

GOVERNANCE			
Subject	Audit & Risk Committee Policy	Pages	4
Issuing Authority	TRUST BOARD	ISSUE DATE	29 June 2009

BACKGROUND

The Tasman Bays Heritage Trust Mission Statement is:

“Create value for the community, shareholders and stakeholders through:

Protecting preserving and promoting our taonga/treasures

Educating our visitors

Engaging with our communities

Endowing our future”

Nelson Provincial Museum (NPM) is administered by Tasman Bays Heritage Trust (TBHT), which is the legal entity and governance body. The Board of Trustees is accountable for TBHT Nelson Provincial Museum. The Chief Executive (CE) is responsible for the management of TBHT Nelson Provincial Museum.

The Board of Trustees of Tasman Bays Heritage Trust (“the Board”) has resolved to establish a Committee to be known as the Audit & Risk Committee (“the Committee”). The Committee is a delegated sub-committee of the Board. Its objectives, membership, term of office, and duties and responsibilities, are set out below.

1. OBJECTIVES

The primary objectives of the Committee are as follows:

- To set the principles and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of external and internal audit. This objective enables the Committee to satisfy itself on behalf of the Board that management are discharging their responsibilities in accordance with established processes and wherever practical, best practice methodologies.
- To ensure the efficient and effective management of all business risk, and the efficient and effective compliance with relevant legal and Trust policy requirements.
- To adhere to the statutory compliance for a council-controlled organisation.

2. STRUCTURE AND COMPOSITION

The Board will confirm annually the membership of the Committee, which is to be comprised of a minimum of two Trustees and the Chairman of the Board ex officio. At least one member of the Committee shall have an accounting or financial background.

One of the members will be appointed Chairman of the Committee.

The Committee has the authority to direct individuals to participate in the Committee from time to time, including but not limited to the Chief Executive Officer, Financial Services Officer and the External Auditors.

3. MEETINGS

The Committee will meet in January and July and as it deems necessary to properly fulfil its obligations and discharge its duties. In addition, the Chairman is required to call a meeting of the Committee if requested to do so by any Committee member, the Chief Executive Officer, Financial Services Officer and the External Auditors.

A quorum shall consist of no less than two Committee members, one of whom shall be the Chairman or a nominee of the Chairman. There will be no alternates or proxy voting of Committee members.

Any Trustee of the Board shall be entitled to attend a meeting of the Committee.

Minutes will be taken and presented to the next Board meeting.

4. ACCESS

The Committee shall have the authority to seek any information it requires from any officer or employee of the Trust and such officers or employees are instructed by the Board to respond to such enquiries.

The Committee is authorised to take such professional advice as it considers necessary to execute its duties and responsibilities.

5. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

External Audit

- Ensure through liaison with the External Auditor, that the Trust is discharging its responsibilities to meet relevant legislation and regulatory requirements governing council-controlled organisations including generally accepted accounting practice and other applicable financial reporting standards. (IFRS).
- Approve the scope and emphasis of the annual audit plan, timetable and audit fee.
- Review draft financial statements with the Chief Executive, Financial Services Officer and the External Auditors, and recommend final acceptance of the half year report and the full financial statements for each financial year to the Board.
- Provide advice on and review the Tasman Bays Heritage Trust Annual Report prior to consideration by the Board. Provide advice to the stakeholders and public at the annual meeting.

- Receive, consider and ensure appropriate action is taken on the External Auditors report to management on the status of internal control and management systems.
- Review accounting policies and practices, in particular new accounting policies or amendments to existing accounting policies, to ensure appropriateness and compliance with generally accepted accounting practice and applicable financial reporting standards.

Risk Management, Monitoring and Reporting

- Review and recommend to the Board adoption of the Risk Management Policy and management's recommended risk management framework.
- To review management's prioritisation of risks as set out in the framework and recommend key risks to the Board for which risk management plans will be developed and implemented.
- Review and approve management's annual risk management programme to ensure risks are managed in a systematic and prioritised manner and assessed regularly.
- Ensure management undertake a regular legal and statutory compliance review, including assessment of all elements of the group.
- Review annually the Code of Ethics and related procedures to ensure compliance.
- Ensure the development of regular reporting mechanisms to the Board to give assurance on compliance with the Risk Management Policy.
- Review the Risk Management Policy annually.
- Review and approve management's annual compliance management and training implementation programme to ensure risks are managed and training is implemented in a systematic and prioritised manner.

Investment Review

- Evaluate post-implementation reviews on capital expenditure projects / investment above the delegated authority of the Chief Executive Officer within 3 months of project / investment completion and at 12 months post-completion.

Other Committee Duties

- Review other financial issues as delegated by the Board.
- Identify and direct any special projects or investigations deemed necessary.
- Undertake other duties as delegated by the Board from time to time.
- Review Delegation of Authority to management annually.
- Review the Committee Policy annually.

Limits on Authority

The Committee is a sub-committee of the Board and as such is accountable to the Board and must report regularly to the Board. The Committee must operate in accordance with the

directions from the Board and unless the Board delegates decision making power to the Committee it has no delegated authority except to make recommendations or provide advice to the Board.

6. REVIEW

This policy will be reviewed at least once every five years

Relevant Legislation:

Financial Reporting Act 1993
Charitable Trusts Act 1957
Local Government Act 2002