

6.1 NOTICE OF MOTION: Councillor Roslyn Harley – Request to Examine Options and Best Practice in the Composition and Operations of Audit Committees

That Council:

1. **SUPPORTS** a review by Administration of the Audit Committee Terms of Reference to examine opportunities for introducing greater independence, accountability and transparency to the Committee's operation through measures such as:
 - **Publishing Committee Meeting Agendas and Minutes;**
 - **Holding open Committee Meetings;**
 - **Appointing external persons as Committee Members, including the possibility for those persons to be appointed as Chairperson of the Committee; and**
2. **RECEIVES** a report back from Administration on the review referred to in 1 above, by December 2016.

REASON:

In order to further progress the City's transparency and governance reforms it is appropriate for the City to pursue best practice in relation to oversight of the City's audit function. As such it is requested that Administration provides Council with options for doing so, based on comparisons with national best practice, both within and beyond Local Government.

In addition, it is timely to consider about the role of elected officials on the Audit Committee and the most appropriate number of Council Members on the Committee. Consideration should be given to the inclusion of external membership and also whether the Chairperson of the Audit Committee could be an independent qualified member rather than a Council Member or the Mayor.

As the sector faces growing oversight from the Office of Auditor General, it is timely for the City to take the opportunity to lead the way in this space by reviewing its practices to ensure they are aligned with the City's principles of transparency and accountability.

ADMINISTRATION COMMENTS:

Administration supports the proposed Motion.

The *Local Government Act 1995* and associated Regulations include specific provisions dealing with the formation, membership and remuneration of Committees generally, including the Audit Committee. These provisions will need to be considered in the context of the Notice of Motion and any inherent limitations that may impact on achieving best practice standards.

The ensuing report will provide options to address each of the areas identified in this Motion and will also include a discussion on the options for attracting external representation, including remunerating and / or reimbursing external committee members for their participation and attendance in the Audit Committee meetings.