

Audit and Risk Management Committee AGENDA

Notice of Meeting:

An ordinary meeting of the Audit and Risk Management Committee will be held on:

Date: Tuesday 15 March 2016
Time: 12.30 pm
Venue: Committee Room 1, Level 2, Civic Offices,
53 Hereford Street, Christchurch

Membership

Chairperson	Ms Sue Sheldon
Deputy Chairperson	Councillor Raf Manji
Members	Councillor Lianne Dalziel
	Deputy Mayor Vicki Buck
	Councillor Jamie Gough
	Councillor Jimmy Chen
	Councillor David East
	Mister Mark Russell
	Mister Michael Rondel

9 March 2016

Principal Advisor

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Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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Audit and Risk Management Committee - Terms of Reference

Chair	Sue Sheldon
Membership	Cr Manji (Deputy Chair), The Mayor, Cr Buck, Cr Chen, Cr East, Cr Gough, Messrs Russell and Rondel
Quorum	Half of the members if the number of members (including vacancies) is even, or a majority of members if the number of members (including vacancies) is odd.
Meeting Cycle	Meetings will be held at least quarterly
Reports To	Council

Terms of Reference

To assist the Council to discharge its conformance responsibilities as outlined below by making recommendations to the Council and/or to management:

- the robustness of the internal control framework
- the integrity and appropriateness of internal and external reporting and accountability arrangements
- the robustness of risk management systems, process and practices
- the independence and adequacy of internal and external audit functions
- compliance with applicable laws, regulations, standards and best practice guidelines; and
- the establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.

Internal Control Framework

- Ensure that management's approach to maintaining an effective internal control framework is sound and effective
- Enquire as to the steps management has taken to embed a culture that is committed to probity and ethical behaviour
- Review the processes or systems in place to capture and effectively investigate fraud or material litigation should it be required
- Seek advice periodically from internal and external auditors regarding the completeness and quality of financial and operational information that is provided to the Council

Risk Management

- To assist the Council to determine its appetite for risk.
- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's significant risks
- Consider whether appropriate action is being taken by management to mitigate Council's significant risks
- Ensure that management is kept apprised of the Council's governance body's views on uncontrolled risk
- Ensure management are keeping the Audit and Risk Management Committee fully apprised of all independent sources of assurance, via the risk management framework.

Internal Audit

- Review and approve the internal audit coverage and annual work plans, ensuring these plans are based on the Council's risk profile
- Review the adequacy of management's implementation of internal audit recommendations
- Conduct a members-only session with internal audit to discuss any matters that the auditors wish to bring to the Committee's attention.

External Reporting and Accountability

- Consider the appropriateness of the Council's existing accounting policies and principles and any proposed changes
- Enquire of external auditors for any information that affects the quality and clarity of the Council's financial statements, and assess whether appropriate action has been taken by management
- Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation), and recommend signing of the financial statements by the Chief Executive and Mayor and adoption by Council
- Confirm that processes are in place to ensure that financial information included in the entity's annual report is consistent with the signed financial statements
- Review the Long Term and Annual Plans before adoption by the Council. This would be done by way of an independent member's review of the draft Long Term and Annual Plans in relation to the Risk Management framework.
- Satisfy itself that the Statement of Service Performance is supported by appropriate management signoff on the statement and on the adequacy of the systems of internal management and control
- Receive and consider the Summary Financial Statement for consistency with the Annual Report.

External Audit

- Confirm the terms of the appointment and engagement, including the nature and scope of the audit, timetable and fees, with the external auditor
- Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within
- Conduct a members-only session with external audit to discuss any matters that the auditors wish to bring to the Subcommittee's attention and/or any issues of independence.

Compliance with Legislation, Standards and Best Practice Guidelines

- Review 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.

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- Part A Matters Requiring a Council Decision
Part B Reports for Information
Part C Decisions Under Delegation
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1. Apologies

At the close of the agenda no apologies had been received.

2. Declarations of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

3. Confirmation of Previous Minutes

That the minutes of the Audit and Risk Management Committee meeting held on [Tuesday, 23 February 2016](#) be confirmed (refer page 7).

4. Deputations by Appointment

There were no deputations by appointment at the time the agenda was prepared.

5. Presentation of Petitions

There were no petitions received at the time the agenda was prepared.

Audit and Risk Management Committee OPEN MINUTES

Date: Tuesday 23 February 2016
Time: 1.00pm
Venue: Committee Room 1, Civic Offices, Level 2,
53 Hereford Street, Christchurch

Present

Chairperson	Ms Sue Sheldon
Deputy Chairperson	Councillor Raf Manji
Members	Mayor Lianne Dalziel
	Deputy Mayor Vicki Buck
	Councillor Jamie Gough
	Councillor Jimmy Chen
	Councillor David East
	Mister Mark Russell
	Mister Michael Rondel

22 February 2016

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Part A Matters Requiring a Council Decision
Part B Reports for Information
Part C Decisions Under Delegation

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The agenda was dealt with in the following order.

1. Apologies

Part C

Apologies

Committee Resolved ARCM/2016/00001

It was resolved on the motion of Chairperson Sheldon, seconded by Councillor Chen that the apologies from Mayor Dalziel and Michael Rondel be accepted.

Chairperson Sheldon/Councillor Chen

Carried

2. Declarations of Interest

Part B

There were no declarations of interest recorded.

3. Confirmation of Previous Minutes

Part C

Committee Resolved ARCM/2016/00002

That the minutes of the Audit and Risk Management Committee meeting held on Tuesday, 24 November 2015 be confirmed.

Councillor East/Councillor Gough

Carried

4. Deputations by Appointment

Part B

There were no deputations by appointment.

5. Presentation of Petitions

Part B

There was no presentation of petitions.

6. Health and Safety Management Update

Committee Comment

The Committee considered the report information and made a number of recommendations to management with respect to risk management, reporting, contractors and lead indicator development.

Staff Recommendations

That the Audit and Risk Management Committee:

1. Consider the information presented in this report.

Committee Resolved ARCM/2016/00003

Committee Decisions under Delegation

Part C

The Audit and Risk Management Committee:

1. Received the report and made a number of recommendations to management with respect to risk management, reporting, contractors and lead indicator development.

Councillor Gough/Councillor East

Carried

7. Audit and Risk Management Committee - Amended Terms of Reference

Committee Comment

The Committee considered the report updating it on the amendment made to its Terms of Reference by the Council at its 28 January 2016 meeting in regard to the draft Long Term and Annual Plans.

Staff Recommendations

That the Audit and Risk Management Committee:

1. Note the amendment to its Terms of Reference as approved by the Council at its 28 January 2016 meeting.

Committee Resolved ARCM/2016/00004

Committee Decisions under Delegation

Part C

The Audit and Risk Management Committee noted the amendment to its Terms of Reference as approved by the Council at its 28 January 2016 meeting.

Chairperson Sheldon/Councillor Chen

Carried

8 Resolution to Exclude the Public

Committee Resolved ARCM/2016/00005

Part C

The Committee **resolved** that at 1.55pm the resolution to exclude the public set out on pages 21 to 22 of the agenda be adopted and that Audit New Zealand be invited to attend the public excluded section for their expertise.

Chairperson Sheldon/Councillor Manji

Carried

The public were re-admitted to the meeting at 3.37pm.

Meeting concluded at 3.37pm.

CONFIRMED THIS 24TH DAY OF May 2016.

SUE SHELDON
CHAIRPERSON

6. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items listed overleaf.

Reason for passing this resolution: good reason to withhold exists under section 7.

Specific grounds under section 48(1) for the passing of this resolution: Section 48(1)(a)

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

- “(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):
- (a) Shall be available to any member of the public who is present; and
 - (b) Shall form part of the minutes of the local authority.”

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PLAIN ENGLISH REASON	WHEN REPORTS CAN BE RELEASED
7	PUBLIC EXCLUDED AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES - 23 FEBRUARY 2016			REFER TO THE PREVIOUS PUBLIC EXCLUDED REASON IN THE AGENDAS FOR THESE MEETINGS.	
8	CONSIDERATION OF THE COUNCIL'S DRAFT ANNUAL PLAN 2016	S7(2)(B)(II)	PREJUDICE COMMERCIAL POSITION	DOCUMENTS ARE STILL DRAFT AND SUBJECT TO CHANGE BY THE COMMITTEE.	Following the Council resolution to approve for consultation