palmer
Group Manager Corporate Services
Town of Walkerville, PO Box 55
Walkerville SA, 5081

Dear Monique

Re: Audit Committee Independent Member

I am writing to apply for the position of Audit Committee Independent Member which was advertised on the Town of Walkerville Council website.

As my resume indicates, I have had in excess of 20 years of experience in finance and accounting positions, with 15 years experience in roles of Finance and Commercial Manager Positions.

In that time I reported to Boards and worked with Board members on the Audit and Risk Committees, implementing governance strategies, managing the overall internal audit program and internal controls, and the Finance and Investment Committees, strategically overseeing the investments for the long term sustainability of the entity.

My resume will also show under the heading 'Professional Personal Experience' I served on the City of Port Augusta Council Audit Committee as an Independent Member for a period of 3 years from 2013 – 2015, only resigning due to job relocation.

In the roles of Finance or Commercial Manager I have been responsible for the following functions;

- Development, implementation and management of the internal audit program inclusive of internal controls to manage business risks in alignment with the Risk Management Framework
- As part of management teams develop the organisations Risk Management Framework
- Ensure there was complete and correct application of accounting standards to accurately report the financial performance and position of the entity
- Manage the entity's external auditor, including the management of audit findings, management responses and implementation of agreed recommendations.
- Develop 5 year, 10 year and life time business plans and the annual plans and budget.
- Develop and manage financial ratios and targets that were suitable for the industry that the organisation operated within
- Development of Financial Management, Procurement and Contracting Policies

I resigned from the position as Group Manager Finance and Procurement at The Lifetime Support Authority, in March 2020 to complete some personal projects, with the intention of returning to the workforce as an independent accounting contractor, or in part-time finance roles in the small to medium enterprise sector.

This position as an Audit Committee Independent Member will suit my planned career direction that will allow me to devote substantial time in planning and preparing for Audit Committee meetings, thereby making a significant contribution.

I am confident with my considerable experience in financial management and commercial acumen, combined with my time on Audit committees, Finance and Investment Committees and the knowledge

acquired while working as an Independent member of the Audit Committee at the City of Port Augusta Council will allow me to make a valuable contribution to the Town of Walkerville Council.

I look forward to the opportunity to discuss how my experience and skills can benefit the council into the future

Sincerely,

Colin Scarlett

Email:

Colin Scarlett

**Professional Finance and
Commercial Manager**



Email:

Phone:

Address:

I am an experienced commercial and finance manager with excess of 12 years working as part of management team in a competitive and volatile industry, and 2 years' experience in a South Australian Statutory Authority management team, providing advice and guidance on finance and commercial contributions into business objectives. I am a passionate about business success, allowing organisations and people to achieve common and individual goals, which I have been able to achieve through successfully leading functional and project teams to stated objectives over 18 years.

My roles have been in large public and private sector companies with divergent business functions, requiring me to work across organisational boundaries when managing or implementing business and project goals. In March 2020 I resigned from my position as Group Manager Finance and Procurement with the Lifetime Support Authority to complete some personal projects.

I now seek to return to the workforce in contract or part-time roles where my personal objective is to use my accumulated 30 years experience in senior finance and commercial roles to assist organisations achieve their desired outcomes.

EDUCATION & QUALIFICATIONS

1993	Bachelor of Business Accountancy	University of South Australia
1997	Certified Practising Accountant Status	Australian Society of Accountants/Deakin University
2003	Post Graduate Certificate in E-Commerce	Adelaide College of TAFE
Awards	Microsoft Award – Highest mark in Management of Information Systems SA Division – CPA Program	
	Member of the Australian Society of Accountants, (CPA status)	

EMPLOYMENT EXPERIENCE

Group Manager Finance and Procurement

Feb 2018 – March 2020

Lifetime Support Authority – South Australian Government

The Lifetime Support Authority was created in 2014 by the South Australian Government as a Statutory Authority for the purpose of the reasonable treatment, care and support for people who sustain very serious injuries in motor vehicle accidents in South Australia, regardless of fault. The Lifetime Support Authority manages the Lifetime Support Scheme consisting of the rules for eligibility and the independent financial sustainability of the scheme to fund long term and life-long liabilities of eligible injured participants.

Position Statement:

As the manager of the finance and procurement functions the role led and mentored the resources of the operations to achieve the annual operational “Key Performance Indicators” as determined by the board.

This included the leading and overseeing the development, integration, management and delivery of a range of financial and management accounting processes, commercial systems, the reporting and investment monitoring functions and services to comply with the legislative and operational requirements.

The role exercised a significant level of independent judgment in managing scheme performance and finance related functions and activities.

Key Achievements:

System Development and Implementation

Managed a team through a thorough analysis of the business requirements of the Lifetime Support Authority and the evaluation of the Forecasting and Financial Planning software market to recommend to the board the purchase of a product which met the business needs of the agency. Established and led a project team of vendor and agency employees to successfully implement the Forecast and Financial Planning software, and integrate with the agency policies, procedures and workplace culture.

Led a team in the development of the Procurement and Contract Management Framework, inclusive of all policies, procedures, guidelines, tools and templates to be utilised in the establishment and management of all contractual arrangements that complied with legislative requirements.

Established and led a team to through a 'Discovery Phase' of an Account Payable Improvement project, analysing the internal 'procure to pay process' and evaluating the business requirements against Artificial Intelligence, real time payment processing platforms and payment portal solutions to reduce the cost per invoice.

Financial Savings

Recommended and gained approval of the board to undertake a 12 month pilot trial of a real time payment processing platform that also allowed the evaluation of the tool in a production environment, while not requiring the agency to employ 2 additional fulltime payment processing employees. The pilot study resulted in the reduced payment processing costs over a 14 month period in excess of \$100k, while demonstrating larger annual savings of approximately \$0.3m over a 5 year analysis period to the board.

Leadership and Teamwork

Working collaboratively with the Scheme Actuary, the agency's allied health professionals and the finance team was able to develop systems and processes that provided the financial and non-financial information in a systematic methodology that greatly reduced the time to produce the half yearly valuation and the annual scheme levy calculation.

Commercial Manager (contract)

May 2017 – Dec 2017

Self Employed

Managing a number of business projects for clients;

Moving the business email system and file sharing facilities to a 'Cloud' network solution

Managing the archiving of all company documents to an external provider, ensuring all legislative requirements are attained

Project managing an office location move, inclusive of I.T. networks and equipment

Project managing the replacement of the company's current ERP Business System with MYOB suite of tools

Commercial Manager

July 2016 – April 2017

Flinders Power

Flinders Power is a company established to remediate the Port Augusta Power Station and the Leigh Creek mining sites

Position Statement

Primarily leading projects and initiatives in closing the company and handing assets back to the South Australian Government.

Key Achievements:

Developing proposals to S.A. Government departments and Electricity infrastructure utilities in achieving the commercial objectives for all stakeholders.

The development of the accounting and cost control systems for the financial management of site budgets.

Establishment of a number of service contracts (max. individual \$6 million) for the successful outcome of the objectives of the company and external stakeholders

Commercial Manager

Jan 2005 – June 2016

Alinta Energy, Augusta Power Stations

Alinta Energy's Port Augusta Power Stations are part of Alinta Energy's Flinders Operations Division and consist of two coal-fired power stations, the Northern Power Station and the Playford Power Station, both located in Port Augusta South Australia. They are supplied by the Leigh Creek coalfield located approximately 250km north of Port Augusta.

Position Statement:

As a branch manager the role leads and mentors the commercial resources of the operations to achieve the annual commercial "Key Performance Indicators" as determined by the executive management. These objectives include budget realisation, Capex program success, project delivery, cost reduction program achievements, and budget/forecast/reporting timetable attainment to ensure group EBITDA is obtain. As part of the management team to advise and guide the operational managers in the development of the short and long term business plans and the initiatives to improve the commerciality of the business to reduce the overall unit cost of operations. Implement Commercial and Financial Management systems to enhance the management of financial risk to the organisation
Responsible for the production of annual operating budgets ranging between \$45m to \$65m and Capex programs between \$10m and \$35m

Key Achievements:

System Development and Implementation

Instigated, developed and implemented a number of systems inclusive of a Project Development Methodology, Project Expenditure Approval system, Contractor Management System, Continuous Financial Forecasting process, Asset Disposal and Sale system and a Monthly Performance Reporting System. These required the demonstration of the feasibility and benefits of the projects, following with the motivating and management of project teams to deliver the objectives of the projects.

The projects provided financial savings and reduced financial risks through ensuring significant expenditure activities were thoroughly analysed and reviewed through rigorous processes with management reviews implemented at key points

Financial Savings

Through a combination of systems implementation, centralisation of service, the development of employees, was able to achieve financial savings to the company by reducing employee numbers in the Commercial Branch from 16 to 10 over 5 years. Employee number reductions were enabled by natural attrition or redeployment.

Leadership and Teamwork

As a Management Team member was able to guide the integration of the “Whole of Life Asset” plans with the 2 Year and 5 Year Financial Plans. This enabled accurate input into the company’s strategic plans providing executive management with a medium to long term view of the financial health of the business unit operations. This allowed for ensuing adjustments to financial plans to ensure current of future EBITDA and capex plans would still be achieved from significant change in the strategic plan of the company’s asset management.

Senior Financial / Business Analyst: - Business Improvement Project

Jan 2004 - Dec 2004

NRG Pty Ltd - Corporate Office

NRG operated a number of electricity generating assets throughout Australia and New Zealand inclusive of Gas and Coal Fired Power Stations in South Australia, Queensland, Victoria, Tasmania and Glenbrook (N.Z)

Key Achievements:

Software Implementation with Change Management

Effective integration of the new Business Intelligence software tool into the business units through a thorough “Change Management” process. This was achieved through involving the business unit key people early in this phase of the project, ensuring they were comprehensively involved in the decisions that affected their processes. This was accompanied by awareness training of “Why change was needed”, expansive training on the new system, procedural documentation and implementation of on-line user help.

The successful implementation of the project produced significant financial benefits to the organisations by allowing budget and forecast information from Sales, Production and Costs Centres to be contributed from geographical detached business units, enhancing management decisions in a highly volatile electricity market.

Project Manager / Senior Business Analyst: - Information, Technology and Communications

June 1999 – Jan 2004

NRG Pty Ltd - Corporate Office

NRG operated a number of electricity generating assets throughout Australia and New Zealand inclusive of Gas and Coal Fired Power Stations in South Australia, Queensland, Victoria, Tasmania and Glenbrook (N.Z)

Position Statement:

This position was initially assigned to the Information Technology and Communication Department as a strategic direction to expand the use of the modules in the organisations Enterprise Resources Planning (ERP) software. The organisation had implemented the business system from 1992 - 1995 across 3 business unit sites and was not realising the benefits from its investment.

The purpose of this role was to convince management teams of the benefits of the functionality and the integration of the modules, form project teams to address business unit requirements with the system's functions and implement the new modules where business benefits could be demonstrated.

Later this role was transferred to the Business Improvement Project under the Chief Financial Officers responsibility.

Key Achievements:***Project Management, Leading Teams, Business Systems Implementation***

Employed 2 contract business analysts and trained them in the basics of the organisations ERP and motivate their beliefs in the challenge to achieve the strategic objectives. This was then followed by the successful influencing of the business unit management teams of the benefits of implementing the ERP's Finance, Project Control, Contract Management, Incident Reporting, Drawing Index and Fixed Asset Register modules.

Successful implementation of the above modules by was achieved by building small effective project teams of business unit employees and business analysts and by following appropriate project methodologies.

Revamped the Coal Mining Operations Weekly and Monthly Performance Reporting, consisting of Financial and Non-Financial Information by consolidating a number of disparate tools and systems using the EPR system for data storage and reporting tools to present the performance information

PROFESSIONAL PERSONAL EXPERIENCE

- 2013 - 2015 Port Augusta City Council Audit Committee Member
The committee was responsible for reviewing and endorsing the council's
- annual plans and financial budget.
 - audited Financial Statements
 - council new and modified policies and procedures

- 2015 - 2018 Treasurer of the Royal Flying Doctor Service Auxiliary
Committee member and treasurer assisting in raising and accounting for funds to contribute to a valuable service for remote Australia

Referees on supplied on request

- | | |
|--|-----------|
| Name: Damien Rice | Contact # |
| Role: Chief Financial Officer Flinders Power | |
| Name: Peter Georgaris | Contact # |
| Role: Chief Executive Officer Flinders Power | |
| Name: Matthew Sloan | Contact # |
| Role: Company Secretary Flinders Power | |

UNIVERSITY OF SOUTH AUSTRALIA



THIS IS TO CERTIFY THAT

COLIN LYNDSEY SCARLETT

HAS COMPLETED THE REQUIREMENTS

FOR THE AWARD

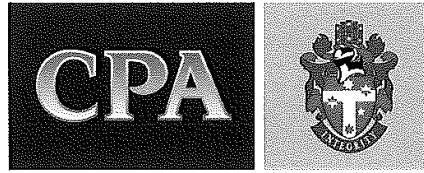
BACHELOR OF BUSINESS
ACCOUNTANCY

AND THE AWARD WAS CONFERRED

ON THE 2ND DAY OF MAY 1994

A handwritten signature in cursive script that reads "Basil S. Hetzel".

BASIL S HETZEL AC
CHANCELLOR



THIS IS TO
CERTIFY THAT

Colin Lyndsay Scarlett

WAS ADMITTED
TO THE STATUS OF

Certified Practising Accountant

OF THE
AUSTRALIAN SOCIETY OF
CERTIFIED PRACTISING ACCOUNTANTS
ON THE

12 August 1997

A handwritten signature in black ink, appearing to read 'C. Lyndsay Scarlett'.

PRESIDENT

A handwritten signature in black ink, appearing to read 'David Baym...'.

NATIONAL COUNCILLOR

A handwritten signature in black ink, appearing to read 'M. McKenna'.

NATIONAL SECRETARY



MEMBERSHIP NO
1955853

ADMITTED
27 June 1994



Microsoft MIS Award

This is to certify that

Colin Lyndsay Scarlett

MEMBERSHIP NO. 1955853

*is the winner of the Microsoft MIS Award
in recognition of achieving the highest mark in the
SA Division for the Management of Information Systems
segment of the CPA Program in Semester 2 1996.*

A handwritten signature in cursive script, appearing to read 'Ann Johns', positioned above a horizontal line.

National Director
Education & Membership
Australian Society of CPAs

A handwritten signature in cursive script, appearing to read 'Michael', positioned above a horizontal line.

Director - SA
Australian Society of CPAs

Microsoft

WHERE DO YOU WANT TO GO TODAY?™



Independent Members to Audit Committee Application:

Ross Haslam

Tel:

Ms Monique Palmer
Group Manager Corporate Services
Town of Walkerville
walkerville@walkerville.sa.gov.au

Expression of Interest – Audit Committee Independent Member

Dear Ms Palmer

I wish to lodge this Expression of Interest for the position of Independent Member of the Audit Committee for the Town of Walkerville.

I enclose my CV which details my background and experience.

As detailed in my CV, I am involved with a number of audit and risk committees including State and Local Government bodies. These include four Councils, SA Health and SAHMRI. You will note that my Council experience covers both large and small Councils.

I believe my knowledge and experience from these committees, as well as my Board experience, would enable me to make relevant contributions to your Audit Committee. I have strong expertise in the area of financial management and reporting. My roles as a Director and Independent Audit Committee member have meant that I have continued to enhance my extensive accounting and audit review skills.

I have developed a sound understanding and affinity for local government. I understand the key issues facing that sector. A number of Councillors and Mayors have sought my advice in relation to Council matters. In 2020 I have provided Boundary Reform advice to local Governments. I strongly believe that the primary aim of the audit committee is to add value to and improve the Council's operations. This is in addition to the other functions as detailed in the terms of reference.

The areas of risk management, strategic management and corporate governance have been areas of significant interest to me for a number of years. In particular, I consider that my experience in the area of risk management is somewhat unique. I have a proven track record as being the driving force in significantly elevating the maturity of organisations' risk management in Local government, State Government and private sector organisations. In the past 12 months I have provided significant input into enhancing the risk management in two Councils.

In the past two years I have been appointed as a Director of SAHMRI (South Australian Health and Medical Research Institute) and also the new Women's and Children's Health Network (WCHN) Governing Board. My risk management skill set was a significant factor in these appointments.

My wide range of clients ensures that I am up to date with emerging trends and techniques in these areas. I have reviewed your Audit Committee Terms of Reference and recent Minutes. I note that Mr Greg Connor is the Chair of the Audit Committee. I have had extensive audit committee experience with Mr Connor.

I have provided the details of referees who are aware of my skills and experiences in areas that are critical for this Independent Member position.

I look forward to hearing from you regarding the position.

Yours sincerely



Ross Haslam
9/10/20

Referees:

Mr Brian Carr
Chief Executive Officer
Light Regional Council
Mobile:

Mr John Moyle
Chief Executive Officer
City of Tea Tree Gully
Mobile:

- **CURRICULUM VITAE ROSS HASLAM**

PERSONAL DETAILS:

Full name: HASLAM, William

Telephone:

Email:

Position: Independent Director / Consultant

PROFESSIONAL QUALIFICATIONS:

- Bachelor of Economics (Hons) University of Adelaide

- Fellow - Chartered Accountants Australia and New Zealand (CAANZ)

KEY EXPERIENCE AND CAREER DETAILS:

- Joined what was to become Ernst & Young through successive mergers and has extensive audit, insolvency and investigation experience.

- Wide exposure to Corporate Advisory Services experience includes advising clients in specific areas including due diligence, corporate restructures, joint ventures, independent expert reports, litigation support and share valuations.

- Partner for 15 years.

- Resigned from the Partnership of Ernst & Young and entered Partnership with Bruce Carter in the firm Ferrier Hodgson – Adelaide.

- Retired as a Partner of Ferrier Hodgson (SA) after 10 years and was retained as a Consultant.

CURRENT POSITIONS

DIRECTOR

- South Australian Health and Medical Research Institute (SAHMRI) - South Australia's flagship health and medical research institute-Appointed July 2018
- Women's and Children's Local Health Network (WCHN) - Appointed March 2019

EXTERNAL MEMBER RISK MANAGEMENT & AUDIT COMMITTEES

- SAHMRI - Chair
- Scotch College Adelaide - Chair
- Southern Adelaide Local Health Network (SALHN)
- Women's and Children's Local Health Network (WCHN)
- Adelaide City Council (Deputy Chair)
- Light Regional Council - Chair
- City of Tea Tree Gully
- Southern Mallee District Council – Chair
- CMS Advisory – Protected Estates Corporate Governance Committee - Chair

TRIBUNAL

- National Member of the Chartered Accountants Australia and New Zealand (CAANZ) Disciplinary Tribunal

FORMER POSITIONS

- Chair, Flinders Medical Centre
- Chair, Scotch College Adelaide
- Chair, Michell Holding Pty Ltd, a well-known fifth generation Australian Company
- Director, Port Adelaide Football Club in the AFL.

Audit Committee

Terms of Reference

Approval Date	22/09/2020 CNC88/20-21
Classification	Terms of Reference
Responsible Officer	Group Manager Corporate Services
Relevant Legislation	<i>Local Government Act 1999</i> Local Government (Financial Management) Regulations 2011
Document Number	TOR202043668
Last Reviewed 20/02/2017	Next Review 20/02/2023

1. Establishment

The Corporation of the Town of Walkerville Audit Committee (Committee) is established pursuant to sections 41 and 126 of the *Local Government Act 1999* (Act).

2. Functions

The functions of the Committee include:

- 2.1 reviewing annual financial statements to ensure that they present fairly the state of affairs of the Council.
- 2.2 proposing, and providing information relevant to, a review of the Council's strategic management plans or annual business plan.
- 2.3 monitoring the responsiveness of the Council to recommendations for improvement based on previous audits and risk assessments, including those raised by a Council's auditor.
- 2.4 proposing, and reviewing, the exercise of powers under section 130A of the Act.
- 2.5 liaising with the Council's auditor in accordance with any requirements prescribed by the regulations.



Terms of Reference

- 2.6 reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Council on a regular basis.
- 2.7 providing oversight of planning and scoping of the internal audit work plan and reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis.
- 2.8 reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis.
- 2.9 reviewing any report obtained by the Council under section 48(1) of the Act.
- 2.10 performing any other function determined by the Council or prescribed by the regulations.

3. Role of the Committee

The role of the Committee will include:

3.1 Financial Reporting and Sustainability

- Review the Annual Financial Report and application of accounting policies and accounting standards with management and the external auditor and provide opinion to the Council on whether it presents fairly the state of affairs of Council.
- Review and make recommendations to the Council regarding the financial ratios, financial targets, assumptions and level of debt in the Long Term Financial Plan.
- Provide commentary and advice on the financial sustainability of the Council, and any related risks in relation to, as part of the annual adoption of the Long Term Financial Plan and Annual Business Plan.
- Review and make recommendations to the Council regarding any other significant financial, accounting and reporting issues as deemed necessary by the Committee, Council and Management.

3.2 External Audit

- When required consider and recommend to Council on the appointment of the external auditor.
- Make recommendations to Council on the terms of engagement and fees of the external auditor at the start of each audit contract.

Terms of Reference

- Make recommendations to Council on the scope of work, reports and activities of the external auditor, including interaction with any internal audit capabilities.
- Annually review the findings of the external audit with the external auditor.
- Review Management's response to review, recommendations and audit letters provided by the external auditors.
- Review and recommend policies as appropriate in regards to independence of external auditor.
- Review the draft tender evaluation matrix and draft scope of works prior to the tender process for the external auditor proceeding to market
- Participate in the selection process for the external auditor.

3.3 Risk Management and Internal Controls

- Review and comment on the adequacy of Council's risk management framework for identifying, monitoring and managing significant business risks.
- Annually review the Council's insurance program for adequacy having regard to the business and insurable risks associated with Council's business.
- Through the Internal Audit Function, review and comment on the adequacy of internal controls, financial reporting and other financial management systems and practices.

3.4 Internal Audit

- When required consider and recommend to Council on the appointment of the internal auditor.
- Make recommendations to Council on the terms of engagement of the internal auditor at the start of each audit contract.
- Monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system.
- Consider and make recommendations on the program of the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with relevant professional standards.
- Review and consider all reports (or summary/significant findings of reports) on the Council's operations from Council's internal auditors together with recommendations and management responses.

Terms of Reference

- Monitor the implementation and status of agreed actions from previous internal audit reviews.

3.5 Other Matters

- Have access to reasonable resources in order to carry out its duties (note that this is subject to any budget allocation being approved by Council)
- Give due consideration to the Act and regulations made under the Act
- Oversee any investigation of activities, which are within its terms of reference.

3.6 Regional Subsidiaries

Consider the budgets, budget amendments, financial statements and long term financial plans of the Regional Subsidiaries and make recommendations as appropriate.

4. **Authority**

- 4.1 The Committee has no authority to act independently of Council. The Committee is authorised by Council to undertake work to efficiently and effectively meet the objectives described by its role and terms of reference.
- 4.2 The Committee will have no standing financial delegations. If required for a specific purpose, these will be sought from Council at the time or where appropriate, through the Chief Executive Officer's delegation.

5. **Membership**

- 5.1 The Town of Walkerville's Audit Committee shall consist of two Elected Members and three (3) Independent Members.
- 5.2 Elected Members shall be appointed to the Committee by resolution of Council and will hold office until the conclusion of the 2022 Local Government Elections.
- 5.3 The Mayor may be a member of the Committee with voting rights, but shall not be the Presiding Member of the Committee.
- 5.4 Independent Members will be appointed for a maximum of three (3) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership.
- 5.5 The Independent Members of the Committee must have recent and relevant experience in professions such as, but not limited to, accounting, audit, financial, legal, risk management and governance.

Terms of Reference

- 5.6 At the time of a vacancy of an Independent Member, a selection panel comprising a Member of the Committee and the Chief Executive Officer or his or her delegate, will undertake a selection process and recommend independent candidate(s) to the Council for appointment as Independent Members.
- 5.8 The Presiding Member must be an Independent Member and will be determined by the Audit Committee for twelve (12) months, after which they may stand for re-election.
- 5.9 The role of the Presiding Member is to:
- (a) oversee the conduct of meetings in accordance with the Local Government (Procedures at Meetings) Regulations 203 and the Town of Walkerville Code of Practice - Procedures at Meetings.
 - (b) ensure that Council's Financial Guiding Principles and the Local Government (Financial Management) Regulations 2011 are observed and that all Committee members have an opportunity to participate in discussions in an open and responsible manner.
- 5.10 No Deputy Presiding Member will be elected and an Acting Presiding Member (Chair) will be nominated at the meeting should the Chair be unable to attend.
- 5.11 Any Councillor not a member of said Committee can be called upon by the CEO (or nominee) to act as proxy as and when required.
- 5.12 Members of the Committee may be removed by way of Council resolution at any time.
- 5.13 Members of the Committee may resign their position at any time by giving notice of their intention in writing to the Chief Executive Officer.
- 5.14 If a vacancy occurs on the Committee the Council may appoint a replacement member to the Committee via the process detailed at clauses 5.2 and 5.6.

6. Meetings

- 6.1 The Committee will meet at least once each quarter financial year and as business needs arise or as decided by Council from time to time.
- 6.2 The Committee will conduct its meetings in accordance with the Local Government (Procedures at Meetings) Regulations 2013 and the Town of Walkerville Code of Practice - Procedures at Meetings.
- 6.3 Meetings will be held at the Civic and Community Centre or such other location as determined by the Chief Executive Officer.

Terms of Reference

- 6.4 The Presiding Member will consult with the Chief Executive Officer prior to the scheduling of any Special Meetings or meetings additional to the endorsed work program of the Committee to ensure that the costs of administering the Committee are monitored and contained.
- 6.5 Access to agendas, minutes, and other documents associated with the Committee will be provided in accordance with the Town of Walkerville's Code of Practice – Access to Meetings and Documents.
- 6.6 The Chief Executive Officer is delegated authority to vary the meeting date, time and place of meetings in consultation with the Presiding Member.
- 6.7 The Chief Executive Officer will allocate appropriate administrative support to ensure that reports, agendas, notice of meetings and minutes of the Committee are recorded and managed in accordance with legislative compliance requirements.

7. Voting

- 7.1 Each member of the Committee at a meeting will have one vote.
- 7.2 In accordance with regulation 27 of the Local Government (Procedures at Meetings) Regulations 2013, the Presiding Member will have a deliberative vote but does not, in the event of an equality of votes, have a casting vote.
- 7.3 In the event of a tied vote the matter will be referred to the Council for deliberation.
- 7.4 Any staff attending Committee meetings will not have voting rights.

8. Quorum

- 8.1 A quorum for the Committee will be ascertained by dividing the total number of members of the Committee by two (2), ignoring any fraction resulting from the division and adding one.
- 8.2. The quorum will comprise of at least one elected member and one independent member.

9. Review

- 9.1 The Committee shall review its own performance and Terms of Reference annually to ensure that it is operating at maximum effectiveness. Following this review, it will provide a report to Council on its performance, recommending any changes that are necessary.

Terms of Reference

9.2 In reviewing its performance, the Committee will have regard to:

- The achievement of the Committee's role and Terms of Reference.
- The Committee's decision making process.
- The timeliness, quality and quantity of information received
- The relationship with Council, Management and other Members of the Committee.
- The involvement and attendance by Members.

9.3 The Council may at any time vary these Terms of Reference, or the Committee may recommend variations to the Terms of Reference to the Council.

10. Sitting Fees

10.1 The Independent Members (only) will be paid a sitting fee as determined by Council.

10.2 To ensure that the independent members of the Committee are provided with appropriate and timely training (at a cost to Council under delegation and approval of the Chief Executive Officer), both in the form of induction and ongoing training, a training fee in addition to sitting fees will be paid as follows:

- All training attendance associated with sessions of less than two hours duration are to be absorbed as part of the existing negotiated sitting fee for each Independent Member
- All training attendance associated with sessions greater than two hours duration are to be paid at existing sitting fee for each Independent Member
- Any required attendance by a Member of the Committee at a Council meeting or other similar meeting will be absorbed as part of the existing negotiated sitting fee for each Independent Member.

11. Liabilities of Members

No civil liability attaches to a member of the Committee for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of the Member's or Committees powers, functions or duties, Such a liability is attached instead to the Council.