13.7 REPORT TITLE: APPOINTMENT OF AUDIT COMMITTEE

INDEPENDENT MEMBER

DATE OF MEETING: 2 JULY 2007

AUTHOR: NARELLE JEFFERY

AUTHOR'S TITLE: GENERAL MANAGER CORPORATE &

COMMUNITY SERVICES

REPRESENTORS: NIL

FILE NUMBER: 10/030/067

ATTACHMENTS: 1 – APPLICATIONS FROM

RECOMMENDED APPLICANTS

(CONFIDENTIAL)

2. - TERMS OF REFERENCE

DEPARTMENT: CORPORATE & COMMUNITY SERVICES

DEPARTMENT

MANAGER: NARELLE JEFFERY

PURPOSE

To seek endorsement from the Council on the independent member of the Audit Committee.

RECOMMENDATION

That:

- 1. the Audit Committee Terms of Reference be endorsed as modified.
- 2. Mr Matthew Hannan and Mr Anthony Broome.be endorsed as the Independent Members of the Audit Committee of Council.
- 3. That the Council orders pursuant to Section 91(7), (8) and (9) of the Local Government Act 1999 that the attachments relating to this item be kept confidential until 2 July 2008.

confidentiality removed at 3 September 2007 meeting

BACKGROUND

At its meeting on 7 May 2007 the Council endorsed the membership of the Audit Committee as the Principal Member (the Mayor), Councillors Gamble and Kuchel and one (1) independent member.

DISCUSSION

An expression of interest was advertised in The Advertiser and The Courier newspapers early May 2007. Seven (7) expressions of interest were received.

A selection committee was formed comprising:

- Narelle Jeffery, General Manager Corporate & Community Services
- Darren Starr, Manager Policy and Development Services
- Anne Mooney, Senior Finance Officer
- Marcus Smith, Accountant

The selection committee met to discuss the selection criteria and assess each of the applications accordingly. The selection criteria was based on:

- Financial management experience
- Financial qualifications
- Governance experience
- Risk Management experience
- Previous experience in a similar role/function
- Experience in/or understanding of local government financial management practices and principles.

Three (3) persons were selected for interview which occurred on Monday, 25 June 2007. Following the interviews two (2) of the applicants were considered appropriate to be recommended for membership of the Audit Committee, particularly as they both will offer different skills and expertise to the Committee. A copy of their application is attached (Attachment 1).

The selection committee recommends that Mr Mathew Hannan and Mr Anthony Broome be appointed to the position of Independent Member for Council's Audit Committee. Both individuals offer different skills providing a greater skill mix for the Audit Committee. Mr Hannan has a background in risk management, with Mr Broome having a financial background.

Accordingly the Terms of Reference for the Committee have been modified to provide for two (2) Independent Members as members of the Committee.

The first meeting of the Audit Committee is proposed to be held in July 2007.

POLICY IMPLICATIONS

1. Financial/budget

The management of the Audit Committee will be within existing budgets.

2. Legal

In accordance with the Local Government Act 1999, Local Government (Financial Management and Rating) Act 1999 and the Local Government (Financial Management) Regulations 1999.

3. Staffing/Work Plans

To be managed within existing resources.

4. Environmental

N/A

5. Social

6. Strategic Plans

Goal 6 - Governance.

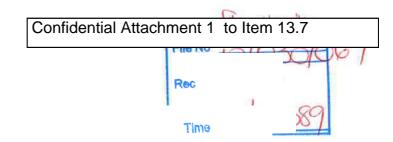
COMMUNITY CONSULTATION

1. Customer Needs Analysis

N/A

2. Promotion/Communications

Expressions of interest were sought through public notices and advertising in The Advertiser and The Courier newspapers and on Council's website.



24 May 2007

Mr Andrew Stuart Chief Executive Officer District Council of Mount Barker PO Box 54 Mount Barker SA 5251

Dear Mr Stuart

Expression of Interest - Audit Committee, Independent Member

I wish to express my interest in becoming the Independent Member of the District Council of Mount Barker's Audit Committee.

The District Council of Mount Baker plays a vital role in the lifestyle and well-being of the people who live and work, and businesses that operate, within the district. Central to the achievement of the Council's organisational goals is the role of the Audit Committee. The Committee provides a level of assurance regarding the integrity of financial reporting, audit functions, internal controls and risk management systems.

I have over 10 years of experience in commercial enterprise and risk management. In my current position as Manager, Risk Advisory Services, KPMG, I investigate and advise clients from around Australia on all matters relating to risk management. I am also required to prepare reports that include recommendations and identify initiatives to senior management, audit committees, senior executives and boards across public, government and not for profit organisations. The objectives of these investigations are to identify potential threats in order to mitigate the client's exposure to risk – financial or otherwise.

I have extensive financial experience demonstrated through the profitable management of small business and statewide projects and have reported financial information to senior management and external stakeholders in large organisations.

Please find attached my curriculum vitae detailing experience, skills, knowledge, affiliations and qualifications.

Should you have any further questions or wish to arrange an interview, please contact me on 0418 143 747 or email mathew@corporatematters.com.au.

Kind regards.

Yours sincerely

Via email

Mat Hannan

9 Wootoona Terrace St Georges SA 5064 > mobile 0418 143 747 > email mathew@corporate matters com au





Contact Details

Mobile

0418 143 747

Email

mathew@corporate matters.com.au

Address

9 Wootoona Tce, St Georges SA 5064

Citizenship

Australian

Current Position

Manager, Risk Advisory Services, KPMG Adelaide

Education and Training

2007

Company Directors Course to be completed by July 2007

Australian Institute of Company Directors

2003 - 2007

Candidature Doctor of Philosophy (deferred)

University of Tasmania

2004

Supervising at UniSA - Postgraduate Supervision Course

University of South Australia

2003

Introduction for University Teaching program

University of South Australia

Statistics for Professionals University of South Australia Master of Information Systems

University of Tasmania

Level II Workplace Safety First Aid Course

First Aid Australia

Bachelor of Commerce University of Tasmania

(Majors: Information Systems and Human Resource Management)

Criminal Investigation Training Program

Tasmania Police Force

Bomb Technician Level I Course

Tasmania Police Force

2000

Counter-Terroris m Operational Skills Enhancement Course

Standing Advisory Committee on Commonwealth/ State Co-operation for

Protection against Violence (Australian Federal Government)

Breathing Apparatus Tasmanian Fire Service

Future Leaders' Forum
Foundation for Young Australians

1998

Fitness Leaders Strength and Conditioning Certificate

FIT Personnel

Special Operations Group Selection Course

Tasmania Police

Recruit Course

Tasmania Police Academy

Core Competencies

- > Critical analysis and problem resolution
- > Financial management
- > Strategy development
- > Business systems analysis and design
- > Risk management
- > Training and development
- > Performance management
- > Crisis management

Industry Experience: Private and Public Sector

- > Justice and safety
- > Health and fitness
- > Education and training
- > Not-for-profit

> Retail

> Industrial

> Transport

> Energy

Management Experience

- > Management of small to medium sized teams (two to 20 team members) towards the achievement of specific goals
- Successful achievement of project outcomes through the management of both internal and external stakeholders
- > Management of resources to meet prescribed project targets
- > Sound understanding of OH&S issues and associated legislation
- > Management of organisationa I change

Organisational Integration Experience

> Development and delivery of system related training to both technical staff and end-users

Management of change relating to implementatio n of new, or changes to existing, business processes

Ensuring that system development and implementation are in congruence with organisational goals

Strategic Planning

Professional Memberships

Board Member, Information System's Audit and Control Association, Adelaide Chapter

- > Australian Institute of Company Directors
- > Australian Computer Society

Personal Attributes

High personal motivation

Ability and motivation to acquire new skills and knowledge

Diplomacy

Innovative

Ability to work well in team environment

Self-reliance

Cross-cultural sensitivity

Interpersonal relationships

Interests

Cycling, physical fitness, motorcycle riding, reading, people

Referees

Available Upon Request

Employment

2006 - present

Manger, Risk Advisory Services KMPG

KPMG's Risk Advisory Services (RAS) assist organisations achieve their business objectives and meet the challenges of competing in the modern business environment through measuring performance, managing risks and leveraging knowledge.

Managing risk appropriately and continuous business improvement are keys to business success. My role as a manager within the IT Advisory practice of RAS is to assist organisations to mana ge technology related risks to meet strategic and financial goals. Through communication I am able to advise Senior Management and Boards upon the tremendous opportunities offered by technological innovation and how to maximise these opportunities and control the risks involved.

1997 - present

Director of Strategy Matharo Pty Ltd

Matharo is a small investment company with its primary assets in Tasmania. Controlling over \$1million of property my primary role as Director of Strategy is to provide long term strategy development, determine appropriate financing structure and develop growth initiatives. As a result of strategies implemented over the last three years, equity holdings have doubled.



2005-2006

Manager, Risk and Critical Infrastructure Protection Office of the Chief Technology Officer

The Office of the Chief Technology Officer for the Government of South Australia is responsible for the oversight of technology use and infrastructure across the entire Government of South Australia. My role within the office centred on the management of key ICT Infrastructure sites for the provision of lifeline and critical services to the public of South Australia.

Central to this role was the management of risk to critical infrastructure and the identification of threats, vulnerabilities, and consequence information relating to these assets. The position also required the development of protective measures to take based on an agreed upon risk reduction strategy.

2005- 2006

ICT Security Strategist
Department for Transport, Energy and Infrastructure

The Department for Transport, Energy and Infrastructure (DTEI) has diverse responsibilities in relation to transport system and services, energy policy and regulation, and infrastructure planning for South Australia. DTEI's clients are the Government and public of South Australia and other stakeholders.

As ICT Security Strategist I was accountable for the provision of high level expertise and input into the strategic development, promotion, facilitation and review of ICT Security initiatives, with particular reference to the implementation of the SA Government Information Security Management Framework (ISMF).

2001- 2005

General Manager Corporate Matters

Since 2000, Corporate Matters has delivered a full service to clients specialising in strategic marketing and research, professional writing and communication, web and graphic design, research and project management services and ICT advice.

Corporate Matters works with and within Government and private enterprise and not for profit organisations.

This position involved the day to day overseeing of human resource, financial and information systems operation. In addition the position required the development of strategic direction for the organisation. In my capacity as a consultant, I developed and delivered corporate and information systems strategies to assist clients in the development or expansion of core business functions.



2003- 2005

Academic (Lecturer): Masters of Business (Administrative Management) Division of Business and Enterprise School of Accounting and Information Systems

This position involved the development, coordination and delivery of courses at undergraduate and postgraduate level, on campus and online within the Bachelor of Business (Administrative Management) and the Master of Business programs. Specifically this position required me to lecture in:

- > Corporate Strategy
- > Corporate Structure
- > IT Strategy
- > Systems Analysis and Design
- > End-User Developers
- > Human Resource Management
- > Change Management
- > Organisational Culture
- > Communications

In addition to teaching responsibilities, lextensively researched ICT technologies, specifically focusing on Security and presented research papers and provided specialist training in Australia, United Kingdom, Finland and China.

1994 - 2003

Tasmania Police Service

My responsibilities within Tasmania Police included business analysis, strategic planning, team facilitation and leadership, emergency management, staff training, development and supervision, and internal and high-risk conflict resolution within various task forces and the following departments:

- > Intelligence, Data Analysis and Reporting
- > Crime Management Unit
- > Criminal Investigation Branch
- > Victim Crime Unit
- > Special Operations Group

My position within the Tasmania Police Service was multi-functional and provided me with skills and practical experience across a wide variety of business related functions. Listed below are several specific functions that I performed during the course of my employment with Tasmania Police.

Business Analyst Crime Management Unit Pilot Project (nine-month project) As a member of the Crime Management Unit Pilot Project I sourced, researched and evaluated leading edge information systems and technologies for implementation within the Tasmania Police Service. I was also required to develop system functional specifications, system requirements analysis and prepare documentation for submission to senior management.

The establishment and subsequent successful implementation of the unit required the development of new business processes and the re-engineering of existing work practises, the management of cultural change across all stakeholders and the development and delivery of system training packages to end-users.

The pilot project concluded in 2000 with the recommendations being successfully implemented.



Project Member (Human Resource Management Strategic Plan) I was involved in the development, writing and implementation planning of the Human Resource Management Strategic Plan for the Department of Police and Public Safety. Throughout the plan's development I took a key role from facilitator to consultation with existing employees through to presentation to senior management.

Change Agent

As a Change Agent, I facilitated and managed the implementation of organisationa I culture change through the timely and accurate dissemination of management information and the collection and analysis of staff feedback.

Detective

My role as a Detective required the management of human and other organisational resources to investigate a wide variety of criminal activities. Through such co-ordination I successfully investigated and prosecuted a wide variety of incidents ranging from minor property offences and anti-discriminat ion complaints through to crimes including fraud and related matters.

Special Operations Group

As Team Leader of a tactical team within the Special Operations Group, I was required to work in a close team environment in order to resolve high-risk situations.

My role required both strategic and tactical planning and implementation of the plan in crisis situations. I was often required to undertake extensive planning and manage logistical requirements to successfully resolve operations. In this role I was often required to lead a team of up to 20 highly trained Police Officers

I was also required to design and conduct basic and advanced training courses for the maintenance and development of members' skills and maintain relationships with other emergency services and non-government organisations including suppliers and additional training providers.

Within the Special Operations Group, I implemented business processes designed to establish performance standards, assess member performance and address non-performance or future development specific to individual performance.

Achievements and Positions Held

2006 - Present

Board Member, Information Systems Audit and Control Association,

Adelaide Chapter

ISACA is a globally recognised organisation for information governance, control, security and audit professionals. Its IS auditing and IS control standards are followed by practitioners worldwide. Its research pinpoints professional issues challenging its constituents. Its Certified Information Systems Auditor (CISA) certification is recognised globally and has been

earned by more than 50,000 professionals since inception.

2005 - Present

Member Standards Australia IT-012-04 - Security Techniques Committee

Developing Australian Standards in the field of IT Security. Participation in the work of International Technical committees, subcommittees and work groups.

2005 - 2006

Member SA Government ICT Security Special Interest Group

Establishing strategic direction for South Australian Government Departments

and Agencies in relation to ICT Security.

2001

Tasmanian Government America Terrorist Attack Working Party:

Member, Multi-Government representation

Minimising the likelihood of terrorist incidents and community repercussions arising from terrorist attack upon WTC and Pentagon facilities through the management of inter-governm ent agency relations, thorough investigation, research and contingency planning.

Commerce Degree Board: Member

University of Tasmania

Facilitating the Student: School relationship

Future Leaders' Forum: Facilitator

Foundation for Young Australians (formerly The Queen's Trust)

In 2001 I was invited to attend the forum as a facilitator to assist in the development of the 100 participants' leadership skills through individual and syndicate interaction.

Tasmanian Regional Council of the Foundation for Young Australians:

Member

Grants' allocation and Forum participant selection

Change Management Group: Member

Tasmania Police

Facilitating an internal culture change process

2000

University of Tasmania: Dean's Honours List for Academic Performance

Foundation for Young Australians, Future Leaders' Forum: Delegate One of a hundred young Australians invited to attend a residential Forum

recognising and developing leadership skills

1999

Golden Key National Honours Society: Life Member

Awarded for academic performance

Academic Publications and Appointments 2003-2004

Hannan, M. & Blundell, B. (2004) "Electronic Crime - its not only the big end of town that should be worried". Presented at the 2nd Australian Computer, Network & Information Forensics Conference, 25 November 2004. Perth, Australia.

Hannan, M. (2004) "To revisit: What is Forens ic Computing?" Presented at the 2nd Australian Computer, Network & Information Forensics Conference, 25 November 2004. Perth, Australia.

Hannan, M. & Tucker, B. (2004) "Risk Management and Organisational Culture: The implications of computer network attacks and Malware incidents on organizationa I risk management". Presented at the 2nd Australian Information Security Management Conference, 26 November 2004. Perth, Australia.

Manuscript Reviewer 2004, Australian Journal of Information Systems

Hannan, M. & Turnbull, B. (2004). "Wireless Network Security in Australia: a study of Seven Australian Capital Cities". Presented at the 8th Pacific-Asia Conference on Information Systems, July 8 – 11 July, 2003. Adelaide: Australia.

Slay, J., Hannan, M. & Turner, P. (2004). "Developing Forensic Computing Tools and Techniques within a holistic framework: an Australian Approach". Presented at the 5th Annual IEEE Information Assurance Workshop, United States Military Academy West Point, New York, U.S.A 10 - 11 June 2004.

Hannan, M. & Wilsdon, T. (2004). "The implications of hardware encryption devices on Forensic Computing Investigations". Presented at the 3rd European Conference on Information Warfare and Security, University of London, UK 28-29 June 2004.

Hannan, M. & Turner, P. (2004). "The Last Mile: Applying traditional methods for perpetrator identification in forensic computing investigations". To be presented at the 3rd European Conference on Information Warfare and Security, University of London, UK 28-29 June 2004.

Instructor: Forensic Computing

European Intensive Program on Information and Communication Technologies Security 2004 (IPICS 2004), University of Olou, Finland, 30 March - 7 April 2004

Committee Member/Submissio n Reviewer

3rd European Conference on Information Warfare and Security, University of London, England, 29-30 June 2004

Hannan, M., Turner, P., & Broucek, V. "Refining the Taxonomy of Forensic Computing in the Era of E-crime: Insights from a Survey of Australia n Forensic Computing Investigation (FCI) Teams". Proceedings of the 4th Australian Information Warfare and IT Security Conference 2003, Adelaide, SA, Australia (20-21 November, 2003)

Hannan, M., Frings, S., Broucek, V., & Turner, P. "Forensic Computing Theory & Practice: Towards developing a methodology for a standardised approach to Computer misuse". Proceedings of the 1st Australian Computer, Network & Information Forensics Conference 2003, Scarborough, WA, Australia (25 November, 2003).

Hannan, M. & Tumer, P. (2003). "Beyond the Matrix: Research on Competence among Australian Forensic Computing Investigation Teams". Proceedings of the 2nd European Conference on Information Warfare and Security, June 30 – July 1, 2003. Reading:U.K.

Academic Publications and Appointments continued...

Hannan, M. & Turner, P. (2003). "Australian Forensic Computing Investigation Teams: Research on Competence". Proceedings of The Seventh Pacific-Asia Conference on Information Systems, July 10 – 13 July, 2003. Adelaide: Australia.

Submission Reviewer

The Fourth Australian Information Warfare and IT Security Conference 2003, 20-21 November 2003. Adelaide: Australia.

Submission Reviewer

The Seventh Pacific-Asia Conference on Informat ion Systems, 10-13 July 2003 Adelaide: Australia.

Submission Reviewer

The 14th Australasian Conference on Information Systems, 26 - 28 November 2003. Perth: Australia

Media History

Radio Interview: Wireless networks 'open to hackers' Radio National News Saturday

29 May 2004.

Live Interview: Wireless Network Security Radio Adelaide 'Expresso' program

Monday 7 June 2004

Print Reported Article: Sunday Mail Sunday 13 June 2004

Reported Article: Security concerns on wireless networks Australian Financial

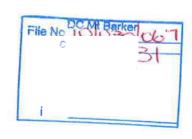
Review Friday 28 May 2004

Web Articles Reported Article: Wireless networks not protected: report Yahoo News

(Australia & New Zealand) Saturday 29 May 2004

Reported Article: Aussie wireless nets found to be very vulnerable Slattery's

internet WATCH Monday June 7, 2004



24th May 2007

ashmans
Business & Financial Services Pty Ltd

ABN: 66 008 067 267

The Chief Executive Officer
District Council of Mount Barker
PO Box 54
MOUNT BARKER SA 5251

Dear Sir,

Expression of Interest Audit Committee – Independent Member

I would like to indicate my interest in joining the Council Audit Committee as the "Independent Member" in accordance with the committee terms of reference dated May 2007 and in reply to your advertisement in the Advertiser newspaper.

In support of this interest, I submit the following personal details and relevant experience.

Name:

Anthony Noel Broome

Address:

Residential

24 The Common

Beaumont SA 5066

Business Level 1, 120 Hutt Street

Adelaide SA 5000

Telephone:

Mobile

0412 582 292

Home

08 8379 0170

Business 08 8228 9400 Facsimile 08 8228 9444

Email:

abroome@ashmans.com

Admitted as a Chartered Accountant in 1972

Qualifications:

Registered Company Auditor

Registered Tax Agent

Experience (relating to Terms of Reference Clause 2.4)

I have been a partner of public accounting firms since 1974 in both a large international firm and small chartered accounting firms predominately involved in the areas of taxation, management consultancy and financial advice.

T. 08 8228 9400 F. 08 8228 9444

E. ashmans@ashmans.com.au W. www.ashmans.com.au

GPO Box 1139 Adelaide South Australia 5001 • Level 1 120 Hutt Street Adelaide South Australia 5000

Audit experience on both large and medium sized clients in Melbourne was obtained earlier in my career although I am presently responsible for the audit of the Australian branch of a multinational company together with numerous superannuation funds under the Superannuation Industry Supervision Act.

As a public accountant for 42 years with responsibility for numerous large clients in the areas of:

Governance (including municipal councils)
Financial Management
Internal Audit
Management of Risk

I would consider I would be an appropriate applicant for the position of Independent Member of the Audit Committee.

My present business activities conducted within my public accounting practice of Ashmans Group – Chartered Accountants with staff of up to twelve would allow me to be reliably available to the Council. The recent admission of a younger partner will also facilitate my availability.

I trust the above information is sufficient in the initial stages. I hold myself available for any meeting or interview that you may require.

Yours faithfully,

M. Some

A N Broome

Ref: DC



WKHGI/WUIFWFRXQFIORIPRXQWEDUNHU

TERMS OF REFERENCE

AUDIT COMMITTEE

May 2007

1.1 Establishment of Committee

- 1.1 Pursuant to Section 41 (and for the purposes of Section 126) of the Local Government Act 1999, the Council establishes a committee to be known as the Audit Committee.
- 1.2 The Audit Committee does not have executive powers and authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility.
- 1.3 The Audit Committee does not have any management responsibilities and is therefore independent of Management.

2. Membership

- 2.1. Members of the Committee are appointed by the Council. The Committee shall consist of the Principal Member (Mayor), two (2) Elected Members of Council and two (2) independent members.
- 2.2. The Principal Member will hold the position of Presiding Member of the Committee.
- 2.3. The independent members of the Committee shall have recent and relevant governance, financial management, internal audit and/or risk management experience in the management of large organisations.
- 2.4. Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for a decision.
- 2.5. In accordance with the principles of open, transparent and informed decision making, Committee meetings must be conducted in a place open to the public. The agenda and minutes of the Committee meetings, subject to any items that are discussed in confidence under Section 90 of the Act and subsequently retained as confidential under

- Section 91 of the Act, are also required to be made available to the public.
- 2.6. Individual members of the Council's administration staff, such as the Chief Executive Officer, General Manager Corporate & Community Services, and/or Finance Officer may attend any meeting as observers or be responsible for preparation of papers for the Committee. The Council's external auditor may also be invited to attend meetings of the Committee, as appropriate.
- 2.7. All members of the Committee will hold office for the term of the Council but will be eligible for reappointment to the Committee.
- 2.8. The Committee shall be re-established after each Council periodic election.

3. Secretarial Resources

3.1. The Chief Executive Officer shall provide administrative support to the Committee.

4. Quorum

4.1. The quorum necessary for the transaction of business shall be 3 members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. Frequency of Meetings

5.1. The Committee shall meet at least four times a year in June, September, December and March of each year and otherwise as required.

6. Notice of Meetings

- 6.1. Ordinary meetings of the Committee will be held at times and places determined by Council or, subject to a decision of Council, the Committee. A special meeting of the Committee may be called in accordance with the Local Government Act 1999.
- 6.2. Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee and observers, no later than three clear business days before the date of the meetings. Supporting papers

shall be sent to Committee Members (and to other attendees as appropriate) at the same time.

7. Minutes of Meetings

- 7.1. The Chief Executive Officer shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, are minuted and that the minutes otherwise comply with the requirements of the Local Government (Procedure at Meetings) Regulations 2000.
- 7.2. Minutes of Committee meetings shall be circulated within five days after a meeting to all members of the Committee and to all members of the Council and will (as appropriate) be available to the public.

8. Role of the Committee

8.1. Financial Reporting

- 8.1.1. The Committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements which they contain.
- 8.1.2. The Committee shall review and challenge where necessary:
 - 8.1.2.1. the consistency of, and/or any changes to, accounting policies;
 - 8.1.2.2. the methods used to account for significant or unusual transactions where different approaches are possible;
 - 8.1.2.3. whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor:
 - 8.1.2.4. the clarity of disclosure in the Council's financial reports and the context in which statements are made: and
 - 8.1.2.5. all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to audit and risk management).

8.2. Internal Controls and Risk Management Systems

- 8.2.1. The Committee shall keep under review the effectiveness of the Council's internal controls and risk management systems.
- 8.2.2. The Committee shall review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

8.3. Internal Audit

- 8.3.1. The Committee shall monitor and review the effectiveness of the Council's internal audit function in the context of the Council's overall risk management system.
- 8.3.2. The Committee shall consider and make recommendation on the internal audit function and the adequacy of its resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.
- 8.3.3 The Committee shall monitor the District Council of Mount Barker District Wide Residential Plan Amendment Report developer contributions process and in particular the indirect contributions. The Committee is to:
 - 8.3.2.1. monitor the dedicated reserve account to receive the indirect contributions:
 - 8.3.2.2. to provide an annual report (to be publicly available) on the application of this account;
 - 8.3.2.3. ensure that the annual report on the operation of the reserve account is provided to Council's external auditor as part of the annual audit process; and
 - 8.3.2.4. ensure that the annual report on the operation of the reserve account is included in the Council's annual report.

8.4. External Audit

- 8.4.1. The Committee shall oversee Council's relationship with the external auditor including, but not limited to:
 - 8.4.1.1. considering and making recommendations to the Council, in relation to the appointment, re-

- appointment and removal of the Council's external auditor;
- 8.4.1.2. recommending the approval of the external auditor's remuneration whether fees or audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
- 8.4.1.3. recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
- 8.4.1.4. assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of Council's relationship with the auditor, including the provision of any non-audit services;
- 8.4.1.5. satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Council (other than in the ordinary course of business);
- 8.4.1.6. monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
- 8.4.1.7. assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the audit Committee's own internal quality procedures);
- 8.4.2. The Committee shall meet the external audit at least once a year, without management being present, to discuss the external auditor's report and any issues arising from the audit.
- 8.4.3. The Committee shall review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement.
- 8.4.4. The Committee shall review the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
 - 8.4.4.1. a discussion of any major issues which arose during the external audit;

- 8.4.4.2. any accounting and audit judgements; and
- 8.4.4.3. levels of errors identified during the external audit.

The Committee shall also review the effectiveness of the external audit.

- 8.4.5. The Committee shall review any representation letter(s) requested by the external auditor before they are signed by management.
- 8.4.6. The Committee shall review the management letter and management's response to the external auditor's findings and recommendations.

9. Reporting Responsibilities

9.1. The Committee shall make whatever recommendations to the Council it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.

10. Other Matters

- 10.1. The Committee shall have access to reasonable resources in order to carry out its duties.
- 10.2. The Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.3. The Committee shall give due consideration to laws and regulations of the Local Government Act 1999.
- 10.4. The Committee shall oversee any investigation of activities which are within its terms of reference.
- 10.5. The Committee shall oversee action to follow up on matters raised by the external auditor.
- 10.6. The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Council for approval.