



A G E N D A

Executive Committee

Council Chambers
Monday
10 March 2014
commencing at 4.00 pm

His Worship the Mayor, M.T. Havill (**Chairperson**)
Deputy Mayor P.M. Cox
Cr. M.S. Dawson (Chair)

EXECUTIVE COMMITTEE

NOTICE IS HEREBY GIVEN THAT A MEETING OF THE EXECUTIVE COMMITTEE WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA, ON MONDAY 10 MARCH 2014 COMMENCING AT 4.00 PM

Council Vision

“Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service.

This will be achieved by:

- *Involving the community and stakeholders*
- *Having inspirational leadership*
- *Having expanded development opportunities*
- *Having top class infrastructure for all communities*
- *Living the ‘100% Pure NZ’ brand*

“Westland, the last best place”

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. MEMBERS PRESENT AND APOLOGIES:

1.1 Apologies.

1.2 Register of Conflicts of Interest.

2. **BUSINESS:**

2.1 **Half Year Performance Report – Westland Holdings Limited.**

2.2 **Audit Management Report – 2013-2014.**

3. **MATTERS TO BE CONSIDERED IN THE ‘PUBLIC EXCLUDED SECTION’**

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

3.1 **WHL Statement of Intent for 2014-2015.**

3.2 **CE’s Performance Review.**

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

GENERAL SUBJECT OF THE MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO THE MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
1. WHL Statement of Intent for 2014-2015	To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or Section 7 (2) (b) (ii)	48(1)(a)(i) & (d)
2. CE’s Performance Review.	To protect the privacy of individuals/organisations under Section 7(2)(a) and (i)	48(1)(a)(i) & (d)

TERMS OF REFERENCE FOR THE EXECUTIVE COMMITTEE

REPORTING TO: Council

CONSTITUTION: Mayor, Deputy Mayor and One member appointed by the Mayor as Chairperson(Cr Dawson)

MEETING FREQUENCY: As required.

QUORUM: Two.

OBJECTIVE:

1. To enable Council to carry out its statutory and contractual responsibilities as employer of the Chief Executive.
2. To implement Council policies and processes for the selection, appointment and remuneration of directors to Council Controlled Organisations and trustees to Council Organisations.
3. To maintain an on-going liaison with Boards of Directors of Council-Controlled Organisations in regard to Council's interest as a shareholder.
4. To undertake the role of Audit Committee.
5. To undertake the role of Risk Management Committee.
6. To determine matters within the authority of Council where the urgency of those matters precludes an Extraordinary Meeting of the full Council.

SCOPE OF ACTIVITY:

Employment of Chief Executive

1. All matters arising under Section 42 and Clauses 33, 34, 35 and 36 of Schedule 7 of the Local Government Act 2002.
2. All matters arising from Council's employment agreement with the Chief Executive, including but not limited to the conduct of performance reviews and remuneration reviews.

Appointment of Directors and Trustees

3. All matters pertaining to the selection, appointment and remuneration of directors to Council-controlled organisations and trustees to Council organisations, in accordance with Council's Policy on Appointment and Remuneration of Directors.

Audit and Risk

4. All matters pertaining to good practice for Audit and Risk, including consideration of the following matters.

(a) Internal Control Framework

- i. Review whether management's approach to maintaining an effective internal control framework is sound and effective.
- ii. Review whether management has taken steps to embed a culture that is committed to probity and ethical behaviour.
- iii. Review whether there are appropriate systems, processes and controls in place prevent, detect and effectively investigate fraud.

(b) Internal Reporting

- i. Consider the processes for ensuring the completeness and quality of financial and operational information being provided to the Council.
- ii. Seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council.

(c) External Reporting and Accountability

- i. Agree the appropriateness of the Council's existing accounting policies and principles and any proposed change.
- ii. Enquire of internal and external auditors for any information that affects the quality and clarity of the Council's financial statements and statements of service performance, and assess whether appropriate action has been taken by management in response to the above.

- iii. Satisfy itself that the financial statements and statements of service performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation), and recommend signing of the financial statements by the Chief Executive/Mayor and adoption of the Annual Report or Long Term Plan.
- iv. Confirm that processes are in place to ensure that financial information included in the entity's Annual Report and Long Term Plan is consistent with the signed financial statements.

(d) Risk Management

- i. Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks.
- ii. Review Council's annual insurance renewal and ensure the appropriateness of the level of self-insured risk.
- iii. Consider whether appropriate action is being taken by Management to mitigate Council's significant risks.

(e) Internal Audit

- i. Review and approve the internal audit coverage and annual work plans, ensuring these plans are based on the Council's risk profile.
- ii. Review the adequacy of management's implementation of internal audit recommendations.
- iii. Review the internal audit charter to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

(f) External Audit

- i. At the start of each audit, confirm the terms of the engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.
- ii. Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within.

- iii. Conduct a members-only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the Committee's attention and/or any issues of independence.
- iv. Consider any recommendation by management that the Office of the Auditor-General replace the external auditor.

(g) Compliance with Legislation, Standards and Good Practice Guidelines

- i. Review the effectiveness of the system for monitoring the Council's compliance with laws (including governance legislation, regulations and associated government policies), with Council's own standards, and Good Practice Guidelines as applicable.

Emergency Powers

- 5. All matters within the authority of Council, other than those reserved to Council under s.48 and Sch. 7 of the Local Government Act 2002.

POWER TO ACT:

Employment of Chief Executive

- (a) To decide all matters arising under s.42 and Cl. 33, 34, 35 and 36 of Sch. 7 of the Local Government Act 2002 and all matters arising from Council's employment agreement with the Chief Executive, except for:
 - (i) The appointment of a Chief Executive; and
 - (ii) The re-appointment of a Chief Executive for a second term under Cl. 34 Sch. 7 of the Local Government Act 2002; and
 - (iii) The termination of employment of the Chief Executive.
- (b) In undertaking performance reviews, whilst the process for undertaking the review is at the Committee's discretion; the Committee must:
 - (i) Seek the views of all Councillors, prior to assessing the Chief Executive's performance review.

- (ii) Seek the advice of an independent employment advisor, at least annually, on good practice, in undertaking a review.
- (c) In undertaking a remuneration review the Committee must seek the advice of an independent employment advisor, on good practice, in undertaking a review.

Appointment of Directors and Trustees

- (d) All matters pertaining to the selection, appointment and remuneration of directors to Council Controlled Organisations and trustees to Council Organisations, except for the appointments of directors and trustees.
- (e) All matters are to be in accordance with Council adopted policy on Appointment and Remuneration of Directors.

Emergency Powers

- (f) To decide all matters within the authority of Council where urgency precludes convening an Extraordinary meeting of the full Council, except for those matters reserved to Council under s.48 and Sch. 7 of the Local Government Act 2002.

Other

- (g) Approve Executive Committee meeting minutes.
- (h) Appoint sub committees with written terms of reference, resolved by the Committee.

POWER TO RECOMMEND

Employment of Chief Executive

- (a) The appointment of the Chief Executive;
- (b) The re-appointment of a Chief Executive for a second term under Cl. 34 Sch. 7 of the Local Government Act 2002.
- (c) The termination of employment of the Chief Executive.

Appointment of Directors and Trustees

- (d) Appointees for directors to Council Controlled organisations and trustees to Council organisations that meet the requirements of s.57 of the Local Government Act 2002.

Council Controlled Organisations

- (e) Any matters pertaining to Council's interest as a shareholder in Council Controlled Organisations, including:
 - i. Consideration of Statements of Intent
 - ii. Review of six monthly and annual performance against the statements of intent.
 - iii. Consideration of major transactions.
 - iv. Consideration of major transactions, acquisitions and disposals.

Adopted by Council on 28 November 2013
Amended and Readopted by Council on 27 February 2014

Report



DATE: 10 March 2014
TO: Executive Committee
FROM: Group Manager: Corporate Services

HALF YEAR PERFORMANCE REPORT – WESTLAND HOLDINGS LIMITED

1.0 SUMMARY

- 1.1 The purpose of this report is to submit the Half Yearly Report from Westland Holding LTD [WHL] for the six months ended 31 December 2013.
- 1.2 The report is dated 28 February 2014 and presented by the chairman, Graeme King.

2.0 CURRENT SITUATION

- 2.1 The report contains the consolidated financial performance and position for the Council Controlled Organisations, reporting to WHL.
- 2.2 Management have requested of WHL that commentary be provided to support the financial reports. This is a new request; thus the report is submitted in its original form.
- 2.3 In receiving this report, management observed an absence of clarity with regards to terms of reference.

3.0 RECOMMENDATIONS

- A) **THAT** the Committee receives the Half Yearly Report.

B) **THAT** the Committee defines its expectations with regards to WHL reporting and management interface.

Gary Borg
Group Manager Corporate Services

Appendix 1: Half Yearly Report from Westland Holdings Ltd (refer separate attachment)

APPENDIX 1

Half Yearly Report from Westland Holdings Ltd

(refer attached)

Report



DATE: 10 March 2014
TO: Executive Committee
FROM: Group Manager: Corporate Services

AUDIT MANAGEMENT REPORT YEAR ENDED 30 JUNE 2013

1.0 SUMMARY

- 1.1 The purpose of this report is to present the audit management report for the year ended 30 June 2013.
- 1.2 The report is written by John Mackey, Audit Director for Audit New Zealand and has been reviewed by management. Observations and comments from both are contained within the report.

2.0 CURRENT SITUATION

- 2.1 For most issues and observations management are satisfied that the report is an accurate representation of observations and responses.
- 2.2 Section 3.1 – Rates review
 - 2.2.1 identifies historical errors in a selection of Council's rates demands;
 - 2.2.2 highlights terminology and rating bases used that could be misinterpreted as being inaccurate.
- 2.3 Management obtained legal advice from Simpson Grierson, who provided opinion that, while measures should be taken in the future to use more definitive terminology; the rating bases and their application are compliant with the relevant legislation.

2.4 The Audit Management Report as presented reflects these opinions.

3.0 RECOMMENDATIONS

A) **THAT** the Committee receives the Audit Report.

B) **THAT** the Committee considers the advice received in the context of future annual plans, long term plans and annual reports.

Gary Borg
Group Manager Corporate Services

Appendix 1: Audit Management Report Year Ended 30 June 2013 (refer separate attachment)

APPENDIX 2

Audit Management Report Year Ended 30 June 2013

(refer attached)