

5. Internal Audit Committee: Appointment of independent representatives

Following an Expression of Interest process, Council must now consider the appointment of two independent representatives to the Internal Audit Committee.

General Manager

BACKGROUND

10 Councils across NSW have received guidelines from the Department of Local Government for the implementation of an effective internal audit function. Council has responded to these guidelines by resolving to call for expressions of interest from suitably qualified community members to act as independent representatives on an Internal Audit Committee.

At this moment four expressions of interest have been received for the consideration of Council. They are from:

- Mr John Mark Aveyard
- Mr Sydney William Donaldson
- Mr Geoff Michael Steel, and
- Mr Phillip Thomas McManus

20 Copies of the documentation provided by these four gentlemen have been provided to Councillors under confidential memorandum.

ISSUES

Legal

Council last considered the matter of the Internal Audit Committee (IAC) at the meeting of 23 December 2008. At that time Council resolved:

RESOLVED on the motion of Crs Allen and Britten

1. That the revised Charter for the Internal Audit Committee, as amended at the meeting, be adopted.

30 2. That Council hold discussions with Eurobodalla Shire Council with a view to sharing costs and activities with the internal audit committee and report back to Council. However, if Eurobodalla Shire Council agree to the same Charter as the Bega Valley Shire Council, the Mayor and General Manager be authorised to execute the necessary arrangements with representatives from Eurobodalla Shire Council to formalise a joint committee.

3. That a second Expression of Interest advertisement be placed in the New Year, seeking suitably qualified persons to be appointed to the Internal Audit Committee and that a further report be presented to Council to consider and appoint two independent representatives.

4. That the Charter be amended under the heading Resource Sharing to include a new part 7 "that Council may engage with other Councils to share the costs of the committee and the engagement of relevant internal audit and consultancy advice".

40

Eurobodalla Shire Council have verbally indicated preparedness to share costs of engaging internal audit and other related consultancy services, and to participate in audit or systems review projects that have a shared benefit across both organisations.

This report provides the necessary follow up to part three of the above resolution.

Financial

Whilst the independent representatives are not remunerated for their roles on the IAC, all out of pocket expenses will be reimbursed. An allocation for this purpose is included in the Corporate Governance area of the 2009/10 Budget.

50

CONCLUSION

Consultants will be engaged to prepare the initial Internal Audit Plan for the consideration of the Committee. It is expected the committee will meet four times per year.

RECOMMENDATION

That (name to be inserted) and (name to be inserted) be appointed as independent representatives to the Internal Audit Committee.