

## 12. Audit and Risk Management Committee: Appointment of Independent Member

Reference / Te Tohutoro: 23/1080526

Report of / Te Pou Matua: Leah Scales, General Manager Resources / CFO,  
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General Manager / Pouwhakarae: Dawn Baxendale, Chief Executive, dawn.baxendale@ccc.govt.nz

### Confidentiality

Section under the Act:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Sub-clause and Reason:	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.
Plain English Reason:	To protect the candidate's reputation
Report can be released:	Following the conclusion of the independent member appointment process.

### 1. Purpose of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is to recommend appointment of Michael Wilkes as the Independent Chair of the Audit and Risk Management Committee, effective immediately.
- 1.2 This report has been written following the selection and recruitment process to fill an independent Chair vacancy in the Audit and Risk Management Committee.

### 2. Officer Recommendations Ngā Tūtohu

That the Council:

1. [Appoint Michael Wilkes as Independent Chair of the Audit and Risk Management Committee with immediate effect.](#)

### 3. Reason for Report Recommendations Ngā Take mō te Whakatau

- 3.1 To fill the current independent Chair vacancy which will support the functions of the Audit and Risk Management Committee (ARMC). The ARMC Appointments Panel has identified a candidate for appointment by the Council.

### 4. Detail Te Whakamahuki

- 4.1 The Audit and Risk Management Committee includes three independent members, selected on the basis of their professional subject matter expertise and ability to provide independent oversight. This enables the Committee to effectively deliver its function.

4.2 Kim Wallace concluded her term as independent Chair in June 2023, resulting in a vacancy for the independent Chair position. The Committee considered the skills matrix (see attachment B) of the current members and noted that Jackie Cheyne (current independent member) is finishing in June 2024, so was seeking someone who had strong Audit and Risk experience.

4.2.1 The appointment is for a term of 3 years.

4.3 An advertising campaign both independently and via Institute of Directors was undertaken which did not result in a recommended appointment. Michael was identified by both Jackie and Kim as a potential candidate to approach. An interview was arranged with both Dawn Baxendale and Leah Scales and it is our recommendation that Michael be appointed into the Chair role.

The recommendation from the appointments panel noted:

*"Michael Wilkes has extensive audit and risk experience, he could clearly articulate his deep knowledge and expertise related to risk management, local government, governance, and the key role an Audit and Risk Committee plays in supporting the Council in managing its risk. Given Jackie is standing down at the end of the current financial year, Michael's background will ensure we will continue to be supported strongly in our audit programme. Being Christchurch based, and with extensive Governance experience he is an ideal candidate for the Chair role.*

4.4 Staff completed a number of background checks, including:

4.4.1 CV review (see attachment A),

4.4.2 Reference checks,

4.4.3 Ministry of Justice check.

4.5 The Audit and Risk Management Committee Appointments Panel nominates Michael Wilkes as an independent member of their Committee and seek an immediate appointment by the Council.

## 5. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

Strategic Alignment Te Rautaki Tīaroaro

5.1 This report supports the [Council's Long Term Plan \(2021 - 2031\)](#):

5.2 Internal Activities

5.2.1 Activity: Risk and Internal Audit

- Level of Service: 13.6.11.1 Risk Management advisory service to promote and cultivate good risk management discipline through planning, reporting and undertaking initiatives. - Support ELT's Risk Management through risk reporting, and complete initiatives agreed through an annual ELT Risk Management Improvement Plan.

Policy Consistency Te Whai Kaupapa here

5.3 The decision is consistent with Council's Plans and Policies.

Impact on Mana Whenua Ngā Whai Take Mana Whenua

5.4 The decision does not involve a significant decision in relation to ancestral land or a body of water or other elements of intrinsic value, therefore this decision does not specifically impact Mana Whenua, their culture and traditions.

## Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

5.5 The Audit and Risk Management Committee has a role in considering climate change impacts, therefore effective independent risk skills will support Council oversight.

## Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

5.6 There are no specific accessibility considerations.

## 6. Resource Implications Ngā Hīraunga Rauemi

### Capex/Opex / Ngā Utu Whakahaere

6.1 There are no cost implications as this appointment replaces a position that became vacant.

## 7. Legal Implications Ngā Hīraunga ā-Ture

### Legal Implications / Ētahi atu Hīraunga-ā-Ture

7.1 There is no legal context, issue or implication relevant to this decision.

## 8. Risk Management Implications Ngā Hīraunga Tūraru

8.1 It is anticipated that this appointment will enhance governance level risk management oversight.

## Attachments / Ngā Tāpirihanga

No.	Title	Reference	Page
A	CV	23/1087164	
B	Skills matrix	23/1087170	

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Not applicable	

## Confirmation of Statutory Compliance / Te Whakatūturutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

(i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and

(ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

Author	Leah Scales - General Manager Resources/Chief Financial Officer
Approved By	Dawn Baxendale - Chief Executive

Released From Public Excluded

	Knowledge Area	Details of core knowledge	Independent Chair
ESSENTIAL TECHNICAL SKILLS	Financial reporting	Understanding of the Council's accounting policies and practices. Ability to contribute to improving the quality, credibility and objectivity of the financial reporting, and to review the draft annual financial statements and any other financial reports and make recommendations to Management.	
	Risk management specialist	Understanding of the principles of risk management, including linkage to good governance and decision-making. Knowledge of the risk management framework and risk appetite of the Council. Understanding of risk governance arrangements, including the role of members and of the Audit and Risk Management Committee.	
	Internal Audit	Understanding of internal audit reports and the adequacy of management's response to internal audit recommendations.	
	External Audit	Knowledge of the role and functions of the external auditor and who currently undertake this role. Knowledge of the key reports and assurances that external audit will provide.	
	Christchurch lens	Understands the challenges Christchurch faces and the background to its current position and interactions with central government and regional agencies.	
	Local Government / Regulatory framework	Understanding of local government and regulatory framework and functions. Appreciates the key determinants and measurements of success for the Council. Has an overview of the governance structures of the Council and decision-making processes.	
DESIREABLE TECHNICAL SKILLS	Commercial / Programme Management	Understands the commercial context and has commercial nous/acumen. Knowledge of specific areas of interest to the Committee, project management principles, and contract law.	
	Legal / Compliance	Understanding 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 Best Practice Guidelines.	
	Cyber Security / Privacy	Understanding the adequacy and effectiveness of internal controls and the internal control framework including overseeing privacy and cyber security.	
	Counter-fraud	Awareness of the processes or systems in place to capture and effectively investigate fraud or material litigation should it be required.	
ESSENTIAL COMPETENCIES	Challenging questions	Questions and challenges assumptions and bias behind information to gain a high level of understanding of specific risks.	
	Critical thinking	Applies critical thinking to analyse, assess, evaluate, distil and question information. Able to focus on material issues and overall position, rather than being side-tracked by detail.	
	Governance experience	Experience applying an understanding of governance and maintaining a governance focus. Recognises perceived and real conflict of interest situations, when to declare an interest and acts accordingly and appropriately.	
	Determining key focus areas	Recognises what information is critical for strategic decision-making. Is alert and responsive to change. Identifies the key issues and opportunities within information in a structured manner.	
	Interested and engaged	Contributes to the setting of congruent strategic reporting requirements in order to inform decision-making and articulates these requirements to management. Shows energy, vitality and commitment to the Council's values and culture and for his or her role as member.	