CONFIDENTIAL ORDINARY COUNCIL MEETING

CONFIDENTIAL MATTERS

Staff Reports

17.1 Corporate Governance Committee Independent Member Appointment (Attachments).....5

STAFF REPORTS

17.1 CORPORATE GOVERNANCE COMMITTEE INDEPENDENT MEMBER APPOINTMENT

Contact Person: Ms Grace Pelle

Why is this matter confidential?

Subject to an order pursuant to Section 90 (3) (a) of the Local Government Act 1999, this matter is confidential because the information contained within the attachment relates to personal affairs of the shortlisted applicants and their referees, and the disclosure of this information would be unreasonable due to the sensitive nature of the information. It is recommended that this is not a matter for public knowledge and that the matter be considered in confidence.

A. COUNCIL/COMMITTEE TO MOVE MOTION TO GO INTO CONFIDENCE

No action – this motion passed in the open section.

B. THE BUSINESS MATTER

17.1 CORPORATE GOVERNANCE COMMITTEE INDEPENDENT MEMBER APPOINTMENT

Responsible Executive Manager : Ms Grace Pelle

Report Author : Ms Susie Reichstein

Delegated Authority : Matters which cannot be delegated to a Committee or Staff.

Attachments :

1⇩. Corporate Governance Independent Member - Shortlist Summary
2⇩. Corporate Governance Independent Members Shortlisted Applicants - Resumes
3⇩. Corporate Governance Recruitment Summary
4⇩. Corporate Governance Committee Charter

PURPOSE

For Council to appoint an Independent Member representative to the Corporate Governance Committee.

STAFF RECOMMENDATION

Council appoint Mr Peter Brass as an Independent Member on the Corporate Governance Committee for the term of 1 January 2020 to 31 March 2023.

EXECUTIVE SUMMARY

Mr Damian Pulgies, current Independent Member and Presiding Member of the Corporate Governance Committee has declared that he will not be seeking reappointment to the Committee. His appointment term is due to expire on 31 December 2019. At the Council meeting held on 24 September 2019, Council resolved to commence the recruitment process to fill the pending vacant Independent Member position.

In accordance with the Recruitment and Appointment of Independent Members Procedure, Council has undertaken an Expression of Interest (EOI) process for the vacant Independent Member position and completed the recruitment process to fill this pending vacancy. The EOI process resulted in a shortlist of four candidates being interviewed by a Panel comprising of the Mayor, Chief Executive Officer and Acting General Manager Strategy and Corporate. Attachment 1 contains an overview of the experience and attributes of the shortlisted candidates and Attachment 2 contains the full resumes of the shortlisted candidates.

The shortlisted candidates were interviewed to ascertain which applicant would be the best fit for the Committee and bring complimentary skills, knowledge and experience to assist the Committee in carrying out its role and functions. The Panel recommends Mr Peter Brass be appointed as an Independent Member on the Corporate Governance Committee for the term of 1 January 2020 to 31 March 2023. Attachment 3 provides the recruitment summary notes compiled by the interview Panel.

1. BACKGROUND

The Corporate Governance Committee has been established to fulfil Council's obligations under Section 126 of the *Local Government Act 1999* to have an audit committee. This report is seeking to fill the vacancy for an Independent Member.

Under the *Local Government Act 1999*, the membership of an audit committee:

a) may include persons who are not members of the council; and

b) may not include an employee of the council (although an employee may attend a meeting of the committee if appropriate); and

c) may include, or be comprised of, members of an audit committee for another council; and

d) must otherwise be determined in accordance with the requirements of the regulations.

The Charter for the Corporate Governance Committee states that the Committee shall comprise five (5) members consisting of two Council Members (of which the Mayor is the Principal Member) and three Independent Members.

The existing members of the Committee's initial appointment and term expiry dates are summarised in the table below:

Member	Date of Initial Appointment	Expiry date of current term
Mayor Glenn Docherty	26 June 2007	November 2022
Cr Jane Onuzans	27 November 2019	31 March 2022
Mr Damian Pulgies	24 November 2017	31 December 2019

Mr Martin White	25 February 2007	31 March 2022
Ms Merridie Martin	25 February 2014	31 March 2020

Appointments to the Committee are structured in a way that continuity of membership and knowledge is balanced with the opportunity to refresh the membership.

At the Council meeting held on 24 September 2019, Council resolved to commence the recruitment for the pending vacant Independent Member position, following notice provided by Mr Damian Pulgies that he would not be seeking reappointment past 31 December 2019.

2. RELEVANCE TO STRATEGIC PLAN

1: Smart Service Delivery Program
Outcome 1.1 High quality services and amenities

The purpose of the Corporate Governance Committee is to ensure effective corporate governance and legislative compliance of Council business. Effective corporate governance is an essential requirement to enable Council to achieve the objectives and strategies in the Annual Business Plan, Long Term Financial Plan and Asset Management Plans.

3. PUBLIC CONSULTATION

There is no requirement to consult the community on this matter; however public advertisements for the vacant Independent Member position were published following Council endorsement under an EOI process.

4. DISCUSSION

4.1 Mr Damian Pulgies currently serves not only as an Independent Member on the Corporate Governance Committee, but is also appointed to the role of Presiding Member for the Committee. His current term of appointment expires on 31 December 2019 and Mr Pulgies has declared he will not be seeking reappointment.

4.2 Council are required to recruit for the position Independent Member to fill the vacancy resulting from Mr Pulgies departure.

4.2.1 In accordance with the Recruitment and Appointment of Independent Members Procedure, staff have utilised methods that resulted in the greatest cost-benefit to Council when preparing advertisements for the Independent Member position.

The Independent Member position on the Corporate Governance Committee was advertised on 10 October 2019 until the 29 October 2019, published both internally and externally via the following avenues:

- Internal Corporate Intranet
- City of Playford website Employment page
- Free Job Boards – ‘Glassdoor’, Northern Adelaide Jobs etc.
- Local Government Association SA (LGA) Careers website
- Social Media (Facebook & LinkedIn)
- Seek

4.3 At the conclusion of the advertisement period, 19 applications were received. 15 applications warranted assessment against the criteria for an Independent Member for the Corporate Governance Committee. Following this assessment, a shortlist of four candidates was determined to progress to the interview stage.

4.4 The four shortlisted candidates were interviewed by the Panel comprising of the Mayor, Chief Executive Officer and Acting General Manager Strategy and Corporate.

4.5 The Panel recommends Mr Peter Brass be appointed as an Independent Member on the Corporate Governance Committee for the term of 1 January 2020 to 31 March 2023. Attachment 3 provides the recruitment summary notes compiled by the interview Panel and notes from reference checks of the preferred candidate. The reference checks undertaken for Mr Brass support the appointment recommendation.

5. OPTIONS

Recommendation

Council appoint Mr Peter Brass as an Independent Member on the Corporate Governance Committee for the term of 1 January 2020 to 31 March 2023.

Option 2

1. Council appoint Mr/s_____ as an Independent Member on the Corporate Governance Committee for the term of 1 January 2020 to 31 March 2023.

2. If required, the private ballot process outlined in the Code of Practice for Council and Committee Meetings – Section 6.16 be utilised to elect the committee representatives, with the results of the ballot becoming the outcome.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The appointment of an Independent Member to the Corporate Governance Committee is required to fill the impending vacancy of Mr Damian Pulgies, whose term expires on 31 December 2019. The recommendation to appoint Mr Brass has been made following a comprehensive EOI process comprising of assessments of applications, interviews and reference checks.

6.1.2 Financial Implications

As per the Independent Member Policy, Independent Members on the Corporate Governance Committee are entitled to a sitting fee of $475 per meeting, with the Presiding Member entitled to a sitting fee of $594 per meeting. As Mr Pulgies also served as the Presiding Member for the Corporate Governance Committee, the Committee will be required to appoint a new Presiding Member at the first Committee meeting held in 2020. In accordance with the Committee's Charter (Attachment 4), the Presiding Member of the Committee must be an Independent Member.

The sitting fees for Independent Members of the Corporate Governance Committee have been budgeted for in the 2019/20 budget.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Should an alternative candidate, to the Panel's recommendation be selected to fill the impending Independent Member vacancy, the result may be a less suitable Independent Member being appointed to the Committee.

6.2.2 Financial Implications

Selecting an alternative candidate to the recommendation, does not alter the financial or resource implications. As per the Independent Member Policy, Independent Members on the Corporate Governance Committee are entitled to a sitting fee of $475 per meeting, with the Presiding Member entitled to a sitting fee of $594 per meeting.

The sitting fees for Independent Members of the Corporate Governance Committee have been budgeted for in the 2019/20 budget.

CORPORATE GOVERNANCE COMMITTEE CHARTER

1 Role

The Corporate Governance Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Committees role is to:

1.1 Fulfil the role of Council's audit committee as required in section 126 of the Local Government Act.

1.2 Assist the Council in reviewing the principal risks facing the Council, including those that threaten the Council's strategic directions.

1.3 Assist in the effective management of financial and other risks and the protection of Council assets.

1.4 Review developments and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management and Internal Control and make recommendations to Council as appropriate.

2 Terms of Reference

The Committee's terms of reference are to consider all matters outlined in section 126(4) of the Local Government Act:

2.1 Financial Reporting

The Corporate Governance Committee shall monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.

The Corporate Governance Committee shall review and challenge where necessary:

a) The consistency of, and any changes to, accounting policies on a year on year basis;

b) The methods used to account for significant or unusual transactions where different approaches are possible;

c) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

d) The clarity of disclosure in the Council's financial reports and the context in which statements are made; and

e) All material information presented with the financial statements, such as the operating and financial review and the External Auditor statement (insofar as it relates to the audit and risk management).

f) Provide input into the appointment of the External Auditor.

The Corporate Governance Committee shall meet as needed with the External Auditor. The Corporate Governance Committee shall meet the External Auditor at least once a year, without management being present, to discuss their remit and any issues arising from the External Audit.

2.2 Internal Control, Internal Audit & Risk Management Systems

The Corporate Governance Committee shall:

a) Keep under review the effectiveness of the Council's internal controls, audit and risk management systems.

b) Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

c) Receive reports on the activities of the Chief Executive Officer's Strategic Risk and Internal Audit Work Program including the review of managements response to audits.

d) consider and make recommendations on the program of the internal controls and audit including the adequacy of resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

2.3 Public Interest Disclosures

The Corporate Governance Committee shall, review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoings in financial reporting, fraud and corruption and other matters.
The Committee shall ensure these arrangements allow for independent investigations where appropriate and appropriate follow-up action.

2.4 Strategic Management Plans

The Corporate Governance Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan, and review and provide recommendations on the sustainability of Councils financial performance giving consideration to Council's financial indicators.

2.5 Other Investigations or Evaluations

2.5.1 The Corporate Governance Committee shall, when necessary, propose and review the exercise of Council's powers under Section 130A of the Local Government Act 1999, in relation to the conduct of efficiency and economy Audits that would not otherwise be addressed or included as part of an annual External Auditor.

2.5.2 The Committee may review and consider reports or recommendations from external agencies where an investigation or evaluation relates to the role of the committee.

3 Definitions

Act for the purpose of this policy means the *Local Government Act 1999.*

Chief Executive Officer (CEO) means the Chief Executive Officer of a council and includes a deputy or other person acting in the officer of Chief Executive Officer.

Committee includes Section 41 Committees, other Committees and Panels established by Council.

Council Member means the Principal Member or a Councillor elected by the electors of a particular ward, as a representative of the ward in the City of Playford.

Executive Officer is a staff member appointed by the Chief Executive Officer to support a Section 41 Committee, other committee or advisory group.

Independent Members are members on a committee or panel who are not elected but have been appointed by the Council to undertake a similar role as Councillors on Council's Section 41 Committees or the Council Development Assessment Panel. They are external appointees.

Mayor is the person elected as the Principal Member of the Council to represent the local government area as a whole.

Staff includes Council staff, contractors, volunteers and all others who perform work on behalf of Council.

Strategic Management Plans are defined as Council's Long Term Financial Plan, Council's Strategic Plan, Council's Asset Management Plan and the Council's Annual Business Plan.

4 Delegations

4.1 The Committee has delegation for the following:

4.1.1 Approve Committee's Minutes as a true and accurate record of proceedings.

4.1.2 Develop and approve the Committee's Work Plan.

4.1.3 Appoint a Presiding Member from within the Committee.

4.2 Any other business referred to the Committee in accordance with its Role and Terms of Reference, or where the Committee does not hold the delegated authority, this business may be debated with a recommendation referred to the next Ordinary Council Meeting for consideration.

4.3 The Executive Officer in consultation with the Presiding Member may approve a deputation request for business that falls in-line with the Committee's Role and Terms of Reference. The Committee may resolve to seek further information on the business of a deputation; although no further resolution may be passed for the business of a deputation at the meeting the deputation was provided.

4.4 Petitions are not delegated to the Committee and are only to be presented to Council.

5 Meetings

5.1 The Committee Meeting will be held on the first Tuesday of the month, starting at 4:30pm. The Committee will meet a minimum of six (6) times per annum. The Committee will determine an annual schedule of meetings.

5.2 The Committee Meeting will be held primarily in the Committee Room at the Playford Civic Centre, 10 Playford Boulevard, Elizabeth, unless otherwise determined by the Committee prior to the meeting.

5.3 The agenda will be prepared and distributed to all Committee Members on the Thursday prior to the meeting, with the preference being to distribute electronically.

5.4 Special Meetings of the Committee may be necessary from time to time and may be called in accordance with Section 82 of the Local Government Act 1999. Notice of a Special Committee Meeting may be at a minimum of four (4) hours' notice, due to the urgency of the matters on the agenda.

6 Membership

6.1 Term rules:

6.1.1 The Committee shall comprise five (5) members consisting of the Mayor and one (1) Council Member and three (3) Independent Members.

6.1.2 The term of the Council Committee Members' appointment will be for a period not exceeding the next General Election.

6.1.3 Independent Members who are appointed to a Committee may carry over past an election term.

6.1.4 The Presiding Member must be an Independent Member and will be determined by the Committee for twelve (12) months, after which they may stand for re-election.

6.2 Independent Members of the Committee shall be appointed to bring recent and relevant experience and their capacity to act as a mentor to the Council Members on the Committee.

6.3 Table providing a summary of current Committee Membership and Term of Office details:

Term of Office		
Appointed Member	Endorsed by Council	Term Concludes
Mr Martin White	24 Sep 2019	31 Mar 2022
Mr Damian Pulgies	24 Sep 2019	31 Dec 2019
Ms Merridie Martin	28 Aug 2018	31 Mar 2020
Mayor Glenn Docherty	27 Nov 2018	Nov 2022
Cr Jane Onuzans	01 Nov 2019	31 Oct 2021

7 Role of the Presiding Member

7.1 Oversee the conduct of Committee Meetings in accordance with the Local Government Act 1999 and Code of Practice for Council, Special and Committee Meetings.

7.2 Ensure all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

7.3 Where a matter has been debated significantly and no new information is being discussed the Presiding Member may call the meeting to order and ask for the debate to be finalised and a motion be put forward.

8 Role of Committee Members

8.1 Actively participate in debate and discussion as a representative of Council in a professional manner at all times.

8.2 Ensure the Member is prepared and informed of meeting matters prior to the meeting.

8.3 Utilise the skills and experience of the Committee Members to effectively carry out the Committee's role.

9 Role of the Executive Officer and Administrative Support

9.1 The Executive Officer is appointed by the CEO to support the administration and operation of the Committee.

9.2 The Executive Officer and relevant staff may provide advice during the meeting in order to aid informed decision making.

9.3 The Committee is appointed a Minute Taker.

10 Reporting and Review

10.1 The Committee will undertake an annual self-assessment (in the election year this will be incorporated into the external review) to assess the on-going role and effectiveness of the Committee and report any recommendations to Council as required.

10.2 In the year leading up to a Council Election the Committee will undertake an external review of the Committee's effectiveness. Any relevant recommendations will be provided to the Council to assist with the ongoing structure of the Committee.

10.3 As determined by the Committee, the Committee may communicate with Council Members and staff on issues of importance to the Council. This communication may be delivered by the Presiding Member or Executive Officer in the form of a presentation to Council Members, a communiqué or a written memo and Council Report.

10.4 The Committee through the Chair will present to Council at least twice per year on Corporate Governance Committee business.

11 Supporting Documentation

- Local Government Act 1999
- Local Government (Financial Management) Regulations 2011
- Code of Practice for Council and Committee Meetings

- Code of Practice for Public Access to Meetings and Associated Meeting Documents
- Code of Conduct for Council Members

12 Approval and Change History

Approval Date	Approval by	Change
	Council	Template & Committee Structure Review
25 Sep 2008	Council Resolution	Scheduled review
17 Dec 2013	Council Resolution No. 1622	Scheduled review
25 Feb 2014	Council Resolution No. 1683	Appointment of Independent Members: Ms Merridie Martin and Mr Allen Bolaffi
25 Nov 2014	Council Resolution No. 1996	Alignment to Council Elections 2014 and minor amendments to terms and meeting dates
25 Nov 2014	Council Resolution No. 1997	Appointment of Independent Member: Mr Andrew Andreyev
28 Jun 2016	Council Resolution No. 2604	Template & Committee Structure Review
27 Sep 2016	Council Resolution No. 2689	Reappointment of Independent Member: Mr Martin White
28 Nov 2017	Council Resolution No. 3039	Appointment of Independent Member: Mr Damian Pulgies
27 March 2018	Council Resolution No. 3121	Appointment of Member: Cr Dino Musolino
22 May 2018	Council Resolution No. 3159	Amendment to Charter outlining in more detail the Role and Responsibilities of the committee.
27 Nov 2018	Council Resolution No. 3336	Appointment of Members: Mayor Glenn Docherty and Cr Jane Onuzans. Removal of cancellation clause.
26 Feb 2019	Council Resolution No. 3419	Reappointment of Independent Member: Ms Merridie Martin
27 Aug 2019	Council Resolution No. 3707	Removal of reference to the Annual Report as a document for the Committee to monitor as it is the Committee's role to consider the Financial Statements that are included in the Annual Report, not the Annual Report itself. Whistleblower provisions removed and replaced with provisions regarding Public Interest Disclosures, and the inclusion of reference to fraud and corruption. Inclusion of the Committee to provide input into the appointment of the External Auditor.

		Minor, administrative wording changes also made.
24 Sep 2019	Council Resolution No. 3746	Reappointment of Members: Cr Jane Onuzans and Mr Martin White. Extension of appointment: Mr Damian Pulgies.

Document Set ID: 3577290
Version: 3, Version Date: 04/11/2019

C. COUNCIL TO DECIDE HOW LONG ITEM 17.1 IS TO BE KEPT IN CONFIDENCE

Purpose

To resolve how long agenda item 17.1 is to be kept confidential.

STAFF RECOMMENDATION

Pursuant to Section 90(2) and Section 91(7) of the Local Government Act 1999, the Council orders that the following aspects of Item 17.1 be kept confidential in accordance with Council's reasons to deal with this item in confidence pursuant to Section 90 (3) (a) of the Local Government Act 1999:

- Report for Item 17.1
- Attachment(s) for Item 17.1
- Minutes for Item 17.1

This order shall operate until further order or until the next scheduled annual review of confidential items by Council at which time this order will be reviewed and determined in accordance with Section 91(9)(a) of the Local Government Act 1999.