

Waitomo District Council Audit and Risk Committee

Terms of Reference

1. PURPOSE AND SCOPE

- 1.1 The purpose of the Audit and Risk Committee is to provide guidance, assurance and assistance to Waitomo District Council on matters specific to risk, compliance, controls and external accountabilities by:
- 1 Overseeing that control mechanisms are in place that ensure compliance with standards, regulatory and legislative requirements
 - 2 Ensuring appropriate management and monitoring processes in place to manage significant risks
 - 3 Monitoring internal and external audits and the resolution of issues raised.
 - 4 Provide clear line of communication between Council, Management and External and Internal Auditors; and
 - 5 Seeking reasonable assurance regarding the integrity of Councils financial and non-financial planning and reporting

2. RESPONSIBILITIES

1.2 External Audit

- 2.1 To engage with Council's external auditors regarding the audit programme and agree the terms and arrangements for the external audit programme.
- 2.2 To review Council's Annual Report in depth and provide advice and recommendation to Council with respect to the integrity and appropriateness of the documents and disclosures and also recommend adoption.
- 2.3 To review matters raised in the audit reports and recommend organisational response priorities based on significance and risk.
- 2.4 To monitor the extent to which recommendations made in the audit report are implemented.

2.5 Risk Management

- 2.6 To monitor Council's treasury management practices in order to provide assurance that policy limits are being adhered to. Recommendations should be made to Council when there are good reasons to exceed policy.
- 2.7 To review Council's insurance covers and limits on an annual basis for appropriateness.
- 2.8 To maintain overview of all reviews of financial policies and recommend changes to Council.

- 2.9 To work in conjunction with the Chief Executive and Group Manager Corporate Services in order to be satisfied with the existence and quality of appropriate cost effective financial risk management systems and processes and the proper application of these.
- 2.10 To recommend to Council any internal audit work or additional work streams required to strengthen Council's risk management framework.
- 2.11 To maintain an overview of the annual capital expenditure programme and the non-financial performance with a view to providing assurance that these are within parameters established in the Annual or Long Term Plans.
- 2.12 To consider all matters referred to the Committee by the Council.

3. DELEGATIONS

- 3.1 The Council delegates to the Audit and Risk Committee the following powers and duties:

- 1 Recommend changes to its Terms of Reference to the Council for adoption
- 2 Approve the engagement and arrangement letters of Auditors
- 3 Receive and consider audit reports
- 4 Receive and consider staff reports on audit, internal controls, financial and risk management related matters
- 5 Make recommendations to Council on financial, internal control and risk management and financial policy and procedure matters as appropriate
- 6 Recommend the adoption or non adoption of the Annual Report
- 7 Recommend new accounting and reporting requirements or changes to accounting policies
- 8 The Audit and Risk Committee may not delegate any of its responsibilities, duties or powers.

4. MEMBERSHIP

- 4.1 The Audit and Risk Committee will be appointed by resolution of Council and shall comprise of all elected members of Council.
- 4.2 The Mayor will Chair the Committee.
- 4.3 All members of the Committee will have voting rights.
- 4.4 Apart from the appointment of the first members of this Committee, which appointment is part way through a triennium, members will be appointed at the commencement of each triennium term of Council.
- 4.5 The Chief Executive and Group Manager Corporate Services shall attend all meetings in an advisory capacity but are not members and have no voting rights. Other staff as may be required will attend the meetings.

5. MEETINGS

- 5.1 Meetings of the Committee shall be conducted in accordance with Model Standing Orders for Meetings of the Waitomo District Council. (Doc Number A162992)
- 5.2 The Committee will meet once every three months and at least four times in each financial year.
- 5.3 All minutes and recommendations of the Committee will be presented to the Council.

6. REVIEW OF TERMS OF REFERENCE

- 6.1 The first review of these Terms of Reference will be carried out after a period of six months, in February 2018, by the Audit and Risk Committee and recommendations made to Council.
- 6.2 Thereafter, the Terms of Reference will be reviewed by the Council no later than the November following every triennial election.