



Rangitikei District Council

Audit/Risk Committee Meeting

Minutes – Tuesday 1 September 2015 – 1:15 p.m.

Contents

1	Council Prayer	3
2	Welcome and introduction from the Mayor.....	3
3	Apologies/Leave of Absence	3
4	Independent Chair’s declaration and installation.....	3
5	Confirmation of order of business	3
6	Review of the Committee’s terms of reference.....	3
7	Managing the Council’s risk	3
8	Audit for 2014/15.....	4
9	Audit management report on the 2015/25 Long Term Plan.....	5
10	Legal compliance monitoring project.....	6
11	Agenda planning	6
12	Late items.....	6
13	Future items for the agenda	6
14	Next meeting.....	6
15	Meeting closed.....	7

Present: Mr Craig O'Connell (Chair)
Cr Nigel Belsham
Cr Dean McManaway
Cr Lynne Sheridan
His Worship the Mayor, Andy Watson

Also present: Cr Soraya Peke-Mason

In attendance: Mr Ross McNeil, Chief Executive
Mr Michael Hodder, Community & Regulatory Services Group Manager
Mr George McIrvine, Finance & Business Support Group Manager
Ms Debbie Perera, Associate Director, Audit New Zealand
Mrs Priscilla Jeffrey, Governance Administrator

Tabled Documents: **Item 2** Report, dated 1 September 2015, from His Worship the Mayor

1 Council Prayer

His Worship the Mayor read the Council prayer.

2 Welcome and introduction from the Mayor

His Worship the Mayor welcomed everyone to the meeting and thanked Ms Debbie Perera, Associate Director Auditor New Zealand, for coming.

His Worship the Mayor read his tabled report. In concluding, he welcomed the appointment of Craig O'Connell as Chair and believed his guidance and independence would be invaluable to the Council.

3 Apologies/Leave of Absence

Nil

4 Independent Chair's declaration and installation

Mr Craig O'Connell read the following declaration.

I, Craig O'Connell, declare that I will faithfully and impartially, and according to the best of my skill and judgement, execute and perform, in the best interests of the Rangitikei District, the powers, authorities, and duties vested or imposed upon me as the Chair of the Audit/Risk Committee of the Rangitikei District Council by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, or any other Act.

Mr O'Connell then took the Chair.

5 Confirmation of order of business

There was no change to the order of business. The Chair commented on the amount of information the Committee could be required to consider and suggested looking particularly at what could change and be improved on. This was the first of two meetings in 2015 and would be a learning process.

6 Review of the Committee's terms of reference

The Committee reviewed its terms of reference.

Resolved minute number **15/ARK/001** **File Ref** **3-OR-3-4**

That the Audit/Risk Committee recommends to Council that the Committee's approved terms of reference be adopted subject to the addition of an annual review of its terms of reference and delegations.

His Worship the Mayor / Cr McManaway. Carried

7 Managing the Council's risk

Mr Hodder spoke to his report.

Resolved minute number **15/ARK/002** **File Ref** **5-PO-1**

That the report 'Managing the Council's risks' be received.

His Worship the Mayor / Cr Belsham. Carried

Resolved minute number **15/ARK/003** **File Ref** **5-PO-1**

That the risk management policy be adopted as presented.

His Worship the Mayor / Cr Belsham. Carried

Resolved minute number **15/ARK/004** **File Ref** **5-PO-1**

That a revised risk management framework be provided to the next meeting of the Audit/Risk Committee, taking into account

- a. the Committee's perspective on tables 1 and 2 in the risk management policy,
- b. the forecasting assumptions included in the 2015/25 Long term Plan
- c. closer definition of likelihood, consequence and effectiveness of current controls and systems.

Cr Sheridan / Cr McManaway. Carried

Undertaking Subject Revised Risk Management Framework

The Chair to read and summarise the good practice guide *Audit committees in the public sector* published by the Office of the Auditor General in 2008 and the follow-up discussion paper *Making the most of audit committees in the public sector* released in 2014.

8 Audit for 2014/15

The Committee considered the interim management report from the Council's auditors including an extract from the Draft 2014/15 Annual Report relating to the following items:

- Whole of Council – Funding Impact Statement
- Statement of Comprehensive Revenue and Expense
- Statement of Changes in Net Assets/Equity
- Statement of Financial Position
- Statement of Cashflows
- Part of Note 14: *Roading impairment*

A draft management response was in preparation, but not yet at a stage where it could be tabled at the meeting.

The Committee also considered the draft arrangements letter from Audit New Zealand for the 2014/15 audit.

Resolved minute number **15/ARK/005** **File Ref** **5-EX-2-4; 5-FR-1**

That the Interim management audit report for 2014/15 be received.

His Worship the Mayor / Cr Belsham. Carried

Resolved minute number **15/ARK/006** **File Ref** **5-EX-2-4; 5-FR-1**

That the draft arrangement letter for the 2014/15 audit be received.

Cr Belsham / Cr McManaway. Carried

9 Audit management report on the 2015/25 Long Term Plan

Mr Hodder spoke to his memorandum.

Resolved minute number **15/ARK/007** **File Ref** **1-LTP15-1-2**

That the audit management report on the 2015/25 Long Term Plan be received.

His Worship the Mayor / Cr McManaway. Carried

Resolved minute number **15/ARK/008** **File Ref** **1-LTP15-1-2**

That the Audit/Risk Committee endorses the proposed responses to the audit management report on the 2015/25 Long Term Plan, and requests an update to the Committee's first

meeting in 2016 on progress with committed actions.

His Worship the Mayor / Cr McManaway. Carried

10 Legal compliance monitoring project

Consideration was given to the report by the Policy Analyst, Mr Stuart Hylton.

Resolved minute number **15/ARK/009** **File Ref** **5-PY-1**

That the Legal Compliance Project Report be received.

His Worship the Mayor / Cr Sheridan. Carried

11 Agenda planning

The Committee, with regard to its terms of reference, identified four topics it wished to consider during the next twelve months.

Resolved minute number **15/ARK/010** **File Ref**

That in addition to monitoring the Council's approach to risk and considering reports from the Council's auditors, the key topics for the Assets/Risk Committee until the end of 2016 be:

- investigation into the establishment of an infrastructure services Council-Controlled Organisation;
- considerations for joint venture engagements;
- project management procedures;
- Internal Audit programme

and that the Committee requests the Chief Executive to arrange preparation of briefing papers for these topics, one for each meeting.

Cr Sheridan / Cr Belsham. Carried

12 Late items

Nil

13 Future items for the agenda

Nil

14 Next meeting

To be advised by the Chief Executive – potentially early December 2015

15 Meeting closed – 4.06 pm

Confirmed/Chair: _____

Date: