

ITEM 4 APPOINTMENT OF AUDIT RISK AND IMPROVEMENT COMMITTEE CHAIRPERSON

The term of the current Audit Risk and Improvement Committee (ARIC) Chairperson expires on 30 October 2019. This report recommends that the current Chairperson, Mr Terry Clout be appointed as ARIC Chairperson for the period up to 30 September 2020.

RECOMMENDATION

Mr Terry Clout be appointed as chairperson of the Audit, Risk and Improvement Committee for the period up to 30 September 2020.

REPORT AUTHORISATIONS

Report of: Todd Hopwood, Manager Governance and Customer Service
Authorised by: Renee Campbell, Director Corporate Services - Connected + Engaged City

ATTACHMENTS

There are no attachments for this report.

BACKGROUND

Council, at its meeting on 13 August, 2018 appointed the following external independent members to the Audit Risk and Improvement Committee:

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| Terry Clout | - | Appointment expires 30 September 2020. |
| Catherine Hudson | - | Appointment expires 30 September 2021. |
| Stephen Horne | - | Appointment expires 30 September 2022. |

Subsequently, at its meeting on 29 October 2018 Council resolved to appoint Mr Terry Clout as chairperson of the ARIC for a term of one year, to 30 October 2019. The appointment was based on Mr Clout's prior appointment as chairperson of the Corporate Governance Committee. The appointment provided continuity of leadership and assisted to facilitate the successful establishment of the Audit, Risk and Improvement Committee during its first year.

PROPOSAL

The last 12 months has seen a successful transition from two assurance committees to a single ARIC. The move to an ARIC model is consistent with the structure of audit committees that will need to be implemented as part of new mandatory risk management and internal audit framework that will come into operation in 2020. The Office of Local Government (OLG) has released a discussion paper giving details of the proposed mandatory risk management and internal audit framework.

Whilst council has a risk management framework in place and has moved to an ARIC model, it is anticipated that further changes will be required in both of these areas to ensure compliance with the new framework if mandated as specified in the discussion paper.

Given that it is most likely that there will need to be structural changes to the composition of the ARIC, plus other potential changes to the support structure for the ARIC it is recommended that the current committee structure and Chairperson appointment be continued to allow stability during the OLG discussion paper period and the transition to a new structure, that will most likely be implemented after the local government elections in September 2020.

In September 2020 Council will need to consider the appointment of a new ARIC Chairperson and potentially the appointment of new ARIC members in accordance with the new framework to be introduced by the OLG.

CONSULTATION AND COMMUNICATION

This matter was considered by the Audit Risk and Improvement Committee at its meeting held on 17 September, 2019 where the Committee endorsed a recommendation to Council for Mr Terry Clout to be appointed ARIC Chairperson for the period up to 30 September, 2020.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal “We are a connected and engaged community”. It specifically delivers on core business activities as detailed in the Governance and Customer Service, Service Plan 2019-20.

FINANCIAL IMPLICATIONS

There are no direct financial implications relating to the appointment of the ARIC Chairperson.

CONCLUSION

With the impending implementation of a mandatory risk management and internal audit framework that will potentially require changes to ARIC operations that will come into effect after next year’s local government elections, continuation of the current committee structure and Chairperson appointment will maintain stability during the OLG Discussion Paper period and the transition to a new structure.