

## DOCUMENT MANAGEMENT

<b>Date</b>	<b>Amendment</b>	<b>Approval</b>
23 April 2024	Included regulatory services oversight.	Council resolution dated 23 April 2024
26 November 2024	Removed investment portfolio responsibilities with establishment of an Investment Committee.	Council resolution dated 26 November 2024.

## Terms of Reference

### Audit and Risk Committee

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#### Membership

The committee shall be comprised of five (5) councillors, two (2) Independent Tangata Whenua Members, one (1) Independent Risk Advisor and one (1) Independent Consultant.

Chair:	Cr PL Jones
Members:	Cr J Blackwell Cr J Carr Cr J Crow
Māori representation:	Two (2) Independent Tangata Whenua Members George Riley and Dee-Ann Wolferstan (voting rights)
Ex officio:	Chair G Crawford (voting rights)
Independent Risk Advisor:	S Watene (voting rights)
Independent Consultant:	J Eriksen

Standing orders apply.

#### Quorum

The quorum for meetings of the committee shall be five. Ex-officio and independent members count towards a quorum.

#### Vision, mission and areas of focus (Long Term Plan 2021-2031)

Our Northland – together we thrive. Working together to create a healthy environment, strong economy and resilient communities.

#### Objectives

The objectives of the committee are to:

- Provide oversight and assistance to the Chief Executive on council's internal and external audit activities, ensuring that accountabilities and responsibilities are fulfilled;
- Make recommendations to council on audit matters; and
- Review financial performance.
- Provide oversight and assistance to the council's risk and health & safety activities, ensuring that accountabilities and responsibilities are fulfilled; and
- Make recommendations to council on risk management and health and safety matters.

#### Role and Responsibilities

The committee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that the primary responsibility for management of the council rests with the Chief Executive.

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For reasons of efficiency and/or expediency, should the committee not be able to perform its functions, the council will assume their role and responsibilities.

### **Working Groups**

The committee is further authorised to fulfil its role and responsibilities through the establishment or disestablishment of other working groups as the committee sees fit.

Working groups can include councillors, independent members, and advisors whose skills and experience are appropriate to the work being done. The staff member responsible to provide support to the working groups shall be the Chief Executive, who may delegate the role.

### **Delegated authority and functions**

The council authorises the committee, within the scope of its Terms of Reference, role, and responsibilities, to:

### **Audit and Risk**

#### **1. General**

- a) Subject to operating within approved budget allocation - obtain information it needs from the CEO and/or external party (subject to their legal obligation to protect information);
- b) Discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- c) Request the attendance of any employee, subject to the Chief Executive's approval, at meetings of the committee or its working groups;
- d) In discussion with the CEO and subject to operating within approved budget allocation – request the CEO to obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- e) Recommend the co-opting of a person as a (non-voting) member of the committee to assist with special projects;
- f) To review council finances on a quarterly basis;
- g) Recommend to council that additional members be appointed to the committee should it consider wider representation would be of assistance in performing its functions;
- h) Review the delegation's manual from time to time and make recommendations to council for any changes;
- i) To regularly report progress on its functions to the council; and
- j) Undertake such other functions as may be delegated by council from time to time.

#### **2. External Audit**

- a) Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors;
- b) Provide advice to the Chief Executive to negotiate fees with external auditors;
- c) Review Audit Management Letter;
- d) Review Audit Plan;
- e) Review Independent Audit Reports;
- f) Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the

audit services provided;

- g) Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations;
- h) Oversee the co-ordination of audit programmes conducted by the external auditors and other review functions; and
- i) Provide reports and advice to the council on action taken on significant issues raised in relevant external audit reports and good practice guides.

### **3. Finance**

- a) Monitor and review financial policies;
- b) Monitor and review financial performance; and
- c) Recommend new borrowing to council.

### **4. Reporting**

- a) Review and recommend to council the adoption of the Annual Report and Summary Annual Report, focusing particularly on:
  - i. Any changes in accounting policies and practices;
  - ii. Major judgemental areas;
  - iii. Significant adjustments resulting from audit;
  - iv. Compliance with financial reporting and other applicable standards;
  - v. Compliance with statutory requirements; and
  - vi. Other reports prepared by management for release to stakeholders, such as any summary financial reports.

### **5. Risk Management**

- a) Determine whether management has appropriately considered legal, operational and compliance risks as part of council's risk management arrangements;
- b) Review council's risk management framework and policies for effective identification and management of the council's risks.
- c) Review the council's corporate risk register in line with the council's risk management framework and policies.
- d) Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- e) Review the effect of the council's risk management framework on its control environment and insurance arrangements.
- f) Review whether a sound and effective approach has been followed in establishing council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- g) Review council's fraud control plan and satisfy itself that the council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- h) Review and monitor the council's policies and practices relating to sensitive expenditure.
- i) Review the effectiveness of the system for monitoring council's compliance with relevant laws, regulations and associated policies and make recommendations to council on improvements to council's risk management framework.

**6. Health and Safety**

- a) Consider and review the council's health and safety management system, including receiving reports from management on the system and organisational wellness.
  - b) Make recommendations to council on improvements to the health and safety management system.
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**Regulatory services oversight:**

- a) Review and recommend to council for approval Regulatory Services guiding policies.
- b) Review and recommend to council a hearing commissioner appointment policy.
- c) Quarterly reporting of consent application.
- d) Quarterly reporting of compliance monitoring activities.
- e) Quarterly reporting of formal enforcement activities (e.g. infringement notices, enforcement orders, prosecution cases).

**No Delegated Authority – Power to Act**

In Accordance Clause 32 (1) of Schedule 7 of the Local Government Act 2002, the committee does not have the powers of council to borrow money or purchase or dispose of assets.