

Item No: 19.2

File No: 14.1.1

Date: 20 July 2020

Attachment: A

Meeting:	Council
Title:	EHA Audit Committee- Appointment of Representatives
Responsible Manager:	Chief Executive Officer, Kiki Cristol
Author:	Chief Executive Officer, Kiki Cristol
Key Pillar:	Strategic Community Plan Key Pillar 7 - A responsible and influential local government
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 and Council Secretariat Vanessa Davidson be excluded from attendance at the meeting for Agenda Item: 19.2 'EHA Audit Committee – Appointment of Representatives'.

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 19.2, is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead), being the details of applicants for the positions of EHA Audit Committee Members.

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 the matter relates to confidential details of various persons.

Recommendation (Confidential)

1. That Council endorse the Eastern Health Authority Board recommendation to appoint Ms Madeleine Vezis to the Eastern Health Authority Audit Committee until 16 February 2022.
2. That Council agree to the continuation of service of Ms Claudia Goldsmith as a member of the Eastern Health Authority Audit Committee until 16 February 2022.
3. That Council agree to the continuation of service of Cr Peter Cornish, the current Chair of EHA, as a member of the Eastern Health Authority Audit Committee until 19 February 2021.

Recommendation (Public)

Pursuant to s.91(7)

That having considered Agenda Item 'EHA Audit Committee – Appointment of Representatives' 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 report and attachment relevant to this Agenda Item be retained in confidence for a period of 12 months and the minutes 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

Pursuant to the *Local Government Act 1999* (Act), the Eastern Health Authority (EHA) is required to establish and maintain an Audit Committee. Members of the Audit Committee must be approved by the Constituent Council members. EHA's Audit Committee Terms of Reference provide require the Committee to be comprised of three members, two of which must be independent members and one EHA Board Member.

EHA recently undertook an expression of interest process to fill a vacancy on the Committee (Independent Member vacancy). Subsequent to that process, EHA Board resolved to recommend Ms Madeleine Vezis for appointment, along with the continuation of service of Ms Claudia Goldsmith and Cr Peter Cornish.

This report seeks Councils consideration and determination on said recommendation from EHA Board.

Background

On Friday 3 July 2020, Administration received correspondence from EHA CEO Mr Michael Livori seeking Councils endorsement to appoint Ms Madeleine Vezis to the EHA Audit Committee and Councils agreement for the continuation of service of Cr Peter Cornish, the current Chair of EHA and Ms Claudia Goldsmith as members of the EHA Audit Committee, for what appears to be an unidentified term (Attachment A).

Following receipt of that correspondence, Administration, via email on 6 July 2020 sought clarification from EHA as to the term of office for each of the nominated members. EHA subsequently advised that the term of office for the two independent members (Ms Madeleine Vezis and Ms Claudia Goldsmith) would be until 16 February 2022 and 19 February 2021 for Cr Peter Cornish.

Discussion/Issues for Consideration

The recruitment process involved an advertisement being placed in The Advertiser seeking expressions of interest for the position. Eight (8) expressions of interest (EOI) were received. The EOIs were assessed and three (3) applicants were shortlisted for consideration. EHA's Chairperson, Cr Peter Cornish, and EHA CEO held teleconferences with each of the shortlisted candidates. Arising from that process, the Board of EHA has recommended Ms Vezis be considered for appointment.

Ms Vezis' resume appears as part of Attachment A.

As part of the EOI process EHA Administration discovered that approval from Council had not previously been formally obtained for the appointments of Cr Peter Cornish and Ms Claudia Goldsmith, which were made by EHA in reliance on Clause 7.4(d) of EHA's Charter.

Accordingly, for strict compliance with the Act, EHA now seeks Council's approval for the continuance of these appointments in accordance with Clause 30(3) of Schedule 2 of the Act. Ms Goldsmith's resume appears as part of Attachment A. Ms Goldsmith has served on the Audit Committee since 27 June 2012 and Cr Peter Cornish has served since 20 February 2019.

Under the ToR, the Chairperson of EHA's Audit Committee is determined by the Committee from amongst the independent members.

Options for Consideration

Option 1

1. That Council endorse the Eastern Health Authority Board recommendation to appoint Ms Madeleine Vezis to the Eastern Health Authority Audit Committee until 16 February 2022.
2. That Council agree to the continuation of service of Ms Claudia Goldsmith as a member of the Eastern Health Authority Audit Committee until 16 February 2022.
3. That Council agree to the continuation of service of Cr Peter Cornish, the current Chair of EHA, as a member of the Eastern Health Authority Audit Committee until 19 February 2021.

Option 2

1. That Council request that EHA provide a list of all candidates considered for the role of Independent Member(s) to the EHA Audit Committee in order to make an informed decision.
2. That Council agree to the continuation of service of Cr Peter Cornish, the current Chair of EHA, as a member of the Eastern Health Authority Audit Committee until 19 February 2021.

Analysis of Options

EHA has undertaken an EOI process for the recent Audit Committee Independent Member vacancy. EHA Board has considered the applications received and are satisfied that Ms Madeleine Vezis has the required financial skills required to perform on the Audit Committee.

Council has only been provided with the resume of EHA Board's preferred nominee and has not been provided with the names and CV details of any other candidate. That aside, EHA Board has recommended to Council that Ms Madeleine Vezis be appointed.

Should Council be satisfied with the process undertaken by EHA and their subsequent recommendation, option 1 would deliver the required outcome for EHA.

Alternatively, should Council wish to sight the CV's of the other seven (7) candidates, it should proceed with option 2, which will allow it to make fuller and more informed decision.

Financial Implications

There are no known financial implications to Council. The sitting fees for EHA Audit Committee are covered for by the EHA annual budget.

Community Implications

There are no known community implications in the appointment of members to the EHA Audit Committee.

Regional Implications

The Town of Walkerville is one of five Constituent Members of EHA. All Constituent Member Councils will be required to consider the appointments to the EHA Audit Committee and reach a unanimous decision.

Governance Implications

EHA is required to establish and maintain an Audit Committee under the Act and its Charter. EHA has undergone a process to fill a recent Independent Member vacancy and seeks Councils decision accordingly. Council is required to consider the matter and make a decision.

Preferred Option & Reasoning

Option 1 is the preferred option. EHA has undertaken an EOI process, which included interviews and its Board has subsequently recommended to Council that the nominated candidates (as listed in the body of this report) be either appointed to allowed to continue on the EHA Audit Committee.

Attachments

Attachment A	Correspondence from EHA CEO re: EHA Audit Committee membership with Attachments
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Our Ref: D20/9390

By email: kcristol@walkerville.sa.gov.au

1 July 2020

Ms Kiki Cristol
Chief Executive Officer
Corporation of the Town of Walkerville
PO Box 55
WALKERVILLE SA 5081

Dear Kiki

Eastern Health Authority – Audit Committee

The Eastern Health Authority (EHA) is required to establish and maintain an Audit Committee under Clause 30 of Schedule 2 of the *Local Government Act 1999 (LG Act)*.

Clause 30(3) of Schedule 2 of the LG Act and Regulation 17(3) of the *Local Government (Financial Management) Regulations 2011* require EHA's Audit Committee to comprise of persons approved by the constituent councils, at least one of whom is not a member of the board of management of EHA and who is determined by the constituent councils to have financial experience relevant to the functions of the audit committee.

The EHA Audit Committee Terms of Reference (ToR) provide that the Audit Committee shall comprise three members, consisting of two independent members and one EHA Board Member.

A vacancy has recently occurred in the membership of EHA's Audit Committee. EHA has undertaken a recruitment process for the position and arising from that process, is proposing that Ms Madeleine Vezis be appointed to fill the vacancy.

The recruitment process involved an advertisement being placed in *The Advertiser* seeking expressions of interest for the position. Eight expressions of interest (EOI) were received. The EOIs were assessed and three applicants were shortlisted for consideration. EHA's Chairperson, Cr Peter Cornish, and myself held teleconferences with each of the shortlisted candidates. Arising from that process, the Board of EHA has recommended Ms Vezis be considered for appointment.

Ms Vezis' resume is enclosed. EHA contends that Ms Vezis has financial experience relevant to functions of EHA's audit committee for the purposes of Regulation 17(3) of the *Local Government (Financial Management) Regulations 2011*.

Accordingly, EHA is seeking your council's concurrence and approval for the appointment of Ms Vezis to EHA's Audit Committee.

A review of EHA's records undertaken as part of this process indicates that approval from your council has not previously been formally obtained for the appointments of Cr Peter Cornish and Ms Claudia Goldsmith, which were made by EHA in reliance on Clause 7.4(d) of EHA's Charter.

Accordingly, for strict compliance with the LG Act, EHA also seeks your Council's approval for the continuance of these appointments in accordance with Clause 30(3) of Schedule 2 of the LG Act. I have enclosed Ms Goldsmith's resume for your reference. Ms Goldsmith has served on the Audit Committee since 27 June 2012. Cr Cornish has served since 20 February 2019.

For your reference, under the ToR, the chairperson of EHA's Audit Committee is determined by the Committee from amongst the independent members.

I have enclosed a proposed recommendation in respect of these matters for the consideration of your Council and I look forward to your council's consideration of this matter at its earliest convenience.

Please do not hesitate to contact me should you wish to discuss this matter further.

Yours sincerely



Michael Livori
Chief Executive Officer

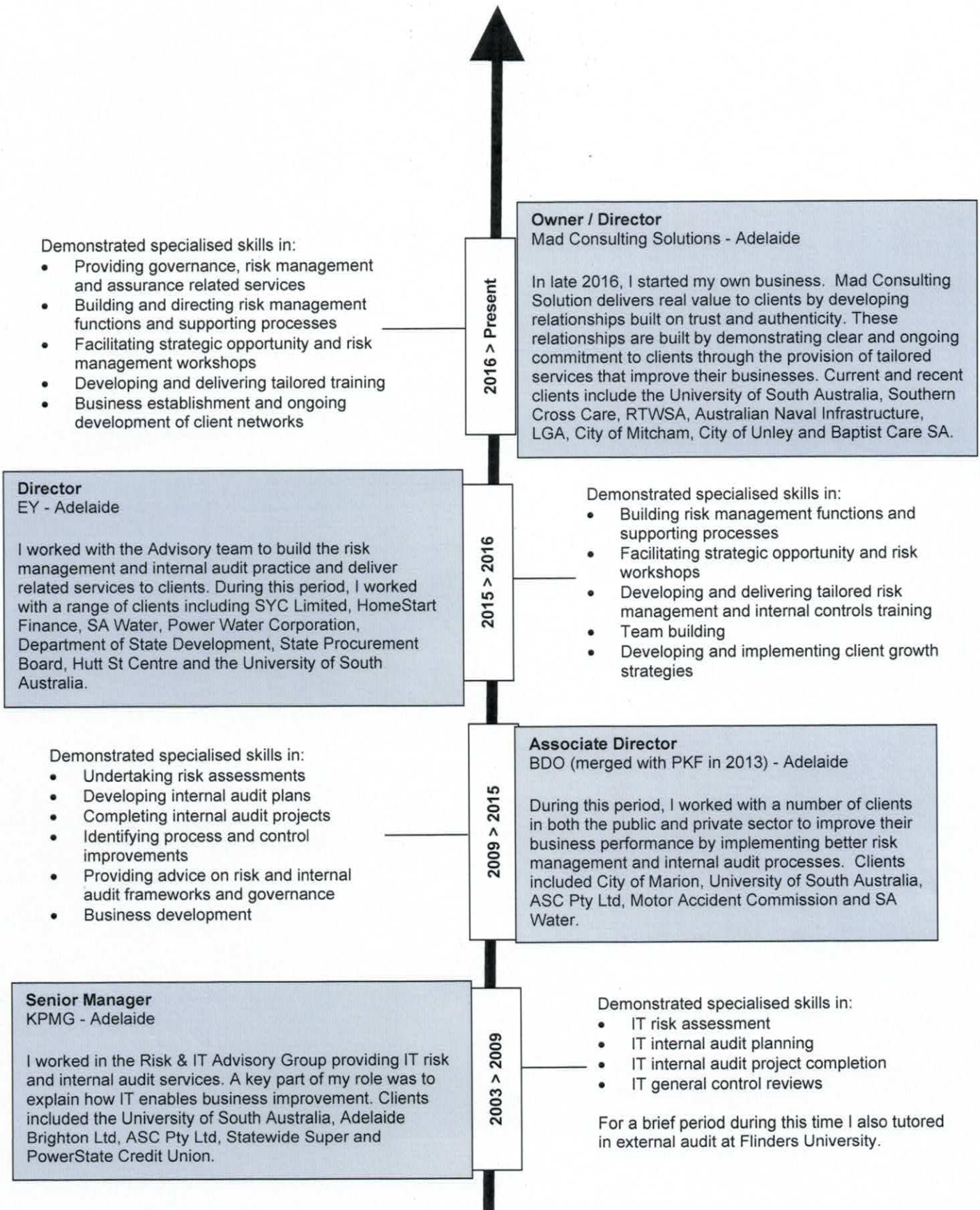
Proposed Recommendation for Consideration by Constituent Councils

That, in accordance with Clause 30(3) of Schedule 2 of the Local Government Act 1999 and Regulation 17(3) of the Local Government (Financial Management) Regulations 2011:

1. Council determines that Ms Madeleine Vezis has financial experience relevant to the functions of the Eastern Health Authority Audit Committee; and
2. Council approves the appointment of Ms Madeleine Vezis as a member of the Eastern Health Authority Audit Committee; and
3. Council approves the continuation of service of Cr Peter Cornish and Ms Claudia Goldsmith as members of the Eastern Health Authority Audit Committee.

Madeleine Vezis

madeleine@madconsult.com.au | 0414 977 378 |
48 Thorngate Drive Belair SA, 5052



Continued below...

Demonstrated specialised skills in:

- Establishing internal audit & risk management frameworks & processes
- Developing constructive Board & Executive management relationships
- Performing risk assessments
- Internal audit planning and completion

During this time, I was Vice-Chair of the SA chapter of the IIA.

1998 > 2003

Senior Manager

Ernst & Young (formerly Andersen) - Adelaide

Most of this period was spent working as SA Water's co-sourced Internal Audit Manager. I also worked with SA Water to establish their business risk management processes and developing key linkages to internal audit planning. Other clients included Elders Rural Bank and the Department of Justice.

Manager Internal Audit

Bendigo & Adelaide Bank Limited - Adelaide

I joined the Audit Team as an Internal Auditor and progressed to Internal Audit Manager. I worked on projects relating to business banking, credit control, call centre management, risk management, regulatory compliance and branch controls (including using CAATs as a risk monitoring tool)

1994 > 1998

I achieved Certified Practising Accountant (CPA) status (awarded a Certificate of Merit in the Auditing module) and became a member of the Institute of Internal Auditors (MIIA).

During this time, I also completed a Consortium Advanced Management Program (University of Adelaide).

In 1993 I was supported by the SA Auditor-General's Department to present a paper entitled "Internal Audit Education" to the European Accounting Association Annual Congress (Venice, Italy).

1992 > 1994

Graduate Auditor

SA Auditor-General's Department - Adelaide

I started my career undertaking external financial and performance audits in a number of government business enterprises and agencies.

**Honours Degree
Bachelor of Economics
(Accounting)**

Flinders University - Adelaide

I completed my honours thesis on "Internal Audit Education" which aimed to identify the skills and knowledge required for professional internal auditors.

I was awarded the "Arthur Andersen Award" for External Audit.

1989 > 1992

Tutor

Flinders University - Adelaide

I tutored in external audit during the completion of my honours year.

1983 > 1988

Westminster School - Adelaide

I supported myself through both high school and university working at Pizza Hut.

Member of the Westminster Old Scholars' Association Committee of Management

PERSONAL STATEMENT

I believe the ability to communicate and work with people is critical to achieving goals in both a professional and personal context. My skills in these areas have proven invaluable in my chosen fields of specialisation – governance, risk management and assurance. These fields require a significant amount of business understanding and a high degree of collaboration to design and implement solutions that deliver the expected benefits. Over my 25+ year career, I have worked with many organisations, in both the public and private sector, to achieve their goals and improve performance by implementing more efficient and effective governance, risk management and assurance frameworks and processes.

KEY SKILLS SUMMARY

Technical Skills

- Governance
- Risk management (strategic and operational)
- Internal controls and audit (including ICT related)
- Business process improvement
- Project management
- Business development

Personal Skills

- Developing tailored solutions to meet organisational requirements
- Team building
- Building constructive relationships with Boards and executive management
- Client management in diverse industries and on multiple projects
- Consultative and collaborative approach to solution development
- Adaptable to multiple client and work environments

Professional Memberships

Certified Practising Accountant (CPA)

Member of the Institute of Internal Auditors (IIA)

Member of the Risk Management Institute of Australia (RMIA)

Member of City of Onkaparinga's Audit, Risk, Value and Efficiency Committee (2017 – 2019)

Member of Westminster Old Scholars' Association Committee of Management (current)

CONTACT DETAILS

Name : Claudia Goldsmith
Email : clgoldsmith@outlook.com.au
Telephone : 0438 857 440

BOARD PROFILE

Having decided to pursue a career based on a mix of non-executive director positions and management consultancy, I am actively seeking board and audit committee roles that allow me to utilise my accounting and business experience, formal qualifications and advisory experience.

It is my intention to build my board and committee portfolio with organisations that I am interested in working with.

GOVERNANCE EXPERIENCE

Current Roles:	Date of Appointment
Board	
<ul style="list-style-type: none"> • SA Health – Riverland Mallee Coorong Local Health Network (RMC LHN) and Chair of the Finance Sub Committee 	March 2019
<ul style="list-style-type: none"> • Rural Business Support and Chair of the Audit, Risk and Compliance Sub Committee 	October 2017
<ul style="list-style-type: none"> • Blind Welfare Foundation - Chair 	July 2017
Audit Committee	
<ul style="list-style-type: none"> • District Council of Yankalilla 	February 2018
<ul style="list-style-type: none"> • City of Victor Harbor 	February 2016
<ul style="list-style-type: none"> • Eastern Health Authority 	August 2012
<ul style="list-style-type: none"> • Alexandrina Council 	July 2011

Previous Roles:

- Laneway Youth Inc. (October 2018 – September 2019)
- Intellectual Disability Accommodation Association (October 2017 – December 2019)
- AlexInvest Pty Ltd t/a Goolwa and District Community Bank, Director and Chair of Finance and Audit Sub Committee (August 2013 – June 2016)
- Surf Life Saving South Australia, Board of Management (2007 to 2010)
- Aged & Community Services, Finance Committee (1999 to 2001)
- CPA Australia, Not for Profit Sub-committee S.A (2000).

KEY ATTRIBUTES

Key strengths relevant to the role of the Independent Audit Committee Member for EHA include:

COLLABORATIVE YET CURIOUS AND COURAGEOUS - I function as an effective team member, and have the curiosity to ask questions and the courage to persist in robust discussions with management and fellow Board/Committee members where required. This has been particularly important in the newly established model of governance for RMC LHN as Board members familiarise themselves with the myriad and range of services delivered in clinical, acute and aged care settings, the uniqueness of the funding model and the scope of accountability.

KEY ATTRIBUTES con't

ABILITY TO COMMUNCIATE EFFECTIVELY AND EFFICIENTLY – Successful management consulting requires the ability to communicate effectively and efficiently with the client and nominated stakeholders, to achieve required client outcomes and timeframes. I have successfully leveraged this skill to my Board and Committee positions and am able to demonstrate a high level of verbal communication skills in my current and past roles.

ABILITY TO ASSIMILATE AND SYNTHESISE COMPLEX INFORMATON – A key requirement of being an effective Board/Committee member and successful management consultant is the ability to quickly interpret unfamiliar or new data/statistics/documentation, and

- assess the varying degrees of risk and reward, potential issues, service gaps
- evaluate the options and
- identify opportunities for service delivery improvement.

As a management consultant I have completed many engagements requiring sound and well developed interpretative and analytical skills including many without precedent, dealing with complex and sensitive matters in difficult environments.

Throughout these challenges I have been able to interpret, analyse and provide various options and improvement recommendations to achieve required client outcomes.

In my current Board and Committee roles, my interpretive and analytical skills are also often called upon with respect to financial performance matters, commercial management, risk identification and risk mitigation strategies.

EXPOSURE TO THE LOCAL GOVERNMENT SECTOR – I have been involved in the sector as an audit committee member on a continuous basis since 2011.

This has facilitated a thorough understanding of the legislative and practical requirements of the sector and the environment it operates in.

CONTEMPORARY CORPORATE GOVERNANCE KNOWLEDGE and APPLICATION – I have practical experience in corporate governance, including the importance of providing transparency to a range of stakeholders.

STRATEGIC FOCUS - I have a strong appreciation for the need to be continually strategic in response to changes in the operating environment. The current challenge of COVID-19 has impacted the business model of each of the organisations I am currently involved with, in varying degrees. As a proactive member I have ensured my contribution during this time is supportive of proposed interim changes, but if necessary, have also challenged any responses that appear inappropriate and damaging to the overall strategic intent of the organisation in the short term.

CAREER OVERVIEW

2006 - 2018

As a Senior Manager within the Management Consulting Division of BDO(formerly PKF), my experience was wide and varied in the provision of business consulting services specialising in strategic planning, due diligence assessments of potential acquisitions, risk identification and management, business process reviews, financial benchmarking and finance function reviews.

Clients included local councils, various government agencies/portfolios (Health, Premier and Cabinet, Education, Transport and Infrastructure, Planning and Local Government, Families and Communities), aged care, disability services, utilities providers, indigenous entities, listed entities and not for profit.

CAREER OVERVIEW con't

1992-2005

Prior to joining BDO, I was the Finance Manager of Southern Cross Care SA Inc. managing the Corporate Office Finance Division and I.T services.

For the majority of my tenure I assumed full responsibility for the finance function and experienced first-hand the challenges the NFP sector underwent in relation to the revised tax regime, changes to funding models, increased accountability, and cost effectiveness and competitiveness considerations, in an environment closely monitored by Federal Government regulations.

1986-1991

Earlier from 1986 to 1991, I was employed by Standard Chartered Bank in their Financial Control Division and performed regulatory reporting to the Reserve Bank of Australia, and London based Head Office.

EDUCATION AND QUALIFICATIONS

- Graduate, Australian Institute of Company Directors (2015)
- Certified Practising Accountant, CPA Australia (1994)
- Post Graduate Diploma of Accounting, Flinders University (1984)
- B.A Social Sciences, Flinders University (1983).

PROFESSIONAL MEMBERSHIPS

- Australian Institute of Company Directors
- CPA Australia.

COMMUNITY INVOLEMENT

- Volunteer - Port Elliot Surf Life Saving Club, Port Elliot Town and Foreshore Improvement Association and Southern Agricultural Society Inc.

REFEREES

- Available upon request.