7.7. EXTENSION OF CHAIRPERSON'S TERM - AUDIT AND RISK COMMITTEE

REPORT AUTHOR	Acting Manager Governance
EXECUTIVE	General Manager Corporate and Communities
DEPARTMENT	Corporate and Communities
TEAM	Governance
DATE	27 October 2026

RECOMMENDATION

That Council approve the extension of the term of appointment for Audit and Risk Committee Chair, Dr Martin Fahy for a period of two (2) years until 26 October 2028.

EXECUTIVE SUMMARY

Council has established an Audit and Risk Committee in accordance with Section 105(2) of the *Local Government Act 2009* (the Act) and Subdivision 2, Sections 208 - 211 of the *Local Government Regulation 2012* (the Regulation).

The Audit and Risk Committee is an important governance body, providing independent assurance, oversight and advice to Council and Senior Management on Council's financial reporting, risk management, control framework, external and internal audit activities and legal, legislative and policy compliance.

PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS

The latest Audit and Risk Committee Policy and Terms of Reference were adopted by Council in January 2025.

REPORT/BACKGROUND

The current Audit and Risk Committee consists of:

- Dr Martin Fahy – Independent Member and Chairperson
- Mr Drong Vue – Independent Member
- Mayor Scomazzon – Council appointed member
- Cr Rees – Council appointed member

Following the original appointments and extension of both independent members, Dr Fahy's term is due to expire on 26 October 2026 whilst Mr Vue's term will expire on 26 October 2027.

The Audit and Risk Committee Terms of Reference state:

"The term of appointment for independent external members will generally be up to three (3) years and may be extended for a further one (1) term subject to the composition and skill requirements of the committee. The maximum term being six (6) years.

Council may, at their discretion and due to extenuating circumstances, extend the maximum term to ensure a functioning Audit and Risk Committee is maintained."

Whilst at a very practical level, Council will not be able to advertise, assess and engage another suitable independent person for the role of Chairperson prior to the end of October, of most critical importance is recognising Dr Fahy's stewardship in delivering Council's Enterprise Risk Management Framework, Strategic and Corporate Risk Register and associated risk tolerance statements which now need to be embedded within Council business-as-usual processes under that same stewardship.

Due to these extenuating circumstances, it is important for consistency within Audit and Risk Committee and ensuring a functioning Committee is maintained with an extension of Dr Fahy's term of engagement. It will also allow for the recruitment of another independent member prior to the end of Mr Vue's term on the committee in October 2027.

It is good practice for the appointments of independent external members to the Committee be staggered where possible to ensure appropriate continuity and succession planning.

The matter of a further extension has been discussed with Dr Fahy who is supportive of continuing the work that has been undertaken by the committee. He believes that the Audit and Risk Committee is working well with constant improvement over the past two (2) years and is achieving positive goals.

FINANCIAL AND RESOURCE IMPLICATIONS

There are no financial and resource implications associated with this report.

RISK MANAGEMENT IMPLICATIONS

The audit committee plays an important role in monitoring and oversight of council's control measures and risk management frameworks.

The Terms of Reference for the Audit and Risk Committee requires the Committee to have an independent chairperson.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

SOCIAL IMPLICATIONS

There are no social implications associated with this report.

CORPORATE AND OPERATIONAL PLAN

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 3 - Service Delivery
We deliver Council services effectively and efficiently to meet community expectations, focusing on the wellbeing of both the community and our employees.
3.6 - *Deliver Council services to meet community expectations.*
3.7 - *Identify and manage risk.*

Operational Plan 2026-2027 Actions:

Legislative requirement.
3.7.3 - Delivery of an annual Audit and Risk Committee work program.

LEGISLATION AND POLICY

- *Local Government Act 2009*
- *Local Government Regulation 2012*

CONSULTATION

Internal Consultation:

- General Manager Corporate and Communities,
- Governance
- Chief Executive Officer

External Consultation:

- Dr Martin Fahy

CONCLUSION

It will be very beneficial to Council and the Audit and Risk Committee to have the services of Dr Martin Fahy as the independent chairperson for a further period of two (2) years. This will maintain consistency and ensure a functioning Audit and Risk Committee is maintained.

ATTACHMENTS

Nil