



Credit: Tony Kirby

WHAKATĀNE DISTRICT COUNCIL

Information Pack for External Appointee to
the Audit and Risk Committee
NOVEMBER 2016

www.whakatane.govt.nz



1. External Appointee to the Audit and Risk Committee

The Whakatāne District Council is seeking a person with the skills and experience required to contribute to improving its governance, performance and accountability.

The appointee will join the Council's Audit and Risk Committee, which ensures that the organisation's risk management, internal control and financial management practices, frameworks and processes are robust and appropriate to safeguard its financial and non-financial assets.

The Audit and Risk Committee consists of the Mayor and ten Councillors, plus an external appointee. The term of appointment is for three years, to coincide with the Council's 2016-19 triennium.

2. Remuneration

The Mayor and Deputy Mayor negotiate and approve the remuneration for the successful appointee.

3. Meetings

The Audit and Risk Committee is scheduled to meet five times a year. Meeting durations are approximately 2 hours. The following meeting dates have been set for 2017:

- Thursday, 23 February 2017
- Thursday, 25 May 2017
- Thursday, 24 August 2017
- Thursday, 21 September 2017
- Thursday, 23 November 2017

Office of the Auditor General - Resources

The Office of the Auditor General (OAG) has created a series of resources on its website, titled "Are you making the most of audit committees?" (<http://www.oag.govt.nz/our-work/audit-committees>)

The OAG states that all organisations need good governance arrangements and practices to continuously improve and to manage risk. The also OAG states that Audit committees can help governors test and challenge new ideas, as well as business-as-usual operations, to ensure that the entity is improving and meeting expectations.

The OAG has created resources for sharing experiences, tips, tools and other insights into making audit committees effective. This material is grouped in five parts:

- [Why have an audit committee?](#)
- [Principles that help an audit committee add value](#)
- [Know your environment: Issues, challenges, and risks commonly being experienced](#)
- [What works: Tools and tips for making the most of audit committees](#)
- [Experiences to share](#)

4. Skills and Experience Required

The Audit and Risk Committee, based on the recommendations of the OAG, is seeking one independent member with experience in:

- Broad governance, assurance and risk management disciplines;
- Finance and accounting, including financial reporting;
- Internal controls and assurance frameworks, including understanding of the roles of internal and external audit;
- Knowledge of the local governance sector; and
- Other attributes specifically relevant to local government, such as legal or information technology experience.

The successful appointee should bring the following skills:

- The ability to act independently and objectively;
- The ability to ask relevant and pertinent questions, and evaluate the answers;
- The ability to work constructively with management to achieve improvements;
- An appreciation of the public entity's culture and values, and a determination to uphold these;
- A proactive approach to advising the governing body and Chief Executive of matters that require further attention;
- Business acumen;
- Appropriate diligence, time, effort and commitment;
- The ability to explain technical matters in their field(s) of expertise to other members of the Audit and Risk Committee.

5. Delegations to the Audit and Risk Committee

The purpose of the Audit and Risk Committee is to ensure the Council's risk management, internal control and financial management practices, frameworks and processes are robust and appropriate to safeguard the Council's financial and non-financial assets. Specifically the Committee will:

1. Monitor Financial and Non-Financial Performance

- (a) Monitor and review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan;
- (b) Maintain an overview of the Council's statutory compliance, particularly in respect to financial matters in terms of the appropriate application of relevant accounting policies, practices, accounting standards and reporting;
- (c) Receive Treasury Reports and monitor performance of the Treasury function;
- (d) Seek advice periodically from the external auditors on the completeness and quality of the financial and non-financial information provided to the Council and make recommendations to Council on any changes.

2. Internal Control Framework

- (e) Satisfy itself about the existence of cost-effective internal control management systems and the proper application of procedures;
- (f) Review systems, processes and controls to ensure that fraud is detected and effectively investigated;
- (g) Review and develop the Fraud Policy.

3. Risk Management Framework

- (h) Satisfy itself about the existence of a comprehensive and effective risk management framework and associated procedures for effective identification and management of the Council's significant risks;
- (i) Review the risk register and identify new and/or emerging risks and make recommendations to the Council in regard to the priority rating and any additional resources required to mitigate these risks.

4. External Reporting

- (j) Ensure the adequacy, integrity and reliability of the external financial reporting of Council;
- (k) Review management letters and reports from the Council's auditors and review the action taken by Council's management in response to significant issues and audit recommendations raised within the audit reports;
- (l) When required, the Chairperson may ask a senior representative of the Office of the Auditor General (OAG) to attend the Committee meetings to discuss the OAG's plans, findings and other matters of mutual interest;
- (m) Recommend to the Office of the Auditor General the decision to either publicly tender the external audit, or to continue with the existing provider for a further three-year term;
- (n) Develop and recommend to the Council the adoption of the Annual Report
- (o) Develop and recommend to Council the adoption of the Half Year and Full Year Annual Report of the Whakatāne Airport.

The Committee also has the authority to appoint one outside person who can assist it to meet its obligations and responsibilities. This appointment is determined on the recommendation of the Mayor and Deputy Mayor, and the remuneration for appointed members of the Audit and Risk Committee is negotiated and approved by the Mayor and Deputy Mayor.

6. Expressions of Interest

Expressions of interest should be made in writing and addressed to the Chief Executive, Whakatāne District Council, Private Bag 1002, Whakatāne 3158, or emailed to rebecca.hart@whakatane.govt.nz

Any enquiries should be addressed to Rebecca Hart, Executive Assistant to the Chief Executive, phone (07) 306 0500.

The Expressions of interest period closes at 5:00 pm on Thursday, 1 December 2016. The Audit and Risk Committee will consider an appointment at its meeting on 8 December 2016.