

Finance, Audit, Risk and Emergency Committee

Terms of Reference

Adopted by Hawke's Bay Regional Council resolution 29 April 2026.

1. Purpose

The purpose of the Finance, Audit, Risk and Emergency Committee is to provide governance oversight and monitoring of:

- 1.1. Council's financial reporting
- 1.2. controls to safeguard the Council's financial and non-financial assets
- 1.3. internal and external reporting and accountability arrangements
- 1.4. the independence and adequacy of internal and external audit functions
- 1.5. Council's risk management systems, policies, practice and assurance processes
- 1.6. revenue and expenditure policies, amongst others, and the effectiveness of those policies in minimising Council's exposure to risk
- 1.7. the effectiveness of HBRC's business continuity planning
- 1.8. the effectiveness of HBRC's internal planning for, and delivery of, emergency management functions for which the Council has direct responsibility
- 1.9. HBRC's role as the administering authority for HBCDEM Office and HBRC's role within the HBCDEM system, including visibility and understanding of the work of HBCDEM (informed by reporting / updates from the HBCDEM Joint Committee)
- 1.10. the effectiveness of the organisation's Corporate Services activities including information and communication technology, fleet and facilities, and human resources
- 1.11. compliance with applicable laws, regulations, standards and best practice guidelines
- 1.12. potential and actual litigation and/or legal risk.

2. Specific responsibilities

The Finance, Audit, Risk and Emergency Committee shall have responsibility and authority to:

- 2.1. Consider the appropriateness of the Council's accounting policies and principles and any proposed changes.
- 2.2. Confirm that processes are in place to ensure that financial information included in Council's Annual Report is consistent with the signed financial statements.
- 2.3. Ensure Council's investment portfolio is effectively managed in compliance with the Treasury Policy.
- 2.4. 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).
- 2.5. Periodically review Council's Risk Management framework and associated procedures for effective identification and management of the Council's significant risks.
- 2.6. Periodically review the Council's delivery of its emergency management activities and business continuance planning.
- 2.7. Periodically 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.

2.8. Review the approach to insurance placements to manage financial risks.

3. **Accountability**

The Finance, Audit, Risk and Emergency Committee is delegated by Council all the powers necessary to perform the Committee's responsibilities, within the boundaries set in the Long Term Plan, including:

- 3.1. Obtain external legal or independent professional advice within approved budgets in the satisfaction of its responsibilities and duties.
- 3.2. Secure the attendance at meetings of third parties with relevant experience and expertise as appropriate.
- 3.3. Receive all of the information and documentation needed or requested to fulfil its responsibilities and duties, subject to applicable legislation.
- 3.4. Ensure that recommendations in audit management reports are considered and, if appropriate, actioned by management.
- 3.5. Review the objectives and scope of the internal risk and audit functions, and ensure those objectives are aligned with Council's overall risk management framework.

4. **Membership**

- 4.1. All members of Council
- 4.2. An independent Chairperson with full speaking and voting rights
- 4.3. Advisory members that include one representative of the Māori Committee and one representative of the Regional Planning Committee may be appointed, with full speaking rights but no voting rights.
- 4.4. An additional independent advisory member may be appointed by Council with full speaking rights but no voting rights.

5. **Chairperson and Deputy Chairperson**

- 5.1. An independent Chairperson appointed by Council.
- 5.2. An elected member of the Council shall be appointed Deputy Chairperson.

6. **Meeting frequency**

Quarterly, with at least one of those meetings to consider the performance of the Committee, its membership and any other matters relating to the Committee's performance and effectiveness. Additional meetings may be called at the discretion of the Chairperson or as required by Council.

7. **Quorum**

The quorum at any meeting of the Committee shall be 8 including the independent chair.

8. **Officers responsible**

- 8.1. Chief Executive
- 8.2. Group Manager Corporate Services.

Members: All councillors, being: Thompson Hokianga, Neil Kirton, Tony Kuklinski, Jock Mackintosh, Michelle McIlroy, Hinewai Ormsby, Louise Parsons, Di, Roadley, Sophie Siers, Jerf van Beek and Conrad Waitoa

Advisory members: Māori Committee representative: t.b.c.
Regional Planning Committee representative: t.b.c.
Independent Member: t.b.c.

Non-voting members with full speaking rights.

Chair: An independent Chairperson appointed by Council, being Graham Naylor
Deputy Chair: A councillor appointed by the Council, being Conrad Waitoa
Meeting frequency: Quarterly
Executive staff: Chief Executive
Group Manager Corporate Services