



**NSW Treasury and  
NSW Department of Commerce**

**PREQUALIFICATION SCHEME: AUDIT AND RISK  
COMMITTEE INDEPENDENT CHAIRS AND MEMBERS  
2009 - 2012**

**SCHEME CONDITIONS**

**Date: 20 January 2009**

**RFT No. 0802440**

## 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>

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## **CONTACT DETAILS**

For matters related to the services to be performed and the skills levels and capacity required under the Scheme contact:

Peter Connelly  
Performance Review Unit  
NSW Department of Premier and Cabinet  
Level 14, 4-6 Bligh House, Sydney, NSW  
e-mail: Peter.Connelly@dpc.nsw.gov.au  
Ph: 02 9228 4870  
Fax: 02 9228 3075

For matters related to the operation of the Scheme:

Stuart Wood  
NSW Department of Commerce  
e-mail: Stuart.Wood@commerce.nsw.gov.au  
Ph: 02 9372 8886 or Mobile: 0413 304 462  
Fax: 02 9372 8844

## 1 INTRODUCTION

A Review of Internal Audit Capacity in the NSW Public Sector by the Performance Review Unit, NSW Department of Premier and Cabinet, recommended strengthening the whole-of-government policy and regulatory framework for governance of internal audit and risk management. The report is available at:

[http://www.dpc.nsw.gov.au/about\\_us/our\\_structure/performance\\_review\\_unit](http://www.dpc.nsw.gov.au/about_us/our_structure/performance_review_unit)

Specifically, the Review recommends that agencies establish Audit and Risk Committees with an independent Chair and some independent members to be selected from a central pre-qualified Panel. The advice of highly-skilled Audit and Risk Committee independent Chairs and members is an important element of ensuring strong governance of NSW public sector agencies.

When established, the Panel will comprise members with extensive experience across a range of policy areas, and will provide a valuable contribution to the NSW public sector.

## 2 DEFINITIONS

**Agency** includes NSW Government departments, statutory authorities, statutory corporations and government business enterprises.

**Appeals Committee** means the committee to be convened by a senior executive of NSW Treasury, a representative of a relevant professional body (e.g. IIA) and a senior executive of the Department of Premier and Cabinet to examine appeals by applicants to the Scheme and members of the Scheme who have adverse performance reports warranting termination.

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

**Application** means a written application for admission to the Scheme in the form prescribed in Schedule 1.

**Assessment Committee** means the committee responsible for determining the membership of the Panel to be formed under the Scheme in accordance with clause 7.1.

**Audit and Risk Committee** means the committee established by an Agency or group of agencies to provide independent oversight and assurance. A Panel Member may be engaged by an Agency to be an independent chair or member of an Audit and Risk Committee.

**Departments** means NSW Treasury, the NSW Department of Premier and Cabinet and the NSW Department of Commerce, unless otherwise specified.

**Panel** means the list of Panel Members assessed as suitable for engagement by agencies as independent chairs and/or members of Agency Audit and Risk Committees.

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

**Performance Report** means a report submitted in accordance with clause 16

**Scheme** means the Prequalification Scheme: Audit and Risk Committees Independent Chairs and Members 2009 – 2012 administered by the Departments.

### **3 CONFIDENTIALITY**

- 3.1 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, interview, enquiries, and confirmation. Applicants are deemed to have authorised any such action.
- 3.3 Once the Scheme commences, agencies seeking to engage independent chairs or members will be able to view Applications to assist in determining a Panel Member's suitability for a specific engagement.

### **4 CODE OF PRACTICE FOR PROCUREMENT**

- 4.1 Panel Members must adhere to the NSW Government *Code of Practice for Procurement* at all times.
- 4.2 Any breach of the NSW Government *Code of Practice for Procurement* may result in the termination of an engagement and/or removal from the Scheme.

### **5 APPLICATIONS FOR PREQUALIFICATION**

- 5.1 Applications must be complete and in the form prescribed in Schedule 1.
- 5.2 Applications must be delivered in accordance with the delivery instructions set out in the form prescribed in Schedule 1.
- 5.3 Only those Applications which fully satisfy all requirements set out in these Scheme Conditions and the form prescribed in Schedule 1 will be considered by the Assessment Committee.

### **6 REMUNERATION**

- 6.1 Independent chairs and members engaged via this scheme will be remunerated at the current rate recommended by the Statutory and Other Officers Remuneration Tribunal (SOORT). These rates will be reviewed every two years.
- 6.2 The rates applicable from 24 October 2008 are:

<b>Agency size</b>	<b>Indicator</b>	<b>Chairperson fee</b>	<b>Member fee</b>
Large	Organisations with expenditure greater than \$400m	\$20,000 per annum	\$2,000 per day

Medium	Organisations with expenditure less than \$400m but greater than \$50m	\$15,500 per annum	\$1,550 per day
Small	Organisations with expenditure less than \$50m	\$12,000 per annum	\$1,200 per day

6.3 The following fee structure is applicable to multi-Agency arrangements:

<b>Multi Agency Audit and Risk Committees</b>	<b>Fee category</b>
Up to and including three small agencies	Medium
Two or more medium agencies	Large
Any combination of small and medium agencies	Large

6.4 The rates shall include all costs of the Applicant excluding subsistence and travel costs outside the Sydney Metropolitan Area and/or from Interstate and including employee related costs, data processing, the provision of personal computers, any other tools or equipment required in the provision of services, and travel costs within the Sydney metropolitan area (except if the Panel Member is from Interstate).

6.5 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 2006*, 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 Assessment Committee will be convened by a senior representative from the NSW Department of Commerce, and will also comprise senior representatives from NSW Treasury and the NSW Department of Premier and Cabinet, the Institute of Internal Auditors (or other professional body) and a practising internal auditor or chair. The Committee may interview a short list of Applicants for inclusion in the Scheme.

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 the form prescribed in Schedule 1 and in accordance with the Scheme Conditions.

- 7.3 Applications may be made at any time during the life of the Scheme. The duration of the Scheme will be for four (4) years from commencement, although this can be varied at any time by NSW Treasury, NSW Department of Premier and Cabinet and the NSW Department of Commerce.
- 7.4 Priority for assessment will be given to Applications received by 6 February 2009. Following this date, Applications will be assessed periodically at the discretion of the Assessment Committee.
- 7.5 Notwithstanding establishment of the Scheme, existing appointments to Agency Audit and Risk Committees will continue (except in the case of unsatisfactory performance):
- a) for their full term, where a term is specified in the engagement document(s); or
  - b) where a term is not specified in the engagement document(s), for 12 months from the date of commencement of the Scheme.

## **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: enterprise risk management; performance management; human resources management; internal and external auditing; 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. Certified Internal Auditor, Certified Practising Accountant, Certified Practising Risk Manager, Member of the Australian Institute of Company Directors (MAICD) 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 demonstrate:*
  - f. leadership qualities and the ability to promote effective working relationships in complex organisations.

- g. an ability to communicate complex and sensitive assessments in a tactful manner to chief audit executives, senior management, board members and Ministers.
- h. a sound understanding of:
  - the principles of good organisational governance and capacity to understand public sector accountability;
  - internal audit operations, including selection and review of chief audit executives; and
  - risk management principles.

## **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 The NSW Department of Commerce will notify all Applicants of the outcome of their Application in writing.

## **11 REQUEST FOR REVIEW OF THE DECISION FOR ADMISSION TO THE PANEL**

- 11.1 Should an Applicant believe that there are substantive grounds for a review of the Assessment Committee's decision not to admit the Applicant to the Scheme, the Applicant may request a review of the decision in writing, providing full details of the reasons for the request, to:

**Director General**  
NSW Department of Commerce  
Prequalification Scheme: Audit and Risk Committee Independent  
Chairs and Members  
**(Attention: General Manager, Accreditation, Certification & Business  
Information Unit, Policy Support Services)**  
Level 22  
McKell Building  
2-24 Rawson Place  
SYDNEY NSW 2000

- 11.2 The Appeals Committee will be convened by a senior executive of NSW Treasury, a representative of a relevant professional body and a senior executive of the NSW Department of Premier and Cabinet and the NSW Department of Commerce. 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. The NSW Department of Commerce will inform the Applicant in writing of the outcome of the review.

## **12 SPECIAL REQUIREMENTS**

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

- 12.1 For each Audit and Risk Committee to which the Panel Member is appointed, the Panel Member will enter into a contract with the individual Agency concerned, unless other arrangements are specified by the Agency.
- 12.2 The Panel Member will be subject to criminal record and financial status (bankruptcy) checking prior to engagement.
- 12.3 Any conflict of interest arising for the Panel Member in relation to an individual engagement is to be declared prior to appointment to the Panel.
- 12.4 The Panel Member must comply with relevant professional and departmental Codes of Conduct.

## **13 NOTIFICATION OF ENGAGEMENTS AND CHANGES TO PANEL MEMBER STATUS**

Panel members must immediately inform the NSW Department of Commerce of any appointment to or resignation from an Audit and Risk Committee or of any significant change in their capability, contact details or address by writing with full details to:

NSW Department of Commerce  
Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members  
Attention: General Manager, Accreditation, Certification & Business Information Unit  
Policy Support Services  
Level 11  
McKell Building  
2-24 Rawson Place  
SYDNEY NSW 2000

## **14 UPGRADING OF PREQUALIFICATION**

- 14.1 The Departments may upgrade a Panel Member's status under the Scheme from member only to chair and member where:
  - (a) the Panel Member considers that they are eligible for such an upgrade; and
  - (b) the Panel Member has submitted a written application for such an upgrade, including documentation and other material in support of his or her request.

## **15 PERFORMANCE REPORTING BEHAVIOUR**

- 15.1 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.

## **16 PERFORMANCE MANAGEMENT**

- 16.1 The Agency/CEO/ Board must establish a mechanism for reporting on the Performance of the Internal Audit and Risk function, including the performance of the Audit and Risk Committee chair and members.
- 16.2 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.
- 16.3 The Auditor-General may periodically examine Agency implementation of the Better Practice Framework for Internal Audit. This may include mechanisms to examine the performance of the Audit and Risk Committee.
- 16.4 Where there is an adverse report on the performance or conduct of a Panel Member, a copy should be provided to the CEO (agencies)/ Chair of the Board (SOCs/GTEs), the Panel Member and the Director General NSW Department of Commerce for entry into the Department's Contractor and Consultant Management System (CCMS).
- 16.5 If the Panel Member disagrees with an adverse report, the Agency CEO/ Board Chair and the Panel Member should attempt to resolve the disagreement in the first instance.
- 16.6 Where an adverse report is amended, the Agency CEO/ Board Chair will advise the Director General, Department of Commerce, for the performance information in the Department's CCMS database will be amended and will advise the Panel Member of the amendment.

## **17 REMOVAL FROM THE SCHEME**

- 17.1 Membership of the Panel may be terminated if the member has:
  - (a) breached the Scheme Conditions; or
  - (b) failed to meet applicable financial requirements; 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) provided unsatisfactory performance under the Scheme; or
  - (f) experienced an adverse change in capacity or capability; or
  - (g) experienced an adverse change in business status; or

- (h) been convicted of a breach of his or her obligations under NSW occupational health and safety legislation or environmental protection legislation; or
  - (i) otherwise failed to meet the standards required of the Scheme in terms of its project outcomes, client satisfaction and ethical business practices; or
  - (j) had his or her appointment on an Audit and Risk Committee revoked or terminated by the CEO (agencies)/ Chair of the Board (SOCs/GTEs) for one of the reasons in paragraph (a) to (g) above.
- 17.2 Any decision by the CEO (agencies)/ Chair of the Board (SOCs/GTEs) to terminate the appointment of a member of an Audit and Risk Committee is to be with the concurrence of the Minister or, in the case of a State Owned Corporation, the concurrence of the Board and Shareholder Minister.
- 17.3 If CEO (agencies)/ Chair of the Board (SOCs/GTEs) terminates the appointment of a member of an Audit and Risk Committee, the CEO/Board Chair will then advise:
- (a) the Panel Member of the decision to terminate his or her appointment on the relevant Audit and Risk Committee; and
  - (b) the Secretary of the Treasury and the Directors-General of the Department of Premier and Cabinet and the Department of Commerce of the decision to terminate the member's appointment on the Audit and Risk Committee.
- 17.4 Before membership of the Scheme is formally revoked under clause 17.1, the Director General, Department of Commerce 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 REQUEST FOR REVIEW OF THE DECISION TO TERMINATE MEMBERSHIP OF THE SCHEME**

- 18.1 Where a Panel Member considers that there are substantive grounds for the Departments to reconsider its decision to terminate membership of the Scheme under section 17, the Panel Member may request a review of the decision by writing, providing full details of the reasons for the request for review to:
- The Secretary  
(Attention: Director, Financial Management and Reporting Branch)  
NSW Treasury  
Level 27, Governor Macquarie Tower  
1 Farrer Place,  
SYDNEY NSW 2000
- 18.2 Any appeals will be considered by the Secretary of the Treasury and the Directors-General of the Department of Premier and Cabinet and the Department of Commerce who will determine whether the Panel Member should be removed from the Scheme and be precluded from membership from any other NSW Government Audit and Risk committees.

18.3 The Secretary of the Treasury will inform the Panel Member of the outcome of the review and will advise the Directors-General of the Department of Premier and Cabinet and the Department of Commerce.

## **19 PUBLICITY**

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

## **20 APPLICANT'S ACKNOWLEDGMENT**

20.1 In applying for membership, the Applicant agrees that it accepts the Scheme Conditions.

## **21 DISCLAIMER**

21.1 The Departments and the Assessment Committee reserve the absolute discretion to:

- (a) accept an Application with or without conditions;
- (b) reject an Application;
- (c) suspend a Panel Member's admission to the Scheme; and
- (d) revoke a Panel Member's admission to the Scheme.

21.2 The Departments 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 the Departments to assess whether the objectives and intent of the Scheme are being met. Modifications may be made at these Departments' discretion during the life of the Scheme (see also clause 7.3).

## SCHEDULE 1

### PREQUALIFICATION SCHEME: AUDIT AND RISK COMMITTEE INDEPENDENT CHAIRS AND MEMBERS 2009 - 2012

#### APPLICATION FORM

All application material to be prepared electronically (e.g. as a WORD document).

**HAND WRITTEN APPLICATIONS WILL NOT BE ACCEPTED**

**Email is the preferred mode of delivery** - your assistance is sought in submitting your application in electronic format by email as follows:

- Complete the application form using MS WORD (or compatible software application).
- Include requested copies of documents, such as Client Referee Reports, etc. These may be scanned and electronically inserted or pasted into the WORD document in the Application Form as images.
- Attach the completed application to the email as a single electronic file being either a MS WORD or Acrobat PDF file.
- If necessary, a file may be split into parts, provided that:
  - a logical sequence of components is sent in sequential order.
  - each part is identified in the subject line of the email e.g. Part 1 of 3, 2 of 3, etc.

Please send the completed application form to: [auditriskmembers@commerce.nsw.gov.au](mailto:auditriskmembers@commerce.nsw.gov.au)

Applications may be submitted by post or hand delivered in hard copy form, provided that:

- Five (5) copies are supplied, printed on plain white paper without any additional artwork, watermarks, colour, shading or logos;
- Copies of all documentation requested in the application are attached to the printed application, and
- A electronic copy of the application is also provided.

Please send applications by post to:

General Manager, Accreditation  
SCHEME APPLICATIONS  
Policy Support Services  
Department of Commerce  
Level 11, McKell Building  
2-24 Rawson Place  
SYDNEY NSW 2000

Only applications which fully satisfy all of the requirements set out below will be considered:

<b>Item</b>	<b>Mandatory Criteria and Requirements</b>
A	Organisation Details
B	Policy Areas
C	Capability
D	Insurance
E	Experience – Corporate History
F	Applicant Referee Reports
G	Statement

## APPLICATION DETAILS

### A. APPLICANT/ORGANISATION DETAILS

The Applicant is to provide contact details and, where applicable, details of the organisation's status, management and key personnel including professional qualifications, registrations and accreditations.

#### CONTACT DETAILS

<b>Name</b>			
<b>Organisation Name</b>			
<b>Position Title</b>			
<b>Registered Business Address (if applicable)</b>			
<b>Postal Address</b>			
<b>Phone</b>		<b>Mobile</b>	
<b>Fax</b>		<b>Email</b>	

#### ORGANISATION STATUS

<b>Type of Organisation</b>	<b>Sole Trader ▶</b>		<b>Company ▶</b>		<b>Partnership ▶</b>	
<b>Other Type (describe)</b>						
<b>Date Established</b>						
<b>Australian Company Number (ACN)</b>						
<b>Australian Business Number (ABN)</b>						

## B. POLICY AREAS

The Applicant is to identify policy and/or government portfolio areas in which the Applicant claims to have substantial expertise.

Policy areas are used by the Departments to determine the breadth of expertise of the applicant. Applicants are to indicate in the schedule below by way of a ✓ in the right hand cell of each relevant row the policy area(s) in which the applicant claims to have substantial expertise.

<b>DEMONSTRATED EXPERIENCE AT COMMONWEALTH, STATE OR LOCAL GOVERNMENT LEVEL IN ONE OR MORE OF THE FOLLOWING:</b>	
Community Services <input type="checkbox"/>	Utilities/Telecommunications <input type="checkbox"/>
Ageing and Disability <input type="checkbox"/>	Sport and Recreation <input type="checkbox"/>
Housing <input type="checkbox"/>	Arts <input type="checkbox"/>
Health <input type="checkbox"/>	Environment <input type="checkbox"/>
Education <input type="checkbox"/>	Emergency Services <input type="checkbox"/>
Justice <input type="checkbox"/>	Central Government – Policy, Legislation, Public Administration <input type="checkbox"/>
Economic Services <input type="checkbox"/>	Public Employment/Workplace Relations <input type="checkbox"/>
Primary Industry <input type="checkbox"/>	Taxation <input type="checkbox"/>
Transport <input type="checkbox"/>	All of the above <input type="checkbox"/>

## **C. CAPABILITY**

The capability of Applicants for inclusion on the Panel will be assessed against the criteria listed below. For each criterion, each applicant must provide up to one (1) page of information as to how they meet it.

All applicants must complete section 1 Audit and Risk Committee member. If applying for prequalification as an Audit and Risk Committee chair, section 2. Audit and Risk Committee chair must also be completed.

### **1. Audit and Risk Committee member (to be completed by all applicants)**

1. 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).
2. Functional knowledge in areas such as: enterprise 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.
3. A capacity to form independent judgements and willingness to constructively challenge/question management practices and information.
4. 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 Management Committee.
5. Possession of a relevant professional qualification or membership (e.g. Certified Internal Auditor, Certified Practising Accountant, Certified Practising Risk Manager, Chartered Accountant, Member of the Australian Institute of Company Directors (MAICD)) is desirable.

### **2. Audit and Risk Committee chair**

1. Leadership qualities and the ability to promote effective working relationships in complex organisations.
2. An ability to communicate complex and sensitive assessments in a tactful manner to chief audit executives, senior management, board members and Ministers.
3. A sound understanding of:
  - a) the principles of good organisational governance and capacity to understand public sector accountability, including financial reporting;
  - b) internal audit operations, including selection and review of chief audit executives; and
  - c) risk management principles.

**D. EXPERIENCE - CORPORATE HISTORY**

List all relevant Committee Roles in progress in the previous 3 years for the Committee Roles sought for pre-qualification, including any Audit and Risk Committees within the NSW Public Sector.

**RELEVANT CHAIR AND COMMITTEE MEMBER ROLES IN THE LAST THREE (3) YEARS**

Add further rows below to list additional engagements



Organisation	Name of Committee	Role	Engagement Fee (p.a.)	Start Date	End Date

## E. APPLICANT REFEREE REPORTS

### EVIDENCE OF CLIENT SATISFACTION BASED ON ENGAGEMENTS COMPLETED IN THE LAST THREE (3) YEARS

All applicants are required to provide evidence of client satisfaction based on relevant roles undertaken in the last three years, as listed in section D.

Evidence must be provided in the form of the *Applicant Referee Report* provided below.

Three *Applicant Referee Reports* are to be provided. Copies of signed Applicant Referee Reports must be attached to the Application form.

Applicant Referee Reports will only be considered:

- where the engagements were completed in the last three (3) years;
- where the Applicant Referee Reports (showing key performance areas) have been submitted; and
- where reports are complete including the specific signatures requested.

**IMPORTANT:** Applicants must provide Applicant Referee Reports and demonstrate recent history of consistent good performance in order to meet the mandatory requirements.

The Departments may choose to contact a Client to verify or clarify any aspect of Applicant Referee Reports submitted by an Applicant in support of their Application in assessing eligibility for membership of the Scheme. Engaging agencies may also contact these or other referees relevant to a particular assignment.

Where the Applicant was employed as a public servant in the last 24 months, relevant work related referees can be provided to satisfy this requirement.

**CLIENT LETTERHEAD** is to be Positioned or Aligned or Inserted or Attached **HERE**  
 (The Client Company Name, Address, ABN and Logo is to be clearly visible)

**APPLICANT REFEREE REPORT**

This report may be used to assist in assessing the suitability of an Applicant for the *Prequalification Scheme – Audit and Risk Committee Independent Chairs and Members*.

**Assessment Committee members may contact the referee to verify or clarify aspects of this Report**

<b>Applicant Name</b>			
<b>Organisation Name</b>		<b>Phone</b>	
<b>In what context do you know the applicant (Briefly describe)</b>			
<b>Date Commenced</b>		<b>Date Completed</b>	
<b>Total Fee for service to Applicant</b>	\$	(including GST )	

Please rate the Applicant against the following criteria	N/A	Unsatisfactory	Marginal	Acceptable	Good	Superior
<b>Role</b>						
1. Extensive senior level experience in governance and management of complex organisations.						
2. An ability to read and understand financial statements.						
3. A capacity to understand the ethical requirements of government (including potential conflicts of interest).						
4. Functional knowledge in areas such as:						
a) enterprise risk management						
b) performance management						
c) human resources management						
d) internal and external auditing						
e) financial reporting						
f) accounting						
g) management control frameworks						

h) financial internal controls						
i) governance (including planning, reporting and oversight)						
j) business operations						
5. A capacity to form independent judgements and willingness to constructively challenge/question management practices and information.						
6. A professional, ethical approach to the exercise of their duties.						
7. The capacity to devote the necessary time and effort to the responsibilities of a member of an Audit and Risk Management Committee.						

<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>Please rate the Applicant against the following criteria</b> </div> <b>Committee Chair Role</b>	N/A	Unsatisfactory	Marginal	Acceptable	Good	Superior
1. Leadership qualities and the ability to promote effective working relationships in complex organisations.						
2. An ability to communicate complex and sensitive assessments in a tactful manner to chief audit executives, senior management, board members and Ministers.						
3. A sound understanding of: <ul style="list-style-type: none"> <li>a) the principles of good organisational governance and capacity to understand public sector accountability including financial reporting;</li> <li>b) internal audit operations, including selection and review of chief audit executives; and</li> <li>c) risk management principles.</li> </ul>						

**Comments** on Applicant's Performance (may be expanded to extend over to another page)

**Signed (by Client) e.g. Chair of Board**

<b>Signature</b>		<b>Name</b>	
<b>Date</b>		<b>Position Title</b>	
<b>Tel</b>		<b>Mob</b>	<b>e-mail</b>

**Delivery Instructions:** To be forwarded by the Client to the Applicant. (The Applicant is to include all Applicant Referee Reports in their application to form a single and complete submission.)

## F. STATEMENT

### COMPLETE AND ACCURATE INFORMATION

This Statement is to be signed and dated to verify the completeness and authenticity of the information provided in the Application. The Statement must be signed by a director of a company, partner of a partnership or sole trader, as applicable to the Applicant's business arrangements. Applications which are incomplete or found to be misleading or inaccurate may not be further considered.

<b>Item</b>	<b>Mandatory Criteria and Requirements</b>
<b>A</b>	Organisation Details
<b>B</b>	Policy Areas
<b>C</b>	Capability
<b>D</b>	Insurance
<b>E</b>	Experience – Corporate History
<b>F</b>	Applicant Referee Reports
<b>G</b>	Statement

As the Director/Partner/Sole Trader of the firm submitting this application, I confirm the completeness and authenticity of the information provided in this application.

<b>Signature of Applicant (a scanned signature is acceptable)</b>	
<b>Name of above Applicant as per Signature</b>	
<b>Position Title</b>	
<b>Date</b>	

## SCHEDULE 2

### 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 the Audit & 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 Scheme Conditions dated [#] issued by the NSW Treasury, NSW Department of Premier and Cabinet and the NSW Department of Commerce. You will also be required to comply with any other legislation, regulations or guidelines applicable to internal audit and risk management in the NSW public sector, as they apply to Audit and Risk Committees.

You will be remunerated at the current rate for a [#] sized agency recommended by the Statutory and Other Officers Remuneration Tribunal (SOORT) of [\$# per day or # per annum (*delete as applicable*)]. For further information regarding remuneration, subsistence and travel please see section 6 of the Scheme Conditions.

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

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

If you wish to take up this offer please sign the declaration at the end of this letter and return it to this Office within 5 business days.

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

Yours sincerely

I hereby accept the offer of engagement contained in this letter and agree to carry out the services in accordance with the Scheme Conditions. And confirm that I do not have any conflict of interest that would prohibit me from accepting this engagement.

Print Name

Signature

/ /

**End of Document**