



NSW Treasury

**PREQUALIFICATION SCHEME: AUDIT AND RISK
COMMITTEE INDEPENDENT CHAIRS AND MEMBERS**

SCHEME CONDITIONS

November 2021

SCHEDULE OF DOCUMENT AMENDMENTS

Revision Number	Date	Update Description
0.	18 December 2008	Document Original - first publication
1.	20 January 2009	<p>Clause 11.1 amended for review of the Assessment Committee's decision.</p> <p>Clause 12.2 requiring Professional Indemnity Insurance deleted and sub-clauses of Section 12 renumbered</p> <p>Clause 15.1(b) deleted and sub-clauses of Section 15 renumbered</p> <p>Clause 17.1(j) added regarding termination of panel membership</p> <p>Clause 17.3 deleted and amendments made to clauses 17.4 and 17.5, and sub-clauses of Section 17 renumbered.</p> <p>Schedule 1, Form A amended to highlight the Applicant.</p> <p>Schedule 1, Form B amended to highlight policy and/or government portfolio areas</p> <p>Schedule 1, Form D <i>Insurance</i> deleted</p> <p>Schedule 1, Form E to Form G renumbered and new Form D amended deleting <i>Accreditation</i> and replaced with <i>prequalification</i>.</p>
2.	January 2013	<p>A number of revisions made to the scheme. Some key changes are listed below:</p> <p>Terms such as Agency Head/CEO/Board replaced by "department head or governing board of a statutory body" to align with TPP 09-05.</p> <p>Department of Services Technology & Administration's name updated to Department of Finance and Services (DFS).</p> <p>The Scheme duration deleted. The Scheme will operate until further notice.</p> <p>Scheme contact details updated</p> <p>Introduction updated to refer to Treasury Policy Paper TPP 09-05</p> <p>Definitions: a number of definitions updated and clarified</p>

		<p>Clause 3.3 updated to specify that Agencies can view a summary of the capability and experience of Applicants to assist in determining a Panel Member's suitability for a specific engagement</p> <p>Clause 6 amended to reflect new remuneration rates for Independent Chairs and Members. Clarified that the rates include all costs excluding subsistence and travel costs outside the Sydney Metropolitan Area and/or from Interstate. The effective date of the new rates made retrospective from 1 February 2011.</p> <p>Clause 7.1 amended DSTA's name to DFS</p> <p>Clauses 7.3, 7.5, and 8.1 amended</p> <p>Clause 8.2 inserted as a new clause to make explicit applicants that are ineligible to serve as Independent Chairs or Members of an Audit and Risk Committee.</p> <p>Clause 11 deleted and content incorporated in Clause 18</p> <p>Clause 11.4 (a) inserted to introduce a requirement to comply with the <i>Code of Conduct: Audit and Risk Committee Chairs and Members</i>.</p> <p>Clause 11.5 inserted to specify the maximum number of Audit and Risk Committees a panel member can be engaged</p> <p>Clauses 11.6 and 11.7 inserted to clarify panel members' confidentiality obligations</p> <p>Clause 12 updated contact details</p> <p>Clause 13 amended</p> <p>Clause 15 amended to align with TPP 09-05</p> <p>Clause 16 inserted as a new clause containing a separate provision relating to removal from individual audit and risk committees.</p> <p>Clause 17.1 amended</p> <p>Clause 17.1(a) amended to include reference to the Code of Conduct for Independent Chairs and Members</p> <p>Clause 17.1(b) inserted relating to bankruptcy</p> <p>Clause 17.1(g) amended to cover serious breach of legislation</p>
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		<p>Former Clauses 17.2 and 17.3 deleted and content incorporated in Clauses 16.1 and 16.3 respectively</p> <p>Former Clause 17.4 renumbered to 17.2. Change in Department name reflected</p> <p>Clause 18 amended to incorporate former Clause 11 (Request Review of Decision) and clarify the process</p> <p>Clause 20 amended to refer to Code of Conduct and TPP 09-05</p> <p>Clauses 21, 22 and 23 amended</p> <p>Schedule 1, Part A amended to delete reference to "Organisation" from "Application/Organisation Details"</p> <p>Schedule 1, Part C 2.3 aligned with Scheme Conditions</p> <p>Schedule 1, Part D amended to include "sub committees"</p> <p>Schedule 1, Form "Other Significant appointments within and outside the NSW Public Sector" inserted</p> <p>Schedule 1, Part F Item A amended to replace reference to "Organisation" with "Applicant"</p> <p>Schedule 1, Part F amended to include, and require acknowledgement of, information about the use and disclosure of personal information</p> <p>Schedule 2 amended to refer to:</p> <ol style="list-style-type: none"> a. TPP 09-05, b. Code of Conduct: Audit and Risk Committee Chairs and Members, c. Confidentiality requirements, d. Panel member's acceptance
3.	10 December 2013	Replaced references to 'Mr Nigel Tucker' with 'Mr Ricky Leong'.
4.	31 Jan 2014	Replaced references to 'Principal Strategist' with 'Mr Ricky Leong'.
5.	31 March 2014	Clause 3.1 amended to apply only to 'confidential information' submitted with an application.
6.	October 2014	<p>Contact details for NSW Treasury updated.</p> <p>NSW Department of Finance and Services updated to NSW Office of Finance and Services.</p> <p>Director General replaced with Chief Executive Officer.</p>

		References to the Contractor and Consultant Management System (CCMS) database updated to read GOView Database.
7.	29 January 2015	Clause 6.1 amended to remove references to Statutory and Other Officers Remuneration Tribunal
8.	02 March 2015	Replaced references to Mr Ricky Leong with Rhonda Humphrey
9.	July 2015	Update name changes, contact changes, and Treasury Policy change to TPP 15-03.
10.	July 2016	Replaced the link to the application form with the link to the online application process on ProcurePoint.
11.	July 2019	Rollover update, Department change, email change, contact changes
12.	September 2019	Contact changes, further Department name change corrections
13.	December 2020	Update document for terminology changes per <i>Government Sector Finance Act 2018</i> Contact details have been updated Section 6- Remuneration has been updated The composition of the Assessment Committee and the Appeals Committee have been updated
14.	November 2021	NSW Treasury address contact details have been updated

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CONTACT DETAILS

Financial Management Governance and Analytics, NSW Treasury, is responsible for the Treasury Policy Paper TPP20-08 *Internal Audit and Risk Management for the General Government Sector*. The *Prequalification Scheme: Audit and Risk Committees Independent Chairs and Members*, is administered by NSW Procurement, NSW Treasury.

For information regarding the policy, TPP20-08:

Director, Financial Management Governance and Analytics
NSW Treasury
GPO Box 5469
Sydney NSW 2001

e-mail: finpol@treasury.nsw.gov.au
Ph: 02 9228 3764

For information regarding the operation of the Scheme:

Category Manager, NSW Procurement
NSW Treasury
52 Martin Place
Sydney NSW 2000

e-mail: AuditRiskMembers@treasury.nsw.gov.au
Ph: 02 8522 7920

1 INTRODUCTION

Treasury Policy Paper TPP09-05, *Internal Audit and Risk Management Policy for the NSW Public Sector* was first issued in August 2009. The Policy has since been updated and is now TPP20-08 *Internal Audit and Risk Management for the General Government Sector* (the Policy). The Policy requires agencies to maintain organisational arrangements that provide additional assurance, independent from operational management, on internal audit and risk management.

TPP20-08 mandates a set of core requirements that GSF agencies and statutory bodies must implement. Specifically, Core Requirement 3.1 requires agencies to establish an independent Audit and Risk Committee with appropriate expertise.

TPP20-08 requires Independent Chairs and Members to be drawn from the Panel of pre-qualified individuals maintained through this *Prequalification Scheme, Audit and Risk Committee Independent Chairs and Members*, established under Department of Premier and Cabinet Circular C2009-13 *Prequalification Scheme: Audit and Risk Committees*.

The Panel comprises highly skilled members with extensive experience across a range of policy areas, is an important element in ensuring strong governance of General Government Sector agencies and provides a valuable contribution to the NSW public sector.

2 DEFINITIONS

Accountable Authority for an agency has the same meaning as in section 2.7(2) of the *GSF Act*.

Agency means a GSF agency which has the same meaning as in section 2.4 of the *GSF Act* but is limited to the list of agencies in Annexure J of TPP20-08.

Appeals Committee is the committee that assesses the merits of an Applicant's appeal, in accordance with clauses 18.1 and 18.2.

Applicant means a person who has submitted an application for admission to the Scheme.

Application means an online application for admission to the Scheme in the form prescribed by the Scheme's [site](#).

Assessment Committee is the committee that determines membership to the Panel formed under the Scheme, in accordance with clause 7.1.

Audit and Risk Committee (ARC) is a committee established in accordance with TPP20-08 to monitor, review and provide assurance and advice about the agency's governance processes, risk management and internal control frameworks and external accountability obligations.

General Government Sector has the same meaning as in section 1.4 of the *GSF Act* and means NSW government agencies.

Independent Chairs and Members are those that meet the requirements of clause 3.1.8 of TPP20-08

NSW Treasury means the Financial Management Governance and Analytics team within NSW Treasury, responsible for the Policy

NSW Procurement means the NSW Procurement team within NSW Treasury, responsible for the administration and operation of the Scheme

Panel means the list of Panel Members assessed as suitable for engagement by the Assessment Committee as Independent Chairs and/or Members of an agency's Audit and Risk Committees.

Panel Member means a person who has applied for, and been granted admission to, the Panel by the Assessment Committee.

Performance Report means a report submitted in accordance with clause 14.

Policy means TPP20-08 *Internal Audit and Risk Management for the General Government Sector*

Scheme means the *Prequalification Scheme: Audit and Risk Committees Independent Chairs and Members*

3 CONFIDENTIALITY

- 3.1 Confidential information submitted with an Application will be treated as confidential by NSW Government agencies unless otherwise required by law.
- 3.2 Information submitted with an Application may be subject to investigation, reference checking, searches, interviews, enquiries, and confirmation. Applicants are deemed to have authorised any such action.
- 3.3 Agencies seeking to engage Independent Chairs or Members can view a summary of the capability and experience of Applicants to assist in determining a Panel Member's suitability for a specific engagement.

4 NSW GOVERNMENT PROCUREMENT POLICY FRAMEWORK

- 4.1 Panel Members must adhere to the NSW Government [Procurement Policy Framework](#) at all times.
- 4.2 Any breach of the NSW Government [Procurement Policy Framework](#) may result in the termination of an engagement and/or removal from the Scheme.

5 APPLICATIONS FOR PREQUALIFICATION

- 5.1 Application instructions can be found on the Scheme's [site](#).
- 5.2 Only those Applications which fully satisfy all requirements set out in these Scheme Conditions and that are fully completed will be considered by the Assessment Committee.

6 REMUNERATION

6.1 Independent Chairs and Members engaged via this Scheme will be remunerated up to the rates outlined in clause 6.2 below. The remuneration rates reflect the size of the Audit and Risk Committee and work performed. These rates will be reviewed every two years.

6.2 The maximum rates applicable from December 2020 are:

Fee category		Large	Medium	Small
Member fee rates (excluding GST and superannuation)		\$2,092 per meeting day	\$1,621 per meeting day	\$1,255 per meeting day
Chair fee rates (excluding GST and superannuation) <i>Annual rate + per meeting day rate for additional meeting days after the 7th meeting day</i>	<i>For up to 7 meeting days per annum:</i>	\$20,920 per annum	\$16,213 per annum	\$12,552 per annum
	<i>For each additional meeting day (above 7 meeting days per annum):</i>	\$2,989 per meeting day	\$2,316 per meeting day	\$1,793 per meeting day

A meeting day is defined as a minimum of three hours but is typically the equivalent of a normal business day. This includes preparation and meeting time.

Superannuation must be paid to Independent Chairs and Members in accordance with the *Superannuation Guarantee (Administration) Act 1992 (Cth)* as Independent Chairs and Members are considered employees for the purpose of this legislation, regardless of the form of payment.

At the beginning of each financial year, the number of meetings per year is to be estimated and agreed by the Audit and Risk Committee and all agencies overseen by the Audit and Risk Committee, to determine the estimated total remuneration per Independent Chair and Member. It is the responsibility of the participating agencies to monitor Audit and Risk Committee remuneration.

6.3 The following table defines the types of Audit and Risk Committees that comprise each fee category in 6.2:

Fee category	Audit and Risk Committee (ARC) Type
Large	<ul style="list-style-type: none"> • Principal Department Led Shared ARC • Large Collaborative Shared ARC <ul style="list-style-type: none"> ○ for four or more agencies, each with total annual expenditure up to \$100m, or ○ which includes one or more agencies with total annual expenditure more than \$100m • Standalone ARC for an agency with total annual expenditure of \$400m or more

Medium	<ul style="list-style-type: none"> • Collaborative Shared ARC for up to three agencies, each with total annual expenditure up to \$100m • Standalone ARC for an agency with total annual expenditure between \$50m and \$400m
Small	<ul style="list-style-type: none"> • Standalone ARC for an agency with total annual expenditure up to \$50m

- 6.4 The method of payment shall be at the discretion of the agency. Payment may be made either through the agency payroll or against an invoice.
- 6.5 The rates shall include *all* costs of the Independent Chair or Member excluding subsistence and travel costs outside the Sydney Metropolitan Area and/or from Interstate.
- 6.6 Subsistence and travel expenses outside the Sydney metropolitan area and/or where the Panel Member is from Interstate are to be charged at actual cost, or at the rates specified under the *Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009*, whichever is the lesser.

7 PREQUALIFICATION PROCESS

- 7.1 The Assessment Committee will determine the membership of the Panel to be formed under the Scheme. The Committee may interview a short list of Applicants for inclusion in the Scheme.

The Assessment Committee will be convened and chaired by a senior representative from NSW Treasury. The members of the Committee will be senior representatives from NSW Department of Customer Service, NSW Department of Premier and Cabinet, NSW Treasury, the Institute of Internal Auditors (or other professional body) and a practising internal auditor.

- 7.2 The Panel to be formed under the Scheme will be composed of Applicants who are deemed to be qualified following the assessment of an Application submitted in accordance with clause 5.1 and these Scheme Conditions.
- 7.3 Applications may be submitted at any time.
- 7.4 Applications will be assessed periodically at the discretion of the Assessment Committee.

8 EVALUATION CRITERIA

- 8.1 Applications will be assessed according to the following evaluation criteria:
1. *Applicants for the role of Audit and Risk Committee Member must demonstrate:*
 - a. Extensive senior level experience in governance and management of complex organisations, an ability to read and understand financial statements and a capacity to understand the ethical requirements of government (including potential conflicts of interest).
 - b. Functional knowledge in areas such as risk management, performance management, human resources management, internal and external

auditing, financial reporting, accounting, management control frameworks, financial internal controls, governance (including planning, reporting and oversight), or business operations.

- c. a capacity to form independent judgements and willingness to constructively challenge/question management practices and information.
 - d. a professional, ethical approach to the exercise of their duties and the capacity to devote the necessary time and effort to the responsibilities of a Member of an Audit and Risk Committee.
 - e. Possession of a relevant professional qualification or membership [e.g. Institute of Internal Auditors (IIA), CPA Australia (CPA) and Chartered Accountants Australia and New Zealand (CA)] is desirable.
2. *Applicants for the role of Audit and Risk Committee Chair, as well as meeting the requirements for selection as an Audit and Risk Committee Member outlined above, must also demonstrate the following:*
- a. leadership qualities and the ability to promote effective working relationships in complex organisations.
 - b. an ability to communicate complex and sensitive assessments in a tactful manner to chief audit executives, senior management, board members and Ministers.
 - c. a sound understanding of:
 - the principles of good organisational governance and capacity to understand public sector accountability, including financial reporting;
 - the business of the GSF agency or statutory body or the environment in which it operates;
 - internal audit operations, including selection and review of chief audit executives; and
 - risk management principles.

8.2 Current employees of all NSW government sector agencies cannot serve as Independent Members or Chairs of an Audit and Risk Committee, as per the independence requirements in clause 3.1.8 of TPP20-08.

This includes all agencies and employees in the Government service (Public Service Departments, Non-Public Service Divisions and Special Employment Divisions), the Teaching Service, NSW Police and the NSW Health Service. For the purposes of this Scheme it will also include statutory and special appointments other than non-executive directors of the governing board of a statutory body. For the avoidance of doubt it is clarified that non-executive directors of the governing board of a statutory body are eligible to be appointed as Independent Chairs and Members of Audit and Risk Committees subject to satisfying the conflict of interest criteria and requirements set out in clause 3.1.8 of TPP20-08. This is to ensure that independence, real and perceived, is maintained.

For the avoidance of doubt, those engaged as Independent Members or Chairs of an Audit and Risk Committee are excluded from this requirement for the purposes of the Scheme and TPP20-08, despite them being an “employee” within the extended meaning in the *Superannuation Guarantee (Administration) Act 1992 (Cth)*.

Public servants from other jurisdictions may be pre-qualified as Independent Chairs or Members. However, the rules relating to secondary employment in their organisation will need to be satisfied, including the management of any conflict of interest, and written confirmation will need to be provided by an authorised person in their jurisdiction.

9 INTERVIEW WITH ASSESSMENT COMMITTEE

- 9.1 Where further clarification is required, an Applicant may be provided with the opportunity to attend an interview with members of the Assessment Committee.

10 NOTIFICATION OF ASSESSMENT OUTCOME

- 10.1 The Assessment Committee may accept an Application (with or without limitation) or reject the Application.
- 10.2 NSW Procurement will notify all Applicants of the outcome of their Application in writing.

11 SPECIAL REQUIREMENTS

Membership of the Panel under the Scheme is subject to the following conditions:

- 11.1 For each Audit and Risk Committee to which the Panel Member is engaged, the Panel Member will enter a contract with the individual agency concerned, unless other arrangements are specified by the agency.
- 11.2 The Panel Member may be subject to criminal record and financial status (bankruptcy) checking at any time.
- 11.3 Any potential conflict of interest arising for the Panel Member in relation to an individual engagement is to be declared prior to engagement by the agency.
- 11.4 The Panel Member must comply with:
- (a) the *Code of Conduct: Audit and Risk Committee Chairs and Members* (as per the Scheme’s [site](#)), and
 - (b) the relevant agency’s Code of Conduct.
- 11.5 Panel Members may be engaged to a maximum of 5 Audit and Risk Committees that are established under TPP20-08. NSW Procurement should be informed of all engagements. It is the responsibility of both pre-qualified Panel Members and the Accountable Authority or the governing board of a statutory body to ensure this limit is not exceeded.

- 11.6 The maximum term that Independent Chairs and Members may be appointed to Audit and Risk Committees is stated in clauses 3.1.13 - 3.1.17 of TPP20-08.
- 11.7 Independent Chair or Members of an Audit and Risk Committee will not disclose without lawful authority:
- (a) any secret or confidential information acquired as a consequence of the role as an Independent Chair or Member of an Audit and Risk Committee
 - (b) any secret or confidential information acquired by him or her from any record to which he or she has access to as a consequence of his or her role as an Independent Chair or Member of an Audit and Risk Committee
- 11.8 Upon termination of an engagement an Independent Chair or Member of an Audit and Risk Committee, will not, without lawful authority, disclose or make any use of any confidential or secret information acquired as a consequence of his or her role as an Independent Chair or Member of an Audit and Risk Committee.

12 NOTIFICATION OF ENGAGEMENTS AND CHANGES TO PANEL MEMBER STATUS

Panel members must immediately inform NSW Procurement of any engagement to or resignation from an Audit and Risk Committee or of any significant change in capabilities, contact details or address by providing full details to:

Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members
Attention: Category Manager, NSW Procurement,
NSW Treasury
52 Martin Place
SYDNEY NSW 2000

Email: AuditRiskMembers@treasury.nsw.gov.au
Ph: 02 8522 7920

13 UPGRADING OF PREQUALIFICATION

- 13.1 The Assessment Committee may upgrade a Panel Member's status under the Scheme from Member only to Chair and Member where:
- (a) the Panel Member has submitted a written application seeking such an upgrade, including documentation and other material in support of his or her request; or
 - (b) the Panel Member is assessed by the Assessment Committee as meeting the criteria for Audit and Risk Committee Chairs.

14 PERFORMANCE REPORTING BEHAVIOUR

- 14.1 Panel Member performance monitoring and reporting shall be conducted in accordance with the following principles:
- (a) the mutual objective of the parties is to achieve continuous performance improvement;

- (b) open, proactive and objective performance monitoring and periodic formal reporting is required;
- (c) performance issues being promptly addressed by the parties concerned; and
- (d) performance issues being discussed openly with the Panel Member to ensure that concerns (such as dissatisfaction with performance) do not come as a surprise prior to formal notification.

15 PERFORMANCE MANAGEMENT

- 15.1 The Accountable Authority or governing board of a statutory body must establish a mechanism for reporting on the performance of the Audit and Risk Committee as a whole as well as the performance of the Chair and each Member.
- 15.2 As a minimum, an annual assessment of the operation of the Audit and Risk Committee, including the performance of the Chair and members is required.
- 15.3 The Auditor-General may conduct a review of agency compliance with TPP20-08. This may include mechanisms to examine the performance of the Audit and Risk Committee.
- 15.4 Where there is an adverse report on the performance or conduct of a Panel Member, a copy should be provided to the Accountable Authority or governing board of a statutory body, the Panel Member and the Secretary of NSW Treasury.
- 15.5 If the Panel Member disagrees with an adverse report, the Accountable Authority or governing board of a statutory body and the Panel Member should attempt to resolve the disagreement in the first instance.
- 15.6 Where an adverse report is amended, the Accountable Authority or governing board of a statutory body will advise the Secretary of NSW Treasury.

16 REMOVAL OF INDEPENDENT MEMBER FROM INDIVIDUAL AUDIT AND RISK COMMITTEES

- 16.1 The Accountable Authority or governing board of a statutory body may terminate the engagement of an Independent Chair or Member of an Audit and Risk Committee where the Independent Chair or Member has:
 - (a) breached the Scheme Conditions or Code of Conduct; or
 - (b) provided unsatisfactory performance on the particular committee; or
 - (c) declared or is found to be in a position of conflict of interest which is unresolvable.
- 16.2 The Accountable Authority or governing board of a statutory body may only terminate the engagement of an Independent Chair or Member from the Audit and Risk Committee with approval of the relevant Minister or, in the case of a State Owned Corporation, the concurrence of the Board and Shareholder Minister. The approval of the relevant Minister is not required in circumstances where the Independent Chair or Member has been removed from the Scheme

or otherwise become ineligible to be a member of the Scheme (e.g. commenced employment in the NSW Government service).

In the case of a Machinery of Government change where the dismantling of an agency's Audit and Risk Committee is required, the Accountable Authority or governing board of a statutory body may terminate the engagement of an Independent Chair or Member from the Audit and Risk Committee, with approval of the relevant Minister.

16.3 Where an Accountable Authority or governing board of a statutory body terminates the engagement of a Member of an Audit and Risk Committee, the Accountable Authority or governing board of a statutory body will then advise in writing:

- (a) the Audit and Risk Committee Member of the decision to terminate his or her engagement on the relevant Audit and Risk Committee; and
- (b) the Secretary of NSW Treasury of the decision who will arrange for the GoView database to be updated accordingly.

17 REMOVAL FROM THE SCHEME

17.1 Membership of the Panel will be reassessed and may be terminated by the Assessment Committee if the Member has:

- (a) breached the Scheme Conditions or Code of Conduct; or
- (b) been declared bankrupt or found to be insolvent; or
- (c) been the subject of substantiated reports of unsatisfactory performance for other NSW Government agencies; or
- (d) been determined by the Appeals Committee as not suitable for future work; or
- (e) experienced an adverse change in capacity or capability; or
- (f) experienced an adverse change in business status; or
- (g) been proven to be in serious breach of his or her obligations under any NSW legislation; or
- (h) otherwise failed to meet the standards required of the Scheme in terms of its project outcomes, client satisfaction and ethical business practices.

17.2 Before membership of the Scheme is formally revoked under clause 17.1, the Secretary of NSW Treasury will advise the Panel Member of the matters prompting the proposed action and will give the Panel Member the opportunity to provide reasons as to why the revocation should not occur.

18 APPEALS

- 18.1 Should an Applicant and/or Panel Member believe that there are substantive grounds for a review of:
- (a) the Assessment Committee's decision not to admit the Applicant to the Scheme; or
 - (b) the decision to terminate Panel Member's engagement to an individual Audit and Risk Committee under Section 16; or
 - (c) the Assessment Committee's decision to terminate Panel Member's membership of the Scheme under Section 17.

The Applicant and/or Panel Member may appeal to the Appeals Committee referred to in clause 18.2, the decision in writing, providing full details of the reasons for the request, sent to:

Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members
Attention: Category Manager, NSW Procurement,
NSW Treasury
52 Martin Place
SYDNEY NSW 2000

Email: AuditRiskMembers@treasury.nsw.gov.au
Ph: 02 8522 7920

- 18.2 The Appeals Committee is not to include any of the original members of the Assessment Committee, although their advice may be sought. The Appeals Committee will assess the merits of the Applicant's case. NSW Procurement will inform the Applicant in writing of the outcome of the review.

The Appeals Committee will be convened and chaired by a senior executive of NSW Treasury. The Appeals Committee will also consist of a representative of a relevant professional body, and a senior executive of NSW Department of Customer Service and the NSW Department of Premier and Cabinet.

19 PUBLICITY

- 19.1 Panel Members must not advertise, promote or publicise in any form their admission to the Scheme without written consent of NSW Treasury.

20 APPLICANT'S ACKNOWLEDGMENT

- 20.1 In applying for membership, the Applicant agrees to the Scheme Conditions and the Code of Conduct and to accepting the roles and responsibilities outlined in TPP20-08 on being engaged to an Audit and Risk Committee.

21 DISCLAIMER

- 21.1 The Assessment Committee reserve the absolute discretion to:
- (a) accept an Application with or without conditions;
 - (b) reject an Application; and

(c) revoke a Panel Member's admission to the Scheme.

21.2 NSW Treasury will not be held liable for any costs or damages incurred by the Panel Member in the exercise of such discretion.

22 PREQUALIFICATION - NO GUARANTEE OF WORK

22.1 The receipt of prequalification by an Applicant does not guarantee:

- (a) continuity of the prequalification during the duration of the Scheme; or
- (b) that engagements or work of any kind or quantity will be offered.

23 REVIEW AND DEVELOPMENT OF THE SCHEME

23.1 The Scheme will be monitored by NSW Treasury to assess whether the objectives and intent of the Scheme are being met. Modifications may be made at any time at NSW Treasury's discretion.

SCHEDULE 1
**PREQUALIFICATION SCHEME: AUDIT AND RISK COMMITTEE INDEPENDENT CHAIRS
AND MEMBERS - EXAMPLE LETTER OF ENGAGEMENT/ACCEPTANCE**

Name
Address

Dear Ms / Sir

You have been selected from the *Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members* to be an Independent Member or Independent Chair (*delete as applicable*) of the Department of [#] Audit and Risk Committee. The Committee meets [#] times a year including a meeting in [#] to review the annual financial accounts. A copy of NSW Treasury's *Internal Audit and Risk Management for the General Government Sector* (TPP20-08), the Audit and Risk Committee Charter and Department's Code of Conduct applicable to your engagement are attached. The Department's most recent Annual Report is available online at [#insert url].

The conditions under which you will be engaged are detailed in the *Prequalification Scheme – Audit and Risk Committee Independent Chairs and Members - Conditions* (Scheme Conditions) dated [#] issued by NSW Treasury. You are also required to agree to abide by the attached *Code of Conduct: Audit and Risk Committee Chairs and Members*, and comply with any other legislation, regulations or guidelines applicable to internal audit and risk management in the NSW General Government Sector, as they apply to Audit and Risk Committees. Your roles and responsibilities as an Independent Chair or Member [amend as applicable] are outlined in TPP20-08 and in the Audit and Risk Committee Charter.

You will be remunerated in accordance with section 6 of the Scheme Conditions, at the current rate for a [#] sized agency as prescribed in the Scheme Conditions of [#] per meeting day. Refer to section 6 for further information regarding remuneration, subsistence and travel.

The engagement will be for [#] years starting [#]. Note that this engagement can be terminated by mutual agreement and in accordance with the Scheme Conditions.

During your engagement as a Chair or Member [amend as applicable] of the Audit and Risk Committee you will not disclose without lawful authority:

- any secret or confidential information acquired by you as an Independent Chair or Member of an Audit and Risk Committee;
- any secret or confidential information acquired by you from any document to which you have access to as an Independent Chair or Member of an Audit and Risk Committee

Upon termination of your engagement as a Chair or Member [amend as applicable] of an Audit and Risk Committee you will not, without lawful authority, disclose or make any use of any confidential or secret information acquired by you in your role as an Independent Chair or Member of an Audit and Risk Committee.

Should you have any questions or wish to discuss your engagement, please contact me on [###].

If you wish to take up this offer please sign the declaration at the end of this letter and complete Attachments 1 to 3 (where relevant) and return these to NSW Procurement within 5 business days.

I look forward to receiving your acceptance and to working with you on the [#] Audit and Risk Committee.

Yours sincerely

[Accountable Authority or in accordance with a resolution of the Governing Board of the Statutory Body]

I hereby accept the offer of engagement contained in this letter and agree to carry out the services in accordance with the Scheme Conditions. I confirm that I:

- accept the roles and responsibilities outlined for Independent Chairs and Members in TPP20-08 and in the Audit and Risk Committee Charter.
- agree to abide by the Code of Conduct: Audit and Risk Committee Chairs and Members.
- am willing to undergo a criminal record and financial status check if required.
- do not have any conflict of interest that would prohibit me from accepting this engagement and will advise the Accountable Authority or the governing board of a statutory body and NSW Procurement should a conflict arise during the course of my engagement.
- am not a Member of more than four other NSW Government Audit and Risk Committees as outlined on the attached schedule.

[Print Name]

[Signature]

[Date]

Return a copy to Accountable Authority or the Governing Board of the Statutory Body and Category Manager, NSW Procurement, NSW Treasury, 52 Martin Place, Sydney NSW 2000 e-mail: AuditRiskMembers@treasury.nsw.gov.au

ATTACHMENT 1: Current membership of NSW Government Audit and Risk Committees

Agency [List multiple agencies if on a cluster based shared Audit and Risk Committee]	Name of Committee	Role (Chair or Member)	Estimated Engagement Fee (p.a.)	Start Date	End Date
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Print Name

Signature

Date

Return a copy to the Accountable Authority or the Governing Board of the Statutory Body and Category Manager, NSW Procurement, NSW Treasury, 52 Martin Place, Sydney NSW 2000 e-mail: AuditRiskMembers@treasury.nsw.gov.au

ATTACHMENT 2: Current membership of subcommittees of NSW Government Audit and Risk Committees

Agency [List multiple agencies if a cluster Audit and Risk Committee]	Name of Committee	Name of subcommittee	Role (Chair or Member)	Estimated Engagement Fee (p.a.)	Start Date	End Date
1.						
2.						
3.						
4.						
5.						
6.						
7.						

Print Name

Signature

Date

Return a copy to the Accountable Authority or the Governing Board of the Statutory Body and Category Manager, NSW Procurement, NSW Treasury, 52 Martin Place, Sydney NSW 2000 e-mail: AuditRiskMembers@treasury.nsw.gov.au

ATTACHMENT 3: Other Significant appointments within and outside the NSW General Government Sector

List other significant appointments (i.e. other than to Audit and Risk Committees) both within and outside the NSW public service and briefly describe your role.

Organisation	Role	Start Date	End Date

[Add more rows if necessary]

Print Name

Signature

Date

Return a copy to the Accountable Authority or the Governing Board of the Statutory Body and Category Manager, NSW Procurement, NSW Treasury, 52 Martin Place, Sydney NSW 2000 e-mail: AuditRiskMembers@treasury.nsw.gov.au

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