

## **Finance, Audit and Risk Sub-committee**

### **Terms of Reference**

*Adopted by Council resolution 9 November 2016*

*Updated to reflect current membership 15 January 2019*

#### **a) Purpose**

The purpose of the Audit and Risk Sub-committee is to report to the Corporate and Strategic Committee to fulfil its responsibilities for:

1. The robustness of risk management systems, processes and practices
2. The provision of appropriate controls to safeguard the Council's financial and non-financial assets, the integrity of internal and external reporting and accountability arrangements
3. The independence and adequacy of internal and external audit functions
4. Compliance with applicable laws, regulations, standards and best practice guidelines
5. The review of Council's revenue and expenditure policies and the effectiveness of those policies.

#### **b) Specific Responsibilities**

The Audit and Risk Sub-committee shall have responsibility and authority to:

1. Consider the appropriateness of the Council's existing accounting policies and principles and any proposed changes
2. Enquire of internal and external auditors for any information that affects the quality and clarity of the Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to this
3. Satisfy itself that the financial statements and statements of service performance are supported by adequate management signoff and adequate internal controls and recommend adoption of the Annual Report by Council
4. Confirm that processes are in place to ensure that financial information included in Council's Annual Report is consistent with the signed financial statements
5. Review whether Council management has a current and comprehensive risk management framework and associated procedures for effective identification and management of the council's significant risks in place
6. Undertake periodic monitoring of corporate risk assessment, and the internal controls instituted in response to such risks
7. Undertake systematic reviews of Council operational activities against Council stated performance criteria to determine efficiency/effectiveness of delivery of Council services
8. Confirm the terms of appointment and engagement of external auditors, including the nature and scope of the audit, timetable, and fees
9. Receive the internal and external audit report(s) and review actions to be taken by management on significant issues and recommendations raised within the report(s)

10. Conduct a sub-committee members-only session with Audit NZ to discuss any matters that the auditors wish to bring to the Sub-committee's attention and/or any issues of independence
11. Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), Council's own standards, and best practice guidelines; including health and safety.

**c) Membership**

- Four members of Council, being: Councillors Alan Dick, Neil Kirton, Paul Bailey and Rick Barker (*confirmed by Council resolution 9 November 2016*)
- An external appointee, being: Rebekah Dinwoodie (*confirmed by Council resolution 28 November 2018*)

**d) Chairman**

A member of the Committee as elected by the Council, being Councillor Neil Kirton (*confirmed by Council resolution 9 November 2016*)

**e) Meeting Frequency**

The Committee shall meet quarterly, or as required

**j) Quorum**

The quorum at any meeting of the Committee shall be not less than 3 Councillor members of the Committee.

**k) Accountability**

The Finance, Audit and Risk Sub-committee is not delegated to make any decisions unless by specific delegation of Council.

**l) Officers Responsible**

- Chief Executive
- Group Manager Corporate Services