



APPENDICES MINUTES

Council Meeting

Thursday, 12 December 2019

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11 PUBLIC EXCLUDED REPORTS

11.1 APPOINTMENT OF CHAIR OF THE AUDIT AND RISK SUBCOMMITTEE

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Authoriser: Janice McDougall, Group Manager

Section under the Act	The grounds on which part of the Council or Committee may be closed to the public are listed in Section 48(1)(a)(i) of the <i>Local Government Act 2002</i> .
Sub-clause and Reason:	Section 7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.

PURPOSE OF REPORT

- 1 This report asks Council to appoint the Independent Chair and the Deputy Chair of the Audit and Risk Subcommittee.

DELEGATION

- 2 Only Council has the authority to consider this matter.

BACKGROUND

- 3 At the Council meeting of 7 November 2019 Mayor K Gurunathan exercised mayoral powers under section 41A of the Local Government Act (LGA) 2002 which enables the mayor to carry out a number of actions independent of councils. Mayors may:
 - Appoint the deputy mayor
 - Establish committees of council (including the terms of reference but excluding delegations to those committees, only the Council may approve delegations)
 - Appoint the chairperson of each committee established by the mayor, and for that purpose, a mayor may make the appointment before the other members of the committee are determined (noting that the mayor is a member of each committee), and may appoint herself or himself.

Issues

- 4 At the Council meeting of 7 November 2019 the Audit and Risk Subcommittee was established with the following membership:

SUBCOMMITTEE	CHAIR	MEMBERS
Audit and Risk Subcommittee	Independent	Mayor, Deputy Mayor, Deputy Chair of Strategy and Operations, and Cr Buswell and 2 Independent Members with voting rights

- 5 At the 7 November 2019 Council Meeting Mr Gary Simpson was discharged by the new Council from the Audit and Risk Committee and appointed to the Audit and Risk Subcommittee until 31 August 2021.
- 6 Mr Bryan Jackson was discharged from the Audit and Risk Committee and appointed to the Audit and Risk Subcommittee until 1 July 2022.

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- 7 The Office of the Auditor General recommends that an independent chairperson is often the best option to promote free and frank debate during committee meetings. It also gives Elected Members confidence knowing that they are receiving independent advice and assurance.
- 8 Audit committees need the independence of perspective, experience, and knowledge to bring the test and challenge that adds value to the governance of a public entity. The amount and nature of independence needed should be carefully considered. Having independent members who are not Elected Members but bring local government knowledge can help provide this challenge.
- 9 LGNZ CouncilMARK reports noted the desirability of having independent members on audit and risk committees, and one of those chairing the committee. Of the 27 Councils surveyed so far through the Excellence Programme, 14 had independent chairs of their audit and risk committees.

CONSIDERATIONS**Policy considerations**

- 10 There are no policy considerations.

Legal considerations

- 11 There are no additional legal considerations.

Financial considerations

- 12 The independent members of the Audit and Risk Subcommittee are remunerated for attendance at meetings. There is sufficient funding to meet these costs.

Tāngata whenua considerations

- 13 There are no tāngata whenua considerations.

SIGNIFICANCE AND ENGAGEMENT**Significance policy**

- 14 This matter has a low level of significance under Council's Significance and Engagement Policy.

Publicity

If the Council approves the appointment the decision will be released from public excluded.

RECOMMENDATIONS

- 15 That the Council approves the appointment of Bryan Jackson as Independent Chair of the Audit and Risk Subcommittee from 12 December 2019 to 12 December 2022.
- 16 That the Council approves the release of this report, Appointment of the Chair of the Audit and Risk Subcommittee, with the exception of Appendix 2 from public excluded session.

APPENDICES

1. Responsibilities of Audit and Risk Subcommittee
2. CV Bryan Jackson

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SUBCOMMITTEE	CHAIR	MEMBERSHIP
Audit and Risk	Independent	Mayor, Deputy Mayor, Deputy Chair of Strategy and Operations, and Cr Buswell and 2 Independent Members with voting rights

This subcommittee will monitor the Council's financial management and reporting mechanisms and framework and review the audit and risk function, ensuring the existence of sound internal systems. Key responsibilities will include:

- Reviewing and maintaining the internal control framework;
- Reviewing processes for ensuring the completeness and quality of financial and operational information, including performance measures, being provided to Council;
- Considering Council's existing accounting policies and principles;
- Obtaining from external auditors any information relevant to the Council's financial statements, and assessing whether appropriate action has been taken by management in response to the above;
- Ensuring that the Council's financial statements are supported by appropriate management signoff and adequate systems of internal control (ie letters of representation);
- Considering regular reports on the status of investigations by the Office of the Ombudsman into decisions by the Council;
- Ensuring that Council has in place a current and comprehensive risk management framework and making recommendations to the Council on risk mitigation;
- Assisting elected members in the discharge of their responsibilities by ensuring compliance procedures are in place for all statutory requirements relating to their role;
- Confirming the terms of engagement for each audit with a recommendation to the Council; and receiving the external audit reports for recommendation to the Council;
- Governance role in regards to the Health and Safety Leadership Charter and Health and Safety Plan.