

Report No.	19-178
Decision Required	

PROCESS FOR APPOINTING INDEPENDENT MEMBER TO AUDIT, RISK & INVESTMENT COMMITTEE

1. PURPOSE

- 1.1. To confirm the process to appoint an independent member to the Audit, Risk & Investment Committee.

2. RECOMMENDATION

It is recommended that Council:

- a. receives the information contained in Report No. 19-178.
- b. agrees that a working party be formed consisting of the following members (to be named) plus the Chief Executive and the People & Capability Manager, to identify a shortlist of suitably qualified candidates to become an independent member on the Audit, Risk & Investment Committee; and
- c. notes that the working party will report back to Council at its February 2020 meeting with a shortlist of suitably qualified candidates; and
- d. notes that if an independent member is appointed, that the appropriate level of remuneration will need to be set aside from within the existing Governance budget for the remainder of the 2019-20 financial year; and
- e. notes that ongoing remuneration requirements will need to be included in both the Year 3 Annual Plan, and the Long-Term Plan.

3. FINANCIAL IMPACT

- 3.1. The appointment of an independent member will likely result in a remuneration commitment of around \$15,000 per annum. There is currently no provision in the Governance budget for this level of additional remuneration. Should the appointment of an independent member be confirmed, Council would need to also approve a pro-rated remuneration commitment for the remainder of the 2019-20 financial year. Furthermore ongoing funding would need to be included in both the Year 3 Annual Plan and Long-term Plan.

4. BACKGROUND

- 4.1. At its meeting on 5 November 2019, Council resolved to explore opportunities for the inclusion of an independent member on the Audit, Risk & Investment Committee. As part of its discussion, Council asked that a paper be bought back that explained the process for appointment of an independent member.
- 4.2. Discussion on 5 November 2019 concluded that the independent member of the Audit, Risk & Investment Committee would not be the Chair of that Committee.
- 4.3. It is noted that the Office of the Auditor General (OAG) is supportive of independent representation on Audit, Risk & Investment committees and supports Councils including appropriately qualified independent representation.

5. DISCUSSION

- 5.1. Under clause 31(3) of Schedule 7 of the Local Government Act 2002, a Council may appoint to a committee or sub-committee a person who is not a member of the Local Authority or committee if, in the opinion of the Local Authority, the person has the skills, attributes, or knowledge that will assist the work of the committee or sub-committee.
- 5.2. Council should consider forming a small working group (2-3 members) as well as the Chief Executive, and the People & Capability Manager, to shortlist up to three (3) suitably qualified candidates that are then presented to Council for final selection.
- 5.3. It is expected that the working group will include as part of their recruitment, conversations with both OAG and Local Government New Zealand (LGNZ) to identify suitably qualified candidates.

6. TIMELINE / NEXT STEPS

- 6.1. It is proposed that the shortlist of candidates be brought to the February 2020 Council meeting.

7. SIGNIFICANCE

- 7.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Craig Grant
GROUP MANAGER CORPORATE & GOVERNANCE

ANNEXES

There are no attachments for this report.