

**ADELAIDE HILLS COUNCIL
ORDINARY COUNCIL MEETING
Tuesday 24 January 2023
CONFIDENTIAL AGENDA BUSINESS ITEM**

Item: 18.1

Responsible Officer: Steven Watson
Governance & Risk Coordinator
Office of the Chief Executive

Subject: Appointment of Audit & Risk Committee Independent Members to the Adelaide Hills Region Waste Management Authority (AHRWMA)

For: Decision

1. Appointment of Audit & Risk Committee Independent Members to the Adelaide Hills Region Waste Management Authority (AHRWMA) – Exclusion of the Public

Pursuant to section 90(2) of the *Local Government Act 1999* the Council orders that all members of the public, except:

- Acting Chief Executive Officer, David Waters
- Acting Director Community Capacity, Rebecca Shepherd
- Director Corporate Services, Terry Crackett
- Director Development & Regulatory Services, Natalie Armstrong
- Director Infrastructure & Operations, Peter Bice
- Governance & Risk Coordinator, Steven Watson
- Minute Secretary, Pam Williams

be excluded from attendance at the meeting for Agenda Item 18.1: Appointment of Audit & Risk Committee Independent Members to the Adelaide Hills Region Waste Management Authority (AHRWMA) in confidence.

The Council is satisfied that it is necessary that the public, with the exception of Council staff in attendance as specified above, be excluded to enable Council to consider the report at the meeting on the following grounds:

Section 90(3)(a) of the *Local Government Act 1999*, 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 people who expressed interest in membership of the AHRWMA Audit and Risk Committee in that details included in their resumes be discussed.

Accordingly, on this basis the principle that meetings of the Council should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

2. Appointment of Audit & Risk Committee Independent Members to the Adelaide Hills Region Waste Management Authority (AHRWMA) – Confidential Item

SUMMARY

The Adelaide Hills Region Waste Management Authority (AHRWMA) is required to have an Audit & Risk Committee in accordance with the provisions of Schedule 2 of the *Local Government Act 1999*.

The Terms of Reference (TOR) for the Audit & Risk Committee prescribes that the membership shall be two (2) Board Members and three (3) Independent Members.

The Board has undertaken an independent member recruitment process and identified three (3) candidates and is seeking the endorsement of these candidates by the Constituent Councils.

RECOMMENDATION

Council resolves:

- 1. That the report be received and noted**
- 2. To endorse the following for appointment to the Adelaide Hills Region Waste Management Authority Audit & Risk Committee:**
 - a. Rebecca Wilson**
 - b. Marina Wagner**
 - c. Elizabeth Williams**

1. BACKGROUND

The Audit & Risk Committee is established in compliance with clause 30, schedule 2 of the *Local Government Act 1999* (the “Act”) and in accordance with regulation 17 of the *Local Government (Financial Management) Regulations 2011*.

The Audit & Risk Committee Terms of Reference (TOR) stipulates under Section 4 Membership:

- Members of the Committee will be determined or approved by the Constituent Councils.
- The Committee will consist of two member of the Board and three Independent Members.
- One of the Independent Members will be appointed by the Board as the Chairperson.
- Independent Members will be appointed for a maximum term of 2 years.
- Terms of the appointments will preferably be arranged to ensure an orderly rotation and continuity of committee membership.
- Independent Members are eligible for reappointment at the expiration of their term at the sole discretion of the Constituent Councils. An Independent Member may be reappointed for a maximum of three terms.

In accordance with the Board resolution of 21 September 2022, the Board has gone to market to source independent members who possess financial, legal, risk management, commercial operations, marketing, and strategic waste management experience.

An expression of interest for membership of this Committee was open for 3 weeks, closing on 11 November 2022. Advertisements were placed in the Advertiser, the Courier, the Southern Argus and Seek.

36 applications were received with many being of high quality. The panel conducted 7 interviews during the period 5-7 December 2022 and shortlisted candidates had a second interview on 20 December 2022.

The three recommended candidates are considered of high calibre who will be able to assist the Authority in developing and realising the strategic plan.

2. ANALYSIS

➤ Strategic Management Plan/Functional Strategy/Council Policy Alignment

Strategic Plan 2020-24 – A brighter future

Goal 5	A Progressive Organisation
Objective O4	We actively represent our community
Priority O4.2	Attract and develop a diverse and capable elected body that represents, promotes and reflects the composition of the community
Priority O4.3	Advocate to, and exert influence with, our stakeholders on behalf of our community to promote the needs and ambitions of the region
Objective O5	We are accountable, informed, and make decisions in the best interests of the whole community
Priority O5.1	Enhance governance structures and systems to prudently adapt to changing circumstances and meet our legislative obligations

➤ Legal Implications

Section 43 of the *Local Government Act 1999* (the “Act”) sets out the processes for the establishment of regional subsidiaries. Regional subsidiaries can be established to provide a specific service or services to carry out a specified activity or to perform a function of the councils. To establish a s43 regional subsidiary a resolution from each constituent council is required, a charter and other mandated arrangements agreed, and Ministerial approval granted.

The AHRWMA Audit & Risk Committee is established in compliance with clause 30, schedule 2 of the *Local Government Act 1999* (the “Act”) and in accordance with regulation 17 of the *Local Government (Financial Management) Regulations 2011*.

➤ **Risk Management Implications**

The Council's consideration of independent membership of the AHRWMA Audit & Risk Committee will assist in mitigating the risk of:

Poor governance practices occur which lead to a loss of stakeholder (i.e. customer and regulator) confidence and/or legislative breaches.

Inherent Risk	Residual Risk	Target Risk
Extreme (5C)	Low (3E)	Low (3E)

Note that there are many other controls that assist in mitigating this risk.

➤ **Financial and Resource Implications**

The independent members of the Audit & Risk Committee are paid sitting fees by AHRWMA. There is no direct financial implication to Council from the Audit & Risk Committee appointments.

There are no direct resource implications to Council from the Audit & Risk Committee appointments.

➤ **Customer Service and Community/Cultural Implications**

There are no direct end-user customer service implications regarding the appointment of AHRWMA Audit & Risk Committee independent members acknowledging however that Council itself is a customer of AHRWMA.

➤ **Sustainability Implications**

Not directly applicable.

➤ **Engagement/Consultation conducted in the development of the report**

Consultation on the development of this report was as follows:

Council Committees: Not Applicable

Council Workshops: Not Applicable

Advisory Groups: Not Applicable

External Agencies: AHRWMA

Community: Not Applicable

➤ **Additional Analysis**

The AHRWMA Board recommends the Constituent Councils endorse the appointment of the following candidates to the AHRWMA Audit & Risk Committee:

- **Rebecca Wilson** as an Independent Member to the AHRWMA Audit and Risk Committee commencing from the February 2023 ARC Meeting for a term of 1.5 years. (Currently CEO of Scouts SA and experience with local government, risk management, legal, commercial operations, marketing and finance.)
- **Marina Wagner** as an Independent Member to the AHRWMA Audit and Risk Committee commencing from the February 2023 ARC meeting for a term of 1.5 years. (Currently Principal Consultant with Sustainable Solutions and previously Executive Officer with FRWA with senior level experience with strategic management, familiarity with AHRWMA and commercial operations.)
- **Elizabeth Williams** be appointed as the independent Chairperson of the AHRWMA Audit and Risk Committee commencing from the February 2023 ARC meeting for a term of 2 years. (Currently Director Customer Service with Public Trustee of SA, local government senior level experience in waste management, finance, governance and familiar with AHRWMA.)

Once Council has resolved its position in relation to the AHRWMA Audit & Risk Committee independent members, the CEO will communicate the resolution to the AHRWMA Board.

3. OPTIONS

Council has the following options:

- I. To endorse the Audit & Risk Committee nominations as proposed by the AHRWMA Board (Recommended)
- II. To determine not to endorse the Audit & Risk Committee nominations as proposed by the AHRWMA Board (Not Recommended)

4. APPENDIX

Nil

3. Appointment of Audit & Risk Committee Independent Members to the Adelaide Hills Region Waste Management Authority (AHRWMA) – Duration of Confidentiality

Subject to the CEO, or his delegate, disclosing information or any document (in whole or in part) for the purpose of implementing Council's decision(s) in this matter in the performance of the duties and responsibilities of office, Council, having considered Agenda Item 18.1 in confidence under sections 90(2) and 90(3)(a) of the *Local Government Act 1999*, resolves that an order be made under the provisions of sections 91(7) and (9) of the *Local Government Act 1999* to retain the Items in confidence as detailed in the Duration of Confidentiality Table below:

Item	Duration of Confidentiality NB: Item to be reviewed every 12 months if not released
Report	30 June 2023
Related Attachments	NIL
Minutes	30 June 2023
Other (presentation, documents, or similar)	NIL

Pursuant to section 91(9)(c) of the *Local Government Act 1999*, the Council delegates the power to revoke the confidentiality order either partially or in full to the Chief Executive Officer.