

**Matamata-Piako District Council
Risk and Assurance Committee
Charter**

Reviewed by the Risk and Assurance Committee February 2023

1. Objectives

The primary objective of the Risk and Assurance Committee (Committee) is to assist the Matamata-Piako District Council (Council) in fulfilling its overall responsibilities relating to financial reporting, external audit, internal audit, compliance reporting and risk reporting, and report any areas of concern to Council.

The Committee will review:

- 1.1 The integrity of Council's financial management and reporting processes.
- 1.2 The scope, timeliness and effectiveness of Council's internal audit programme.
- 1.3 The scope and timeliness of Council's external audit activity.
- 1.4 Council's process for monitoring compliance with laws and regulations.
- 1.5 Council's risk management activities and their effectiveness.

2. Authority

The Council authorises the Committee within the scope of this Charter, through the Chairperson, to:

- 2.1 Seek any information it requires from any employee of Council
- 2.2 Obtain outside legal or other professional advice from within Council allocated resources or with the approval of Council should additional unfunded resource be needed.

3. Composition

The Chairperson must be suitably qualified and shall be an independent appointment with skills and experience, including governance and leadership, to provide value for Council. The Committee size will be determined by Council and must include members who have appropriate skills and experience, may include a second independent member.

4. Term of Membership

The Committee membership may be reviewed by Council but otherwise will be appointed for the term of Council.

5. Meetings

- 5.1 The Committee will meet at least four times per year, and such additional meetings as the Chairperson shall decide to fulfil its duties. In addition, the Chairperson is required to

call a meeting of the Committee if requested to do so by a majority of Committee Members, Council or the external auditors.

- 5.2 The Committee will be supported by Council's Governance Support Officer who shall be responsible, in conjunction with the Chairperson, for compiling the agenda and circulating it, supported by explanatory documentation to Committee Members prior to each meeting.
- 5.3 The Governance Support Officer will also be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee Members and to the other members of Council.
- 5.4 A quorum shall consist of a majority of the Members.
- 5.5 The Committee will adopt Standing Orders to support its objectives and responsibilities.

6. Responsibilities

The responsibilities of the Committee aligned to the Committee's objectives are:

6.1 Financial Reporting

- 6.1.1 Review the performance of Council's financial and non-financial activities against the Long-Term Plan and Annual Plan.
- 6.1.2 Review the accuracy and completeness of Council's interim and annual financial statements and Annual Report in accordance with Council's policies, relevant accounting principles and relevant accounting standards.
- 6.1.3 Review all significant changes in accounting policy or activities that could have a material impact on Council's financial statements or Annual Report.
- 6.1.4 Recommend the adoption of the Annual Report to Council.

6.2 External Audit

- 6.2.1 Recommend the appointment or reappointment of external auditors to Council.
- 6.2.2 Review and recommend the proposed external audit scope, plan, and fees to Council.
- 6.2.3 Monitor the performance of the external auditor, including enabling Council to meet statutory reporting deadlines.
- 6.2.4 Review the external audit recommendations and the appropriateness of management's response and monitor the timeliness and effectiveness of management's implementation of these recommendations.

6.2.5 As required, meet with management and/or the external auditors to discuss the audit arrangements, audit process, audit opinion or audit report.

6.3 Internal Audit

6.3.1 Review and approve the proposed internal audit programme and the terms of reference for each internal audit within that programme.

6.3.2 Monitor the delivery of the internal audit programme.

6.3.3 Review the internal audit recommendations and the appropriateness of management's response and monitor the timeliness and effectiveness of management's implementation of these recommendations.

6.4 Compliance with Laws and Regulations

6.4.1 Review the effectiveness of Council's system for monitoring compliance with laws and regulations, including management's report on any non-compliance and actions taken to address this non-compliance.

6.4.2 Review reports from regulatory agencies independently assessing Council's compliance with laws and regulations.

6.5 Risk and Internal Controls

6.5.1 Review the effectiveness of Council's framework to identify, treat, monitor, and report on risks to Council's activities, Annual Plan and Long-Term Plan.

6.5.2 Review the effectiveness of Council's system to implement the Safety and Wellness Charter and achieve the mission of "Home Safe Every Day".

6.5.3 Review the effectiveness of Council's control environment, including Council employees understanding the importance of internal controls and their role in identifying and reporting on risks.

6.5.4 Review the effectiveness of Council's framework for business continuity, including the vulnerability of Council's information technology systems to threats.

6.5.5 Review the effectiveness of Council's insurance arrangements to mitigate insurable risks.

7 Other Responsibilities

7.1 Regularly update and make recommendations to Council on Committee activities within the scope of this Charter.

- 7.2 Perform other Risk and Assurance responsibilities as requested by Council.
- 7.3 Review all Council policies within the scope of this Charter.
- 7.4 Review and recommend the Committee's Charter to Council for approval.
- 7.5 Annually review the performance of this Committee against this Charter, including recommendations to management on improved content or presentation of reports.
- 7.6 Council's external auditors or Risk Manager will have independent access to the Committee Chairperson at any time.