

From: [Douglas Marshall](#)
To: [REDACTED]
Cc: [Lynn Brooks](#)
Subject: RE: LGOIMA Assignment - Committee Delegated Authorities & Meeting Attendance Ref: OIA 060/22
Date: Tuesday, 27 September 2022 6:26:01 pm
Attachments: [OIA Request_BDC Committee Meetings.docx](#)
[image010.png](#)
[FRAC committee delegations 2019-2022.pdf](#)
[image003.png](#)

Dear [REDACTED]

Thank you for your request which is attached.

Your request relates to 3 points being:

1. Delegation approval to make a decision
2. Whether all members of the council need to be at the Finance Risk and Audit Committee for it to make a decision.
3. A link to a 2016 governance structure paper

1. Delegation Approval

The Finance Risk and Audit Committee (FRAC) has a number of delegations/objectives/terms of reference listed on a 4-page document which appears at the front of each FRAC agenda.

I have read the May 2022 report where the staff reported to the committee on the need for additional funding for a number of projects. The committee decision to approval to additional cost and thus funding budgets was appropriate based on the committee delegations and I note the following extract from approximately ½ down page 3 which the committee decision was in-line with.

“Approval of operating and/or capital expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive’s delegation, excluding expenditure which:

- *contravenes the Council’s Financial Strategy; or*
- *significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or*
- *impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval”.*

2. Council members at the FRAC meeting to make the decision

The FRAC meeting had 9 members of the council at its meeting. A meeting can only proceed if adequate numbers of Council/committee members are in attendance to achieve the quorum number and 9 members in attendance is acceptable. The council/committee do not have to have all members present for decision to be made as in

practical terms is unlikely that any governance body at any one time would have all members due to issues such as illness or alternate activities that members might need to prioritise over meeting attendance from time to time. There might be an expectation as you note from the council report number, item 6, that all elected members attend a meeting but that is not always practical as I note above.

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3. [Link to the 2016 governance structure paper](#)

The 2016 governance structure was superseded by the 2019 delegations that the FRAC committee are governed by currently. I don't deem it reasonable that I should need to look back for the 2016 delegations/information when it has been superseded by the 2019 attached delegation but if you provide compelling reasons why the 2016 information is relevant, then I will consider further your request.

General comment on FRAC delegations

In my role of Chief Financial Officer for the council I have been considering the delegation list. I think the delegation is "wordy" and needs reviewing. Accordingly, your question is helpful for my review as I can apply your question to the review and draft a better future delegation for council consideration.

Thank you for raising this with Council. I welcome any further comment that you have.

Regards

Douglas Marshall | Chief Financial Officer (Contractor)
Mobile 027 458 4157 | Email Douglas.Marshall@bdc.govt.nz

Buller District Council | Phone 0800 807 239 | www.bullerdc.govt.nz
PO Box 21 | Westport 7866

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31 August 2022

Buller District Council

C/- LGOIMA@bdc.govt.nz

Dear Sir/Madam

Official information request: Buller District Council (BDC) Committee Delegated Authorities

Official information request: Buller District Council (BDC) Committee Meeting Attendance

Please supply the following information under the Local Government Official Information and Meetings Act (LGOIMA):

INTRODUCTION

I am aware that I have, in recent months, made numerous information requests making use of the LGOIMA. Please note that I do not use this option frivolously. I spend a number of hours searching the BDC website, and also use internet search engines in the hope relevant information may be located elsewhere.

REQUEST

1. Please advise the delegated authority under which the BDC Finance, Risk and Audit Committee (FRAC) is able to approve unauthorised capital expenditure.
2. Please advise or confirm the minutes, if any, where the BDC discussed and approved the requirement for, or expectation that, all councillors are required to attend all committee meetings, (refer below for further explanation).
3. Please advise the BDC website path, or provide a copy of, the 2016 governance structure paper included in the October 2016 or November 2016 council agenda – full agendas will suffice.

BACKGROUND

1- The May 2022 FRAC approved unbudgeted capital expenditure, and loan funding for historical unbudgeted capital expenditure. My understanding is that expenditure approval, capital and revenue in nature, is the responsibility of the BDC full council, and not at committee level. I am unable to locate the minutes where BDC delegated any authority to approve this type of expenditure.

2- The BDC October 2019 agenda item 11 requested council adopt the Governance Structure for the 2019-2021 (sic) triennium. Page 1, under the heading "Introduction", item 6 read; "The expectation of full attendance by Elected Members at Council, Finance Risk and Audit, Strategic Infrastructure, and Community, Environment and Services Committee meetings".

The item 6 requirement infers that all committee meetings are expected to be full council meetings, albeit under a different guise.

There is much written about the role(s) of and purpose(s) for local body committees within the context of local government in New Zealand. The previous BDC council (2016-2019), and perhaps those preceding, appeared to have no expectation that all councillors attend all committee meetings, (based upon committee meeting minutes). This also appears to be the model employed by many other local authorities, large, medium, and small.

3- No background explanation required. Request is only for a copy of previously published information.

If additional information is required please let me know as soon as possible. Contact details are recorded above

I understand that a decision on a request for information under the LGOIMA should be made within 20 working days of receiving that request.

Yours faithfully

A grey rectangular box used to redact the signature of the sender.

Finance Risk & Audit Committee

Reports to:	The Council
Chairperson:	Sharon Roche
Membership:	The Mayor, all Councillors and Maori Representative
Meeting Frequency:	Monthly
Quorum:	A majority of members (including vacancies)

Purpose

The Finance Risk & Audit Committee is responsible for:

1. Monitoring Council’s financial strategy, and financial performance against the Long Term Plan and Annual Plan.
2. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
3. Guiding and monitoring Council’s interests in its Council Controlled Organisations (CCOs),
4. Providing objective advice and recommendations to the governing body on the adequacy and functioning of the Council’s risk management, control and governance frameworks and processes.
5. Monitoring Council’s compliance with legislation.
6. Monitoring the Council’s external and internal audit process.
7. Ensuring the independence and effectiveness of Council’s Internal Audit processes.
8. Monitoring existing corporate policies and recommending new or amended policies to prevent and prohibit unethical, questionable or illegal activities.
9. Providing a communication link between management, internal auditors/external auditors and Council.
10. Supporting measures to improve management performance and internal controls.
11. Monitor the Council’s approach to risk identification and management, access the steps undertaken to control and treat the identifiable risks.
12. Review the Chief Executive Office’s performance, remuneration and other matters relating to the employment.
13. Such other Matters referred to it by Council.

In addition to the common delegations on page 9 the Finance Risk & Audit Committee is delegated the following Terms of Reference and powers:

Terms of Reference

1. To monitor Council's financial strategy, and performance against that strategy.
2. To monitor Council's financial and non-financial performance against the Council's 10 Year Plan.
3. To approve deferred capital expenditure.
4. To develop and monitor policy related to the following matters:
 - a) Financial management;
 - b) Revenue generation;
 - c) Procurement and tendering; and
 - d) The appointment and remuneration of directors and CCOs
5. To monitor the probity of processes relating to policies developed by the Finance Risk & Audit Committee.
6. To provide clear direction to Council's CCOs on Council's expectations, including feedback on draft statements of intent.
7. To receive Quarterly reports of Council's CCOs, including on board performance.
8. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for Council's approval by Council.
9. To monitor Council's investments External Audit.
10. Engage with Council's external auditors (includes Mayor & CEO) regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
11. Recommend to Council the terms and arrangements for the external audit programme.
12. Review the effectiveness of the Annual Plan audit and 10 Year Plan audit.
13. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.
14. The committee must make recommendations to Council on all matters relating to the employment of the Chief Executive Officer, include performance measures and remuneration.

Internal Audit

15. In conjunction with the Chief Executive Officer, agree the scope of the annual internal audit work programme.
16. Monitor the delivery of the internal audit work programme to ensure the effectiveness of the Council's internal control framework.
17. Assess whether Internal Audit's recommendations have been properly implemented by management.
18. Review the annual Internal Audit Plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

Other Matters

19. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks and report 6 monthly to Council.

20. Review the effectiveness of the systems for monitoring the Council's compliance against legislation, regulation, policy and guidelines (including health and safety).
21. Engage with internal and external auditors on any specific one-off audit assignments.
22. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
23. Provide an annual review of Council's risk management framework and amend as required.
24. Review and monitor integrity of interim and annual reports and recommend to Council for adoption.
25. Review and monitor business continuity planning.

The Committee is delegated the following powers to act:

- Approval of:
 - Appointments to and remove from, CCO Boards; and
 - A mandate on Council's position in respect of remuneration proposals for CCO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO
- Approval of statements of intent for each CCO
- Approval of proposed major transactions of CCOs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO.
- Approval of operating and/or capital expenditure within the Long Term Plan or Annual Plan that exceeds the Chief Executive's delegation, excluding expenditure which:
 - contravenes the Council's Financial Strategy; or
 - significantly alters any level of service outlined in the applicable Long Term Plan or Annual Plan; or
 - impacts Council policy or practice, in which case the delegation is recommendatory only and the Committee may make a recommendation to the Council for approval.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which:
 - exceed the Chief Executive's delegations, but
 - Approval of contractual and other arrangements for supply and services, and revenue generating contracts.

The Committee is delegated the following recommendatory powers:

- The Committee may make recommendations to Council.
- The Committee may make recommendations to other Committees.

Special Notes:

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- The Committee may request expert advice through an independent advisor when necessary for the Chief Executive Officer performance and remuneration review.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- The Chief Executive Officer and Group Manager Commercial and Corporate Services are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the committee meetings, as required.
- The Chairperson shall review the travel and other reimbursed expenses of the Chief Executive Officer and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chairperson shall review the travel and other reimbursed expenses of the Mayor and confirm compliance with Council policies. This information will be provided to the Chairperson on a monthly basis.
- The Chief Executive Officer (Principal Advisor) shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud or malpractice.
- The chairperson shall present an annual Audit and Risk Self Review to Council summarising the committee's activities during the year and any related significant results and findings.
- Written updates may be requested to be provided to Council meetings from the FRAC Chair & Group Manager Commercial & Corporate from time to time.

Oversight of Policies:

- *Risk Management Framework*
- *Freeholding of Leasehold Land*
- *Revenue and financing*
- *Rates remission*
- *Development and financial contributions*
- *Significance and engagement*
- *Treasury Management*
- *Sensitive Expenditure*