



NOTICE OF A RISK AND ASSURANCE COMMITTEE MEETING

**Opotiki District Council Chambers, 108 St John Street, Opotiki
Monday, 25 November 2019
Commencing at 10.00am**

ORDER PAPER

APOLOGIES

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

PUBLIC FORUM

	Page
ITEM 01 MINUTES – AUDIT AND RISK COMMITTEE MEETING 9 SEPTEMBER 2019	5
ITEM 02 KOHA REPORT	11
ITEM 03 PROCESS FOR APPOINTMENT OF INDEPENDENT CHAIR AND INDEPENDENT MEMBER	13

Member: Cr Steve Nelson

Ex-Officio: Mayor Lyn Riesterer

Interim Independent Member: David Love

Committee Secretary: Gae Newell

Quorum: 2

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Councillors are reminded that if you have a pecuniary or non-pecuniary interest in any item on the agenda, then you must declare this interest and refrain from discussing or voting on this item, and are advised to withdraw from the Council chamber.

Aileen Lawrie

CHIEF EXECUTIVE OFFICER

RISK AND ASSURANCE COMMITTEE TERMS OF REFERENCE

1. The Risk and Assurance Committee is a Committee of the Ōpōtiki District Council.

2. **Objective**

The objective of the Committee is to assist the Council in carrying out its duties in regard to financial reporting and legal compliance.

3. **Membership**

Chairperson:	Vacant
Member:	Councillor Nelson
Ex-Officio:	Mayor Riesterer
Interim Independent Member:	David Love

4. **Meetings**
 - 4.1 A quorum is two members.
 - 4.2 The Committee shall meet as needed but in any event, at least annually.
 - 4.3 Notice of meetings shall be in accordance with the requirements set out in the Local Government Act 2002.

5. **Terms of Reference**

The Risk and Assurance Committee will:

 1. *Review Council's annual financial statements with Council management and the Auditors prior to their approval by Council.*
 2. *Oversee statutory compliance in terms of financial disclosure.*
 3. *Monitor corporate risk assessment and internal risk mitigation measures and oversee:*
 - *Council's risk management framework*
 - *internal control environment*
 - *legislative and regulatory compliance*
 - *internal audit and assurance*
 - *oversee risk identification on significant projects*
 - *compliance to Treasury Risk Management Policies.*
 4. *Review the effectiveness of Council's external accountability reporting (including non financial performance).*
 5. *Conduct the process for the Chief Executive's Performance, for report to Council.*

6. *Draw to the attention of Council any matters that are appropriate.*
7. *Investigate and report on any matters referred to the Committee by Council. The circumstances the Council may refer matters to the Risk and Assurance Committee include:*
 - a. *Any significant issues arising from the financial management of council's affairs.*
 - b. *Any complaints against elected members or alleged breaches of the Council's Code of Conduct.*
 - c. *Any significant issues arising from Audit New Zealand processes.*
 - d. *Due Diligence on strategic asset acquisition or disposal.*
 - e. *Setting up of Council Controlled Organisations.*
 - f. *Development of a Council risk assessment and mitigation strategies.*

6. **Authority**

- 6.1 The Committee is authorised to investigate any activity referred to it by Council resolution. It is authorised to seek any reasonable information it requires from Council staff.
- 6.2 The Committee is authorised by the Council to obtain outside legal or other independent professional advice and to arrange for the attendance at meetings of outside parties with relevant experience and expertise if it considers this necessary.



MINUTES OF AN OPOTIKI DISTRICT COUNCIL AUDIT AND RISK COMMITTEE MEETING HELD ON MONDAY, 9 SEPTEMBER 2019 IN THE OPOTIKI DISTRICT COUNCIL CHAMBERS, 108 ST JOHN STREET, OPOTIKI AT 10.00 AM

PRESENT:

Councillor Arihia Tuoro (Chairperson)
Councillor Ken Young
David Love
Mayor John Forbes
Deputy Mayor Lyn Riesterer

IN ATTENDANCE:

Aileen Lawrie (Chief Executive Officer)
Gerard McCormack (Planning and Regulatory Group Manager)
Ari Erickson (Engineering and Services Group Manager)
Michael Homan (Finance, Systems and Property Group Manager)
Billy Kingi (Chief Financial Officer)
Muriel Chamberlain (Corporate Services Manager)
Gae Newell (Executive Assistant & Governance Support Officer)

APOLOGIES

Nil.

DECLARATION OF ANY INTERESTS IN RELATION TO OPEN MEETING AGENDA ITEMS

David Love noted that he is a Bay of Plenty Regional Councillor and is also a member of the Regional Council's Audit and Risk Committee.

PUBLIC FORUM

Nil.

1. CONFIRMATION OF MINUTES – AUDIT AND RISK COMMITTEE MEETING **p5**
13 MAY 2019

RESOLVED

- (1) That the minutes of the Audit and Risk Committee meeting held on 13 May 2019 be confirmed as a true and correct record.**

Love/Young

Carried

2. ACTION SCHEDULE **p12**

RESOLVED

- (1) That the Action Schedule be received.**

Young/Tuoro

Carried

3. ADOPTION OF 2019 DRAFT ANNUAL REPORT FOR AUDIT **p14**
and separate document

The Chief Financial Officer tabled excerpt pages from the draft Annual Report, noting that the highlighted parts are still subject to figures being displayed as to the breakdown of different parts. The breakdown numbers will not change Council's situation or the financial results, but are more disclosure requirements.

After speaking to the updates and corrections on the tabled papers, the Chief Financial Officer answered queries from the Committee.

The Committee provided some comments on the draft Annual Report and made some suggestions for minor changes.

It was agreed that clause 2 of the recommendations be amended to allow for some minor changes to be made.

His Worship the Mayor commended staff for all the hard work they had put into the draft Annual Report.

RESOLVED

- (1) That the report titled "Adoption of 2019 Draft Annual Report for Audit" be received.**

HWTM/Young

Carried

- (2) That the Audit and Risk Committee adopts the 2019 Draft Annual Report for audit with minor changes.**

Tuoro/Love

Carried

4. BUILDING CONTROL AUTHORITY ACCREDITATION UPDATE

p17

RESOLVED

- (1) That the report titled "Building Control Authority Accreditation Update" be received.**

Love/Young

Carried

5. SUBMISSION ON THE PRODUCTIVITY COMMISSION'S DRAFT REPORT ON THE INQUIRY ON LOCAL GOVERNMENT FUNDING AND FINANCING

p20

Following a discussion regarding the submission and suggestions for amendments and additions, it was agreed that the Chief Executive Officer be authorised to make the changes and note the comments of the Committee. Clause 2 of the recommendations will be amended to reflect this.

The submission will be copied to local Members of Parliament, the Minister for Local Government, the Vice President of LGNZ and the Chair of the Bay of Plenty Regional Council.

RESOLVED

- (1) That the report titled "Submission on the Productivity Commission's Draft Report on the Inquiry on Local Government Funding and Financing" be received.**
- (2) That the draft submission be approved for submission subject to any changes suggested and agreed by the Committee, with authority to the Chief Executive Officer to make the changes and note the comments of the Committee.**

Love/Young

Carried

6. KOHA REPORT

p27

The Chief Executive Officer noted that Councillor McRoberts attended the Whakatōhea Māori Trust Board training workshop as Council's Cultural Ambassador.

RESOLVED

- (1) That the report titled "Koha Report" be received.**

Love/Young

Carried

SECTION 48 LOCAL GOVERNMENT OFFICIAL INFORMATION & MEETINGS ACT 1987

THAT the public be excluded from the following parts of the proceedings of this meeting, namely:

- 8. Confirmation of In-Committee Minutes – Audit and Risk Committee Meeting 13 May 2019.**
- 9. RRC Security and Safety Treatments.**
- 10. Health, Safety, Staff Resources and Wellbeing Report.**

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
8.	Confirmation of In-Committee Minutes – Audit and Risk Committee Meeting 13 May 2019	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)
9.	RRC Security and Safety Treatments	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)
10.	Health, Safety, Staff Resources and Wellbeing Report.	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists.	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

8.	Protect information Protect the privacy of natural persons Protection from improper pressure or harassment	Section 7(2)(b)(i) & (ii), (d) & (e) Section 7(2)(a) Section 7(2)(f)(ii)
----	--	--

	Carry out negotiations Prevent the disclosure of official information Carry out commercial activities	Section 7(2)(i) Section 7(2)(j) Section 7(2)(h)
9.	Protect the privacy of natural persons Protect information Prevent the disclosure of official information	Section 7(2)(a) Section 7(2)(b)(i) Section 7(2)(j)
10.	Protect the privacy of natural persons Protection from improper pressure or harassment	Section 7(2)(a) Section 7(2)(f)(ii)

HWTM/Young

Carried

RESOLVED

- (1) That the resolutions made while the public was excluded, be confirmed in open meeting.**
- (2) That the public be readmitted to the meeting.**

Love/Young

Carried

RESOLVED

- (1) That the in-committee minutes of the Audit and Risk Committee meeting held on 13 May 2019 be confirmed as a true and correct record.**

HWTM/Young

Carried

RESOLVED

- (1) That the report titled "RRC Security and Safety Treatments" be received.**
- (2) That the Audit and Risk Committee update RRC security and safety risk on the risk register.**
- (3) That the Audit and Risk Committee support the treatment option to go cashless.**

Tuoro/HWTM

Carried

RESOLVED

- (1) That the report titled "Health, Safety, Staff Resources and Wellbeing Report" be received.**

Young/HWTM

Carried

THERE BEING NO FURTHER BUSINESS THE MEETING CLOSED AT 11.54AM.

CONFIRMED:

**COUNCILLOR ARIHIA TUORO
CHAIRPERSON**

**AILEEN LAWRIE
CHIEF EXECUTIVE OFFICER**

Date: 10 October 2019

REPORT

Date : 14 November 2019

To : Risk and Assurance Committee Meeting, 25 November 2019

From : Chief Financial Officer, Greg Robertson

Subject : **KOHA REPORT**

File ID : A183127

EXECUTIVE SUMMARY

The purpose of this report is to provide details of koha payments made from 3 May 2019 to 14 November 2019.

PURPOSE

The purpose of this report is to provide details of koha payments made from 3rd May 2019 to 14th November 2019.

BACKGROUND

Audit New Zealand considers koha to be sensitive expenditure. To ensure transparency of the size of koha and the occasions for giving koha, the Risk and Assurance Committee receives regular reports on koha payments made, disclosing the following information:

- The amount of koha
- The purpose of the payment
- The reason or justification for the amount.

Koha payments made for the period 3 May 2019 to 14 November 2019:

Date	Amount	Details	Number of Attendees
5 th August	\$150	Koha paid to Whakatohea MTB towards intro/facilitation workshop	Numerous
30 th July	\$100	Koha – Omaramutu Marae – Powhiri re launch of \$11.5m Moana project	Numerous

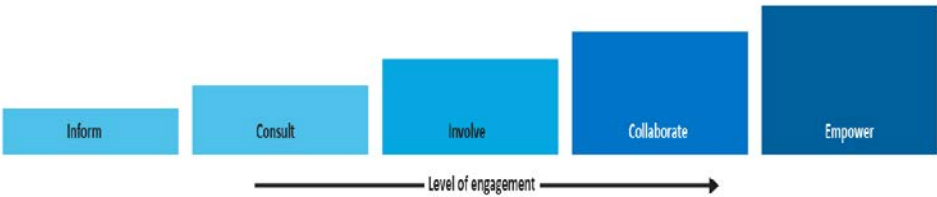
SIGNIFICANCE ASSESSMENT

Assessment of significance

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of Significance for receiving the Koha Report is considered to be low as determined by the criteria set out in section 12 of the Significance and Engagement Policy.

Assessment of engagement requirements

As the level of significance for receiving the Koha Report is considered to be of low the level of engagement required is determined to be at the level of inform according to Schedule 2 of the Significance and Engagement Policy.



RECOMMENDATION:

- 1. That the report titled "Koha Report" be received.**

Greg Robertson
CHIEF FINANCIAL OFFICER

REPORT

Date : 25 November 2019

To : Risk and Assurance Committee Meeting, 25 November 2019

From : Corporate Services Manager, Muriel Chamberlain

Subject : **PROCESS FOR APPOINTMENT OF INDEPENDENT CHAIR AND INDEPENDENT MEMBER**

File ID : A182983

EXECUTIVE SUMMARY

This report outlines the recommended process to recruit and appoint the Independent Chair and an Independent Member to the Risk and Assurance Committee for the 2019-2022 triennium. The objective of the Committee is to assist the Council in carrying out its duties in regard to financial reporting and legal compliance.

PURPOSE

At the 31 October 2019 Council meeting, it was agreed that:

“Council direct staff to bring recommendations for undertaking an expression of interest process for the position of independent Chair Risk and Assurance Committee, and to appoint an Independent Member”.

DISCUSSION AND OPTIONS

Below is an outline of the proposed process, the required actions and timeframes, and estimated costs.

Position description and person profile

Position descriptions for the role of Chair and independent member with the ideal person profiles are attached for review.

Recruitment panel

The suggested panel would include Mayor Lyn Riesterer, Councillor Nelson and the report writer. The report writer would provide best practice recruitment guidance and manage the administrative tasks required.

Proposed Timeframe

- **26 November** – Advertise in Ōpōtiki News/Whakatāne Beacon, Council’s Facebook page and intranet. Council’s Corporate Services/HR will set up Smartsheet to receive applications.
- **23 December, 4pm** – Close date for expressions of interest. HR will confirm to applicants that shortlisting will take place week commencing 13 January and updates to applicants to follow.
- **13 January** – Applicants information shared with panel and panel convenes to shortlist.
- **15 January** – HR will set up interviews for week commencing 27 January 2020 and provide interview questions/guidance.
- **27 January 2020** – Interviews take place during this week and the panel undertake reference checking, or other due diligence process as required.
- **3 February** – Panel write up recommendation for next Risk and Assurance committee meeting scheduled for (dates for meetings yet to be confirmed) to seek approval for appointment of preferred applicants for both roles.
- Subject to meeting outcome above – Confirmation of new Chair and Independent Member/induction detail dependent on successful applicants’ experience.

ASSESSMENT OF SIGNIFICANCE

Under Council’s Significance and Engagement Policy, on every issue requiring a decision, Council considers the degree of significance and the corresponding level of engagement required. The level of significance for the Process for Appointment of Independent Chair and Independent Member Report is considered to be low as determined by the criteria set out in section 17 of the Significance and Engagement Policy.

Assessment of engagement requirements

As the level of significance for the Process for Appointment of Independent Chair and Independent member is considered to be low the engagement required is determined to be at the level of inform according to schedule 2 of the Significance and Engagement Policy.



OPTIONS

The option exists to engage an independent recruitment consultant, which will increase the estimated costs significantly and/or to change the proposed timeframes.

FINANCIAL CONSIDERATIONS

Estimated Costs

Corporate staff time – estimate 10 to 20 hour’s dependant on the number of applications and the level of participation in the process.

In addition to the time taken to draft the Position Description/person profile, time involved would include drafting and placing of advertisements, management of recruitment process, i.e., communications between panel and applicants, scheduling interviews, attendance on panel/or advice, reviewing documents, reference checking and writing up recommendation for panel’s signatures.

Advertising in local papers - \$700 to \$1,000 for two placements; one advertisement in each paper for both roles.

Risks

If not well managed there is the risk that the position of Chair remains vacant for an extended period of time and that the roles are not filled by persons who have the required experience and skillset.

CONCLUSION

A well-managed recruitment process will ensure that timeframes are met and that the appointments are of a high standard.

RECOMMENDATIONS:

- 1. That the report titled "Process for the Appointment of Independent Chair and Independent Member" be received.**
- 2. That the Committee confirms the Position Descriptions and person profiles.**
- 3. That the Committee confirms panel representation and level of support required from Corporate HR.**
- 4. That the Committee approves the timeframe and estimated budget.**

Muriel Chamberlain

CORPORATE SERVICES MANAGER

POSITION DESCRIPTION

Job Title:	Independent Member – Risk and Assurance Committee
Position Purpose:	<i>“To provide independent advice to Council regarding the critical risks to the organisation – risks to its strategy, its operating model and continuity plans, and that there are sufficient internal controls in place to manage these risks”.</i>
Date:	November 2019

IMPORTANT FUNCTIONAL RELATIONSHIPS

External

Residents and ratepayers
Council customers
Iwi and hapū
Telephone customers
Various government agencies
Local government regionally and nationally

Internal

All staff
Elected Members

KEY RESPONSIBILITIES

The independent member will contribute to the Risk and Assurance Committee as follows;

- Review the governance framework and processes
- Understand the key business activities and the risks which relate to each of these
- Review financial and other external reporting
- Review compliance with relevant regulatory and statutory requirements
- Satisfy itself that appropriate internal processes and procedures and risk management are in place and are operating effectively
- Review and monitor the Council’s policies and practices on sensitive issues, including sensitive expenditure
- The strategic risks to and opportunities for the Council
- Understand the Council’s current and future operating environment, and contribute to the strategic direction
- Maintain an independent perspective
- Perform duties faithfully and impartially and according to the best skill and judgement in the best interests of the Ōpōtiki District

Time commitment

Part time and available for urgent matters, with a significant professional and personal commitment.

Note:

The above performance standards are provided as a guide only

PERSON SPECIFICATION

- *A minimum of 5 years' experience in governance roles*
- *Sound knowledge of HR, H&S, finance, security and other organisation processes and their effective risk management*
- *Understanding of the organisations culture in relation to risk*
- *Good knowledge of local government processes and protocols*
- *Working knowledge of relevant local government legislation and environmental legislation*
- *Strong links to the local community at a leadership and operational level*
- *Strategic thinking and leadership capability*
- *Understanding of te reo and tikanga Māori*
- *Good level of computer literacy*

POSITION DESCRIPTION



Job Title: Chair – Risk and Assurance Committee

Position Purpose: *“To provide independent advice to Council and to ensure that all committee members understand the critical risks to the organisation – risks to its strategy, its operating model and continuity plans, and that there are sufficient internal controls in place to manage these risks”.*

Date: October 2019

IMPORTANT FUNCTIONAL RELATIONSHIPS

External

Residents and ratepayers
Council customers
Iwi and hapū
Telephone customers
Various government agencies
Local government regionally and nationally

Internal

All staff
Elected Members

KEY RESPONSIBILITIES

In addition to setting the agenda's and chairing meetings the committee chair will provide the leadership to ensure that the committee members undertakes the following functions;

- Review the governance framework and processes
- Understand the key business activities and the risks which relate to each of these
- Review financial and other external reporting
- Review compliance with relevant regulatory and statutory requirements
- Satisfy itself that appropriate internal processes and procedures and risk management are in place and are operating effectively
- Review and monitor the Council's policies and practices on sensitive issues, including sensitive expenditure
- The strategic risks to and opportunities for the Council
- Understand the Council's current and future operating environment, and contribute to the strategic direction
- Maintain an independent perspective
- Perform duties faithfully and impartially and according to the best skill and judgement in the best interests of the Opotiki District

Time commitment

Part time and available for urgent matters, with a significant professional and personal commitment.

Note:

The above performance standards are provided as a guide only

PERSON SPECIFICATION

- *A minimum of 5 years' experience in governance roles, including chairing meetings*
- *Sound knowledge of HR, H&S, finance, security and other organisation processes and their effective risk management*
- *Understanding of the organisations culture in relation to risk*
- *Good knowledge of local government processes and protocols*
- *Working knowledge of relevant local government legislation and environmental legislation*
- *Strong links to the local community at a leadership and operational level*
- *Strategic thinking and leadership capability*
- *Understanding of te reo and tikanga Māori*
- *Good level of computer literacy*