

**Northland Regional Council
Extraordinary Council Meeting Agenda**

Tuesday 18 November 2014 at 10 am

NORTHLAND REGIONAL COUNCIL

Agenda

For the extraordinary meeting to be held at
the Woodlands Motel and Conference Venue, 126 Kerikeri Road, Kerikeri
on Tuesday 18 November 2014, commencing at 10 am

**Recommendations contained in the council agenda are NOT council decisions.
Please refer to council minutes for resolutions.**

OPEN MEETING

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ISSUE: Significance and Engagement Policy

ID: A694969

To: Extraordinary Council Meeting, 18 November 2014

From: Malcolm Nicolson, Chief Executive Officer

Date: 5 November 2014

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance Policy:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive summary:

The Local Government Act (LGA) 2002 Amendment Bill (No3) was recently passed into law. One of the effects of this amendment is the requirement for council to adopt a Significance and Engagement Policy.

The Significance and Engagement Policy needs to detail the council's approach to determining significance of a proposal under consideration and provide clarity about how and when communities can expect to be engaged on different proposals or decisions.

The purpose of this report is to adopt the council's Significance and Engagement Policy prior to the 1 December 2014 legislative deadline.

Legal compliance and significance assessment:

The adoption of a Significance and Engagement Policy is a requirement of section 76AA of the Local Government Act 2002.

Councillors consider they have sufficient information about community interests and preferences to enable the purpose of the policy to be achieved without needing to consult on this matter in accordance with the requirements of Section 82 of the Local Government Act 2002.

Recommendations:

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1. That the report "Significance and Engagement Policy" by Malcolm Nicolson, Chief Executive Officer, and dated 5 November 2014, be received.
 2. That in accordance with section 76AA of the Local Government Act 2002 the council adopts the Significance and Engagement Policy, attached to Item 3.1 of the 18 November extraordinary council agenda, without further public consultation.
 3. That the council authorises the Chief Executive Officer to make any necessary drafting, typographical or presentation corrections to the Significance and Engagement Policy.
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Report

Section 76AA of the LGA 2002 requires that the council adopt a Significance and Engagement Policy which sets out:

- The council's approach to determining the significance of a proposal;
- Any criteria, thresholds or procedures which are used to determining significance;
- How the council will respond to community preferences about engagement, including the form/s of engagement that may be desirable;
- How the council will engage with its communities on different issues; and
- The assets that the council considers to be strategic assets.

The purpose of the policy is to:

- Enable the council and its communities to identify the degree of significance attached to a particular proposal; and
- Provide clarity about how and when communities can expect to be engaged in decisions on different issues.

Section 76AA (5) provides that when adopting or amending the policy, the council is required to publicly consult in accordance with section 82 of the LGA 2002 unless it considers that it already has sufficient information about the communities' interests and preferences to enable the purpose of the policy to be achieved.

Following council workshops on 15 July, 23 September and 28 October 2014, the council has determined that it considers it has sufficient information to adopt the policy without additional consultation prior to the 1 December 2014 adoption deadline.

Following councillor input on a draft policy at the workshop on 23 September 2014 and the 28 October, the Final Significance and Engagement Policy for adoption is **attached** to this report.

Engaging with our communities

Significance & Engagement Policy

Northland Regional Council makes decisions every day. These decisions range from the day to day matters with a low impact on the public and communities, right up to those with a very high level of importance, impact or public interest. **The purpose of this policy is to inform you about how and when you can expect to be engaged in our decision-making processes¹.**

The policy:

- sets out what sort of engagement is appropriate for a particular issue or proposal, and
- provides us with a tool for defining matters and decisions that are particularly important or significant, helping it determine where a greater level of community engagement may be desirable.

Our approach to community engagement

Community engagement involves connecting with other people in a decision-making process, to share ideas and build understanding. It can involve a range of different approaches - from simply keeping our communities informed, to empowering them to make decisions themselves. Our regional community includes customers, citizens, local communities and other communities of interest.

Whenever the Council is engaging communities, or making a decision on the extent of engagement, it will be guided by the following principles.

Principle	What this means
1. We are elected to make decisions on your behalf	<ul style="list-style-type: none">• we will get on with making decisions unless we believe a greater understanding of our communities' views is deemed necessary.• we will need to balance and prioritise competing interests and consider both short and long-term needs• the more significant the issue, the more we will ensure we have enough information on our communities' views.
2. We know why we are engaging	<ul style="list-style-type: none">• we will tell you why we are engaging with you• we will tell you what any proposals or decisions mean for you• we will be clear about what influence people can have
3. We respect your views	<ul style="list-style-type: none">• we will listen to what you say• we will consider your views with an open mind
4. We recognise that our region is diverse	<ul style="list-style-type: none">• we recognise that our region is made up of many geographical communities and communities of interest• we recognise Māori as a culturally distinct group and will continue to work at all levels to establish and maintain relationships with Māori including Tangata Whenua. Where applicable engagement will be reflective of Tikanga Māori.• we will do our best to provide opportunities for people to present their views in a way that suits them• we will target our engagement to those who may be affected by or have an interest in the decision.
5. We do things efficiently	<ul style="list-style-type: none">• we will encourage processes that make the best use of Council resources• we will continue to improve how we engage with you• we will learn from experience about what works best.
6. We always provide feedback	<ul style="list-style-type: none">• if you engage with us we will let you know what decisions were made and why.

The Council will use a community engagement toolbox as a guide for engagement planning.

¹ This policy is intended to meet the requirements of the Local Government Act 2002 (section 76AA) for a Significance and Engagement Policy.

When we will engage

We will always consider the views of people who will likely be affected by or have an interest in a decision. Sometimes we will consider that we already have a good understanding of these views [and preferences], but at other times we may feel we need more information. Different levels of community engagement will be used in different situations:

- we will inform our communities about decisions made when we believe there is some interest in the decision and/or people may be affected by the decision, but further engagement is not warranted.
- we will consult when we are required to by law, when a proposal is considered significant (as defined later in this policy) and when we need more information on options for responding to an issue.
- we will involve our communities in decision-making when we need more information on community views to fully understand an issue and develop a proposal for dealing with that issue.
- we will collaborate with one or more stakeholders when there are other stakeholders with a governance role, and where we can be more effective and efficient in achieving our priorities through collaborating with others.
- we will consider empowering communities to define their own solutions when the Council considers it appropriate.
- we won't engage our communities when there is a need for confidentiality or the matters concern internal operational issues.

How we will engage

Once we have decided to engage and determined which form of engagement is the most appropriate, we will then identify which methods of engagement we wish to use. We will do so by considering the principles of this policy as well as:

- who the target audience is – that is, who is affected by, likely to have an interest in or view on, the issue
- the *significance* of the matter to both us as the Council and the target audience (see below)
- what we know about the target audiences preferences for engagement
- the information we already hold about community views
- the circumstances in which the issue has arisen
- the extent to which any costs outweigh the benefits of engagement methods.

We will ensure that:

- we make information available that tells participants what is being proposed, why, what options there are, what it means for our communities and how participants can engage
- opportunities are provided for Māori to contribute to our decision-making processes². The Te Taitokerau Māori Advisory Committee has been formed as the primary point of Māori engagement³.
- consider all matters in addition to the community views expressed when making final decisions for example, research results, legislation, financial constraints and so on
- provide feedback on the decisions we make and why.

Defining which issues and decisions are significant

Some decisions we make are more significant than others. Distinguishing which decisions are significant and which are not, is not always black and white. The significance of an issue, proposal, asset, decision or activity (hereon referred to as a matter) usually lies somewhere on a continuum from low to high.

We will consider the significance of each matter on a case-by-case basis. When considering whether any matter is significant, we will use criteria to assess the likely impact on, and consequences for:

1. the Northland region
2. the people who are likely to be particularly affected by, or interested in it

² Local Government Act 2002 s.14(1)(d) s.81(1), Schedule 10 s.8.

³ Refer to the Council's Māori Liaison and Māori Participation in Decision-Making Policies for more information.

- 3. consistency with existing policy and strategy
- 4. our capacity to perform our role and the financial and non-financial costs of doing so.

When a high degree of significance is indicated by factors or thresholds in two or more criteria, the issue is likely to be **significant**.

Criterion	1. IMPORTANCE TO THE NORTHLAND REGION The extent to which the matter under consideration impacts on the Northland Region, now and in the future (large impacts would indicate high significance).
Factors and thresholds	Factors that might impact on community wellbeing are: <ul style="list-style-type: none"> a) any decision that would significantly alter the level of service provided by the Council for a significant activity (including a decision to commence or cease any such activity) b) extent of costs, opportunity costs, externalities and subsidies, including: <ul style="list-style-type: none"> a. introducing a new targeted rate b. increasing the targeted land management or the targeted council services rate for an activity by 5% or more annually c) uncertainty, irreversibility, and the impact of the decision in terms of the community's sustainability and resilience

Criterion	2. COMMUNITY INTEREST The extent to which individuals, organisations, groups and sectors within the community are particularly affected by the matter.
Factors and thresholds	Factors that would indicate a high degree of significance are: <ul style="list-style-type: none"> a) high levels of prior public interest or the potential to generate interest b) large divisions in community views on the matter c) a moderate impact on a large proportion of the community d) a large impact on a moderate number of persons

Criterion	3. CONSISTENCY WITH EXISTING POLICY AND STRATEGY The extent to which the matter is consistent with the Council's current policy and strategy.
Factors and thresholds	Factors that would indicate a high degree of significance are: <ul style="list-style-type: none"> a) decisions which are substantially inconsistent with policies, strategies or previous significant decisions.

STRATEGY & POLICY

Criterion	4. IMPACT ON THE COUNCIL'S CAPACITY & CAPABILITY The impact of the decision on the Council's ability to achieve the objectives set out in its Long Term Plan, including Financial Strategy, and Annual Plan.
Factors and thresholds	Factors that would indicate a high degree of significance are: a) transfers of strategic assets to or from the Council b) high capital or operational expenditure c) a financial transaction with a value of greater than 5 percent of the combined targeted land management rate and council services rates revenue in the year of the decision ⁴
LOW	Degree of Significance
HIGH	
LITTLE IMPACT	LOW IMPACT

Every report to the Council or a Council Committee will include a statement indicating whether or not the matter has been identified as significant. Where the significance of a proposal and/or decision is unclear, then we will treat the issue as being more rather than less significant. For any matter considered significant, the report will address the Council's decision-making responsibilities under sections 77, 78, 80, 81 and 82 of the Local Government Act 2002 (as applicable).

We will not assess the significance of a matter when it involves a day-to-day operational matter, it involves management decisions delegated to staff during the implementation of council decisions, or where we think that failure to make a decision urgently would result in unreasonable or significant damage to property or risk to people's health and safety.

Strategic assets

Strategic assets are assets that we need to retain if it we are to maintain our capacity to achieve or promote any outcome that is important to the wellbeing of the regional community. The Northland Regional Council's strategic assets as defined in this policy are:

- its interests in Marsden Maritime Holdings Ltd
- the Awanui river scheme
- the Kotuku Dam (in the Whangarei urban rivers scheme) and the land which the Dam structure occupies (once construction is completed)
- the Kaeo stopbank scheme
- other river scheme assets as they are constructed.

A decision to transfer the ownership or control of a strategic asset to or from the Regional Council can only be taken if it has been provided for in its Long Term Plan and therefore will be the subject of the Local Government special consultative procedure.

Reviewing this policy

The Council intends to review this policy every three years after the local body elections. Any consultation required would likely occur concurrently with a future annual or long-term plan.

⁴ This limit covers a single issue, asset or matter as well as a package of the same aligned to deliver a single outcome or objective. This limit does not apply to expenditure funded from the Growth and Investment Reserve or changes to the council's investment portfolio. Note that these investments will need to meet the council's Investment Policy.

ISSUE: Amendment of Audit & Risk Committee Provisions

ID: A701255

To: Extraordinary council meeting, 18 November 2014

From: Malcolm Nicolson, Chief Executive

Date: 31 October 2014

Report Type:	<input type="checkbox"/> Normal operations	<input type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input checked="" type="checkbox"/> Legislative function	<input type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive Summary:

This report recommends changes to the structure, terms of reference, and title of the Audit & Risk Committee, reflecting suggestions made by independent Committee member, Geoff Copstick, at a recent workshop.

Legal compliance and significance assessment:

The provisions of Schedule 7 of the Local Government Act 2002 regarding the establishment of subordinate decision-making bodies and delegations are relevant to this matter. The recommendations set out below are compliant with those provisions. The matter does not trigger any thresholds of the council’s significance policy and is therefore considered to be of low significance.

Recommendations:

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1. That the report, “Amendment of Audit & Risk Committee Provisions”, by Malcolm Nicolson, Chief Executive, and dated 31 October 2014, be received.
 2. That the Audit & Risk Committee be renamed the “Finance Committee”, with amended terms of reference and delegations as set out in **Attachment A** pertaining to Item 3.2 of the 18 November 2014 extraordinary council meeting agenda.
 3. That the Finance Committee shall meet on 25 November 2014 and henceforth three (3) times per year from the 2015 calendar year.
 4. That the current Economic Development Working Party be disestablished (being replaced with the Economic Development Subordinate Body and the Property Subordinate Body as detailed in the Finance Committee’s terms of reference).

5. That Councillor _____, Mr Geoff Copstick and GM Finance Lisa Aubrey be appointed to the Audit Subordinate Body.
 6. That Councillor _____, Chief Executive Malcolm Nicolson and Mr Geoff Copstick be appointed to the Treasury Management Subordinate Body.
 7. That Councillor Dimery, Land/Rivers Senior Programme Manager Bruce Howse, and an independent expert (to be identified by the Hazard Risk Management Subordinate Body) be appointed to the Hazard Risk Management Subordinate Body.
 8. That Councillors _____ and _____, and Chief Executive Malcolm Nicolson be appointed to the Economic Development Subordinate Body.
 9. That Councillors _____ and _____, and Chief Executive Malcolm Nicolson be appointed to the Property Subordinate Body.
 10. That the aforementioned Subordinate Bodies, as detailed in the Finance Committee's terms of reference, are each instructed to review the committee's terms of reference to further define its scope, roles, and appropriate status as working group or subcommittee, and make recommendations for any changes to the committee or council (whichever is most time efficient) for formal approval.
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Report

On 28 October 2014, Mr Geoff Copstick, independent member of the Audit & Risk Committee (the committee), made a presentation to the council on his review of the committee's structure, practices and terms of reference. His findings identified a number of suggested improvements to the committee's provisions that will uphold "best practice", including:

- Creating opportunities to hear informed independent views, in addition to those provided by management;
- Creating opportunities to directly utilise the skills and experience of the committee to continuously improve processes and controls;
- Providing for the involvement of hands-on experience in assurance and audit, financial reporting, governance and sector knowledge;
- Improving arrangements with external auditors to deliver efficiency improvements and cost reductions;
- Continuously improving the organisation's understanding of the impact of risk on results, and promoting risk management accountability across the organisation;

The key objective in Mr Copstick's recommended changes is to create a nimble committee superstructure that can effectively and efficiently deliver its responsibilities, using the best available expertise. He therefore recommended the establishment of a number of committee subgroups that will be able to focus on specialised areas of its activities, and deliver informed views to the committee for decision.

Since Mr Copstick's presentation I have had the opportunity to meet with him to discuss his suggestions in more detail, and to examine specific changes to the committee's provisions that would give effect to them. As a result, I recommend that council approve the following changes:

- Changing the name of the committee to the "Finance Committee", retaining its membership of the whole of council plus an independent member (Mr Copstick), and scheduling three meetings of this committee per year;
- Amending the committee's terms of reference as set out in **Attachment A**, which establish five subordinate bodies (explained below).

Subordinate Bodies

Building on Mr Copstick's recommendations, I suggest the establishment of subordinate bodies on the committee's key activity areas as set out in its terms of reference:

- **Audit** – comprised of three members including Mr Copstick, GM Finance, Lisa Aubrey, and one councillor with skills in both internal and external audit processes. I envisage this group will meet three to four times per year, scheduled around auditing requirements.
- **Treasury Management** – comprised of myself, Mr Copstick, and one councillor. This group will meet as required.
- **Hazard Risk Management** – comprised of Land/Rivers Senior Programme Manager Bruce Howse, an independent health and safety expert (to be identified by the group) and a councillor. Councillor Dimery holds this appointment currently. This group will meet as required.
- **Economic Development** – comprised of myself and two councillors. This group will meet as required and will focus on oversight of Northland Inc and the Investment and Growth Fund.

- **Property** - comprised of myself and two councillors. This group will meet as required and will focus on oversight of the council's property portfolio.

At this stage the subordinate bodies are established as working groups and have no delegated powers for decision-making, and I envisage this status will remain appropriate in most cases. The general functions of the subordinate bodies are to consider specific activity areas and to provide advice and expertise to inform the committee's decision-making.

I will support the working parties with staff delegations based on the skill sets required and the workloads generated.

I recommend that each group be instructed as a matter of priority to consider its areas of responsibility under the committee's terms of reference, and to make a recommendation to either the committee or to council (whichever is most time-efficient) for appropriate changes. In line with good practice, further reviews of the terms of reference should be conducted at appropriate intervals to ensure the establishment (or disestablishment) of subordinate bodies aligns with the council's needs.

COMMITTEE TERMS OF REFERENCE

Finance Audit and Risk Committee

Membership

The Finance Audit and Risk Committee (the committee) shall be comprised of all nine (9) councillors and ~~an~~ independent member(s).

Chairperson: David Sinclair

Deputy Chairperson: Paul Dimery

Members: John Bain

Member for Te Hiku constituency (following by-election) Dennis
Bowman

Craig Brown

Joe Carr

Graeme Ramsey

Dover Samuels

Bill Shepherd

Geoff Copstick (independent member)

Quorum

The quorum for meetings of the committee shall be five (i.e. half of the members when the membership is even).

Objective

The objective of the committee is to provide assurance and assistance that the council's financial, health and safety, risk, reporting, control and compliance frameworks, and its external accountability responsibilities are fulfilled.

Role and responsibilities

To act as Council's audit, risk and compliance monitoring committee covering

- Risk Management
- The internal control environment
- Health and Safety
- Legislative and regulatory compliance
- Internal audit and assurance
- External audit
- Financial reporting
- Non-financial reporting against council's objectives and Long Term Plan targets
- Investment property and funds
- Shareholder responsibilities and the governance of responsibilities of council for its Council Controlled Organisations

The committee is directly responsible and accountable to the council for the exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the council rests with the Chief Executive.

Subordinate Bodies

The Committee shall be supported by the following subordinate bodies:

- Audit

- Hazard Risk
- Treasury Management
- Economic Development
- Property

These subordinate bodies are established in the first instance as working groups with powers to make recommendations to the Committee and/or Council (whichever is most time efficient) on matters within the relevant function areas of the Committee's terms of reference. Any questions regarding the apportionment of functions shall be referred to the Chief Executive for clarification.

As an immediate priority and then at appropriate intervals, each group shall also review the Committee's terms of reference to further define its scope, roles, and appropriate status as working group or subcommittee, and make recommendations for any changes to the Committee or Council (whichever is most time efficient) for formal approval.

The committee is further authorised to fulfil its role and responsibilities through the establishment or disestablishment of subordinate bodies as the committee sees fit. Subordinate bodies can include councillors, independent members, employees and advisors such that the skills and experience are appropriate to the work being done. The appointed staff member shall be the Chief Executive, who may delegate the role. The Chairman of Council shall be ex-officio on all subordinate bodies.

Delegated Authority and functions

The council authorises the committee, within the scope of its role and responsibilities, to:

1. General

- make decisions in accordance with the Terms of Reference
- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject) to confidentiality considerations);
- request the attendance of any employee, including the Chief Executive, at **committee** meetings of the committee or its working groups subordinate bodies;
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the council's expense;
- co-opt a person as a (non-voting) member of the committee to assist with special projects;
- recommend to council that additional members be appointed to the committee should it consider wider representation would be of assistance in performing its functions;
- appoint subcommittees or working groups subordinate bodies -to make recommendations to the committee on any matters of responsibility within the committee's Terms of Reference, and act in accordance with resolutions of the committee (in line with specific limitations) where there is urgency or special circumstance; and
- undertake such other functions as may be delegated by council from time to time.

2. Financial Management and Reporting

The committee's responsibilities are to:

- a. Monitor and report on the quarterly financial performance against budget.
- b. Make recommendations to council on any forecast variances against the Annual Plan.
- c. Determine the means of reporting financial reporting to council and the public.
- d. Approve the wWrite-off of outstanding accounts where necessary.
- e. Approve the payment of funding (grants etc.) to external parties in line with

- funding allocations made in the relevant Long Term Plan and Annual Plan (e.g. NEST, Northland Inc., Bird Recovery, CHART) and
 - ensure any financial or other reporting conditions of requirements of council funding are met (e.g. NEST has bi-annual financial reporting as a condition of funding)
- f. Review the financial performance of all Council Controlled Organisations and Council Organisation.
 - g. Maintain an overview of council's financial reserves to deal with unexpected financial contingencies.

3. Budgets and quality assurance

The committee's responsibilities are to:

- a. Oversee the preparation of budgets from a governance perspective.
- b. Review quality assurance processes and practice to ensure adherence to statutory requirements and best practice.
- c. ~~To~~ Approve transfers between Operational Expenditure and Capital Expenditure within existing activity and group of activity budgets.
- d. ~~A~~ To approve transfer of budget between activities.

4. Risk management

The committee's responsibilities are to:

- a. Review council's risk management framework, policy and associated procedures for effective identification and management of the council's financial and business risks, including fraud.
- b. Review the council's corporate risk register in line with the council's risk management framework, policy and associated procedures.
- c. Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- d. Review the effect of the council's risk management framework on its control environment and insurance arrangements.
- e. Review whether a sound and effective approach has been followed in establishing council's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.
- f. Review council's fraud control plan and satisfy itself that the council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.
- g. Review and monitor the council's policies and practices relating to sensitive expenditure.

5. Health and Safety

The committee's responsibilities are to:

- a. Consider and review the council's health and safety management system, including receiving reports from management on the system and organisational wellness.

6. Internal audit

The committee's responsibilities are to:

- a. Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.
- b. Review the internal audit coverage and annual work plan, ensure that the plan is based on the council's risk management plan, and recommend approval of the plan by the council and Chief Executive.
- c. Advise the council on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.

- d. Oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions.
- e. Liaise with the auditor and review all audit reports and provide advice to the council/Chief Executive on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.
- f. Monitor management's implementation of the internal auditor's recommendations.
- g. Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.
- h. Periodically review the performance and effectiveness of the internal auditor.

7. External audit

The committee's responsibilities are to:

- a. Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.
- b. Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided.
- c. Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.
- d. Oversee the co-ordination of audit programmes conducted by the internal and external auditors and other review functions.
- e. Provide advice to the council on action taken on significant issues raised in relevant external audit reports and good practice guides.

8. External reporting/performance reporting

The committee's responsibilities are to:

- a. Review and recommend to council the adoption of the Annual Report and Summary Annual Report, focusing particularly on:
 - i. any changes in accounting policies and practices;
 - ii. major judgemental areas;
 - iii. significant adjustments resulting from audit;
 - iv. compliance with financial reporting and other applicable standards;
 - v. compliance with statutory requirements; and
 - vi. other reports prepared by management for release to stakeholders, such as any summary financial reports.
- b. ~~To R~~review six month, nine month and full year statement of service reporting, focusing particularly on:
 - i. Ensuring reporting meets Auditor Guidance -4 –*The audit of service performance reports* to Local Government.
 - ii. the quality of the overall "story" the performance reporting tells;
 - iii. the reliability and accuracy of the reporting;
 - iv. the completeness of the reporting against the performance framework as outlined in the Long Term Plan; and
 - v. compliance with relevant legislation (in particular the Local Government Act 2002, Schedule 10).

9. Funding, Financial and Other Policies

The committee's responsibilities are to:

- a. Review and recommend to the council any changes required to council's funding and financial policies including those required under Section 102 of the Local Government Act (LGA) 2002:
 - i. Revenue and Financing Policy

- ii. Treasury Management Policy (incorporating Liability Management Policy and Investment Policy)
 - iii. Policy on Financial Contributions
 - iv. Charging Policy
 - v. Rating Policies, including rates relief, policies on remissions and policies on postponement of rates on Māori freehold land.
- b. Review and recommend to the council any changes to other policies required under LGA 2002, including, but not limited to the following:
- i. Policy on Significance (LGA Section 90) and
 - ii. Policy on the Appointment of Directors to Council Organisations (LGA Section 57).

10. Investment Functions

The committee's responsibilities are to:

- a. Undertake the investment functions referred to in the Treasury Management Policy adopted within the current LTP. These functions include:
- i. To review performance and compliance against council's Treasury Management Policy (and its objectives) and reporting for the Community Investment Fund (Statement of Investment Policy and Objectives).
 - ii. To make recommendations to Council on any changes to the construction of investment portfolios, the Community Investment Fund Statement of Investment Policy and Objectives, the objectives and policies in the Treasury Management Policy, and investment management appointees.
 - iii. To recommend to the council targets, policies and strategies for undertaking its commercial and investment activities.
 - iv. To oversee the administration, review and make recommendations on the council's commercial assets and forestry activities and investment opportunities.
 - v. To approve the selling, leasing and acquisition of property consistent with council policy in the Long Term Plan and relevant Annual Plan.

11. Legislative compliance

The committee's responsibilities are to:

- a. Determine whether management has appropriately considered legal and compliance risks as part of council's risk assessment and management arrangements; and
- b. Refreview the effectiveness of the system for monitoring council's compliance with relevant laws, regulations, and associated government policies.

12. ~~Council Controlled Organisations and the Port~~Marsden Maritime Holdings Ltd

The committee's responsibilities are to:

- a. Liaise with all Council Controlled Organisations, and Council Organisations and their subsidiaries in accordance with the requirements of the LGA 2002 and any relevant Trust Deeds, Constitution or other governance documents including:
- i. To receive all Draft Statements of Intent (SOI) by 1 March each year;
 - ii. To consider Draft SOI and make any comments on behalf of council on the Draft by 30 April each year;
 - iii. To receive all final SOI by 30 June each year;
 - iv. To recommend to council any necessary modification to a Council Controlled Organisation's and Council Organisation's Statement of Intent
 - v. To appoint directors to Council Controlled Organisations /Council Organisations in accordance with the provisions of the LGA (2002), the council's Policy of the Appointment of Directors to Council Organisations and the relevant Council Controlled Organisation's or Council Organisation's governance documents (e.g. constitution/deed etc.)

- vi. To review the financial performance of all Council Controlled Organisations and Council Organisations.
 - vii. To monitor actual performance of all Council Controlled Organisations and Council Organisations compared to key performance targets and other measures set out in the relevant LTP, Annual Plan and SOI; and
 - viii. To review any Trust Deeds, Constitution or other governance structures of all Council Controlled Organisations and to recommend any changes to the council as appropriate.
 - ix. To appoint council's shareholder representatives all of whom must be elected members for all Council Controlled Organisations and Council Organisations (for exercising council's shareholder responsibilities e.g. attending and voting at AGMs, appointment of directors etc.). Council's Shareholder representatives have delegated authority to act on behalf of the committee on all responsibilities contained in 12a.
- b. To appoint council's shareholder representatives for Marsden Maritime Holdings Limited with delegated authority to exercise council's shareholder responsibilities e.g. attending and voting at AGMs, appointment of directors etc.)

No Delegated Authority – Power to Act

Does not have the powers of council to act in the following instances as specified by Clause 32 (1) of Schedule 7 of the Local Government Act 2002:

- a) make a rate;
 - b) make a bylaw;
 - c) borrow money, or purchase or dispose of assets, other than in accordance with the current Long Term Plan or Annual Plan;
 - d) adopt a Long Term Plan, or Annual Plan or Annual Report;
 - e) appoint a Chief Executive; or
 - f) adopt policies required to be adopted and consulted on under this Act in association with a Long Term Plan or developed for the purpose of the Local Governance Statement.
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