

Audit/Risk Committee	
Chair	Craig O’Connell (Independent Member)
Purpose	To ensure probity in the management of Council’s operations and its assets and a close regard for minimising risk
Outcomes <i>The Council and the community are confident that.....</i>	<ul style="list-style-type: none"> • the Council’s financial operations and the delivery of Council services – <ul style="list-style-type: none"> (i) comply with all relevant legislation, regulations and standards; and (ii) comply with Council’s own policy. • the relationship with Council’s auditors and other external agencies undertaking monitoring of Council’s performance is meaningful and open • the risks to Council’s effective management and its reputation are well understood and addressed.
Terms of reference	<ol style="list-style-type: none"> 1. Review of financial and non-financial reporting, including <ul style="list-style-type: none"> • appropriateness of accounting policies ; • financial and infrastructure strategies ; • oversight of periodic valuation of Council’s assets; and • oversight of treasury function. 2. Risk management and system of internal controls, including <ul style="list-style-type: none"> • setting the Council’s appetite for risk; • understanding the key risk areas including likelihood and consequences; • evaluating the effectiveness of internal controls; and • assessing fraud risk and procurement risk; • reviewing how risk has been considered in <ul style="list-style-type: none"> ○ the processes used to determine whether or not to enter into, continue or withdraw from shared services with one or more councils¹ and ○ the Council’s business case methodology and the instances where it is applied • reviewing assurance reports from management on regulatory compliance, business resilience and other contentious matters including (for example); <ul style="list-style-type: none"> • periodic audits conducted by the New Zealand Transport Agency; • assessment reports on Council’s role as a Building Consent Authority; • reporting to external agencies required by statutory instruments²; • undertakings made in response to the exercise of any Ministerial assistance or intervention³;

¹ This process *may* include reviews under section 17A of the Local Government Act 2002.

² For example, reporting to the Ministry for the Environment under the National Monitoring System or to Archives New Zealand under the Public Records Act.

³ Part 10, Local Government Act 2002.

	<ul style="list-style-type: none">• project management;• joint venture proposals;• hazard management; and• corporate policies addressing unethical, questionable or illegal activities. <p>3. External audit, including</p> <ul style="list-style-type: none">• understanding the scope of agreements made with Council;• reviewing of management reports provided by Council's auditors;• reviewing progress with Audit recommendations; and• being a sounding board for issue arising between Council management and external auditors. <p>4. Internal audit, including</p> <ul style="list-style-type: none">• contributing to appointment of internal auditor(s);• determining and monitoring the internal audit programme;• undertaking more intensive reviews of significant risks where the Committee considers further scrutiny is required <p>5. Review of the terms of reference at least once every three years.</p>
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Revised March 2021