



Business Assurance Charter

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Greater Wellington Regional Council - Business Assurance Charter

1. Purpose of the Charter and context

Within Greater Wellington Regional Council (“GW”), Business Assurance supports the Chief Executive and Executive Leadership Team (ELT) to lead the organisation and meet their obligations (primarily the provision of effective and efficient operating and financial control environment) and manage risks. This charter provides the functional and organisational framework within which Business Assurance operates within GW and sets out the nature, role, status, authority and responsibility of Business Assurance.

2. Mission and objective of business assurance?

Business Assurance’s mission is to provide independent, objective assurance to the Finance, Risk and Assurance Committee on the state of risks and internal controls, along with providing management with recommendations to enhance controls. Its secondary objective is to assist the Chief Executive (“CE”) and Management Team in the effective discharge of their responsibilities to the Council in the areas of risk management and internal control, by providing independent appraisals of the adequacy and effectiveness of the risk management and internal control systems. In performing this role, Business Assurance may also provide assistance to the Council in the discharge of its responsibilities.

3. Authority and Independence

In consultation with the Chief Executive and ELT, the External Provider of Business Assurance will determine the nature, scope and timing of Business Assurance activities. These activities will be reflected through the annual Business Assurance Plan.

Through delegation from the Chief Executive, Business Assurance will have full, free and unrestricted access to all relevant GW activities, records, premises, property, personnel and assets, as required for the satisfactory completion of any Business Assurance activities.

In order to preserve its independence and objectivity, Business Assurance will have no management or other direct responsibility or authority over the activities it reviews.

All work performed by Business Assurance is subject to the GW’s confidentiality and privacy policies.

It is the responsibility of Business Assurance staff to communicate to the CE and Audit Committee any perceived or potential conflicts that may compromise the objectivity or independence of Business Assurance.

4. Accountability for Business Assurance

The Chief Executive is accountable for the Business Assurance function. The External Provider of Business Assurance has direct access to the Chief Executive for the purpose of Business Assurance matters, and reports functionally to the Treasurer for administrative purposes.

The External Provider of Business Assurance has full and free access to the Audit, Risk and Finance Committee in relation to all Business Assurance, information dissemination, risk and control related issues.

5. Accountability of Management

GW management is responsible and accountable for ensuring systems, controls and procedures are in place to ensure risks are managed and controls are operating as intended. Resolution of issues and the implementation of recommendations, whether raised by Business Assurance or the Statutory Auditor, is the responsibility of management. The Treasurer will perform regular monitoring and reporting of outstanding audit issues/recommendations.

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6. Scope

Business Assurance Activities: Undertaken by the External Provider of Business Assurance, selected reviews provide the Chief Executive and ELT with evidence that business activities and change programmes have proper governance; that planned risk management activities are occurring; and that key risk treatments or controls remain effective.

Business Assurance work will primarily be centred on:

- *Assurance Services* – Objective examination of evidence for determining whether key risk mitigation controls are working as intended across core business processes and major programmes. For example, financial, operational or compliance audits.
- *Advisory Services* – Advisory and assistance activities which can vary significantly in nature and scope that support change projects with the aim to ensure that adequate operational controls are specified into the future state operating model. For example, participation in project teams, advice on the design of system controls, and training.
- *Facilitation of other assurance activities.* For example, assistance in management-sustained assurance activities, generally in circumstances where there is a high dependency on controls or treatments to mitigate material operational risks.

7. Reporting

- **Business:** Meetings will be held with management of the area subject to Business Assurance prior to issuing any report in order to gain agreement on the factual accuracy of the report.
- **Written reports** will be issued to relevant parties for all Business Assurances performed and will address findings of audit activities stipulated in the agreed Terms of Reference.
- **Finance, Risk and Assurance Committee:** The committee will be provided with a regular Business Assurance report.
- **External Audit:** To promote efficiency and avoid any duplication of effort all Business Assurance reports will be made available to the financial audit provider (currently Audit New Zealand) on request.

8. Professional Standards

Business Assurance will adhere to the *Institute of Internal Auditors' International Professional Practices Framework*.

Performance measures will be established to ensure the continuous improvement of the quality of Business Assurance activity.

This charter will be periodically reviewed by the Audit, Risk and Finance Committee to confirm that it continues to be adequate in allowing Business Assurance to achieve its objectives.

Signed on 14 February 2017

Greg Campbell

Chief Executive of Greater Wellington Regional Council

