

STAFF REPORT

TO: Chair and Members, Audit Subcommittee
FROM: Corporate Services Manager
DATE: 1 December 2010
SUBJECT: Audit Subcommittee Update – RFN10-12-01

Purpose

To update members on the terms of reference for the Audit Subcommittee and to consider the upcoming work programme.

Discussion

The Audit Subcommittee is a Subcommittee of the Corporate Services Committee and undertakes work on behalf of that Committee. The Audit Subcommittee is governed by its terms of reference which are:-

To oversee the audit of Council's Annual Report and Long Term Council Community Plan and consider and report as necessary on the findings of any audit management report

The subcommittee normally meets twice a year although other meetings can be scheduled if needed. These meetings normally cover the following matters.

1. Considering and reviewing Council's annual report prior to it being presented to Audit NZ for their annual audit. This meeting normally occurs during the month of August and during this meeting the subcommittee works through the various assumptions (accounting policies) that underlie the financial statements. If the subcommittee is satisfied with the underlying assumptions and have received satisfactory answers to questions the annual report is adopted for audit.
2. During November or December the subcommittee considers the previous year's audit management letter. The management letter provides comment and raises any issues that the auditors consider that Council should be aware of. There is also an opportunity for the subcommittee to have a confidential discussion with the audit director without management being present
3. During the years that Council prepares a long term council community plan an additional meeting is scheduled to consider matters that relate to the audit of that plan.

As part of ensuring that this subcommittee operates in accordance with industry best practise it is anticipated that in future this subcommittee will also review and make comment on the annual audit process for the forthcoming year before it is signed off by the Mayor. This review by the subcommittee ensures that any subcommittee concerns are able to be factored into the annual audit programme.

Recommendation

That the Audit Subcommittee receives Audit Subcommittee Update – RFN10-12-01.

Murray Staite
Corporate Services Manager