

# NOTICE OF MEETING



## EXTRAORDINARY AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

An Extraordinary Audit, Risk and Improvement Committee Meeting of Byron Shire Council  
will be held as follows:

Venue	<b>Conference Room, Station Street, Mullumbimby</b>
Date	<b>Thursday, 12 October 2017</b>
Time	<b>11.30am</b>

A handwritten signature in black ink that reads 'Mark Arnold'.

Mark Arnold  
Director Corporate and Community Services

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## CONFLICT OF INTERESTS

**What is a “Conflict of Interests”** - A conflict of interests can be of two types:

**Pecuniary** - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

**Non-pecuniary** – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Local Government Act (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

**Remoteness** – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in Section 448 of the Local Government Act.

**Who has a Pecuniary Interest?** - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

**Relatives, Partners** - a person is taken to have a pecuniary interest in a matter if:

- The person’s spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

(a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person’s spouse;

(b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

**No Interest in the Matter** - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

### Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
  - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or
  - (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

**No Knowledge** - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

### Participation in Meetings Despite Pecuniary Interest (S 452 Act)

A Councillor is not prevented from taking part in the consideration or discussion of, or from voting on, any of the matters/questions detailed in Section 452 of the Local Government Act.

**Non-pecuniary Interests** - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as if the provisions in S451 of the Local Government Act apply (particularly if you have a significant non-pecuniary interest)

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## RECORDING OF VOTING ON PLANNING MATTERS

### Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
  - (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
  - (b) not including the making of an order under Division 2A of Part 6 of that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

**BYRON SHIRE COUNCIL**  
EXTRAORDINARY AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

**BUSINESS OF MEETING**

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY**

**3. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS**

3.1 Audit, Risk and Improvement Committee Meeting held on 17 August 2017

**4. STAFF REPORTS**

**Corporate and Community Services**

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**5. CONFIDENTIAL REPORTS**

**Corporate and Community Services**

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## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1                      Draft 2016/2017 Financial Statements****Directorate:** Corporate and Community Services**Report Author:** James Brickley, Manager Finance**File No:** I2017/1475**Theme:** Corporate Management  
Financial Services**Summary:**





This Report has been prepared to provide the Audit, Risk and Improvement Committee with a report on the external audit for the financial year ended 30 June 2017, and to recommend to Council the adoption of the Draft 2016/2017 Financial Statements, to complete the steps outlined in Section 418 to 420 of the Local Government Act 1993, for the finalisation of the 2016/2017 financial reporting cycle.

**RECOMMENDATION:**

**That the Audit, Risk and Improvement Committee recommend to Council:**

- 1. That Council approve the signing of the “Statement by Councillors and Management” in accordance with Section 413(2)(c) of the Local Government Act 1993 and Regulation 215 of the Local Government (General) Regulation 2005 in relation to the 2016/2017 Draft Financial Statements.**
- 2. That Council exhibit the Financial Statements and Auditor’s Report and call for public submissions on those documents with submissions closing on 30 November 2017 in accordance with Section 420 of the Local Government Act 1993.**
- 3. That the Audited Financial Statements and Auditors Report be presented to the public at the Ordinary Meeting of Council scheduled for 23 November 2017 in accordance with Section 418(1) of the Local Government Act 1993.**

**Attachments:**

- 1 Draft 2017 General Purpose Financial Statements, E2017/95474 
- 2 Draft 2017 Special Purpose Financial Statements, E2017/95475 
- 3 Draft 2017 Special Schedules, E2017/95476 
- 4 Draft 2017 Conduct of the Audit Report received from the NSW Audit Office, E2017/95472 
- 5 Confidential - Draft 2017 Client Service Report received from the NSW Audit Office, E2017/95473

**Report**

The purpose of this report is to provide an opportunity for members of the Audit, Risk and Improvement Committee to discuss the information contained within the Draft 2016/2017 Financial Statements and to make recommendations to Council on the signing of the “Statement by Councillors and Management” and the exhibition of the financial statements. Representatives from the NSW Audit Office and Thomas Noble and Russell will be attending this meeting to address issues that have arisen during the course of the audit.

10 The Financial Statements and Auditor’s Reports are a statutory requirement and provide information on the financial performance of Council over the previous twelve-month period.

15 The Committee should place emphasis on the Auditor’s Reports contained at Attachment 4 to 5 relating to the attached Draft 2016/2017 Financial Statements, as these Reports provide some analysis of Council’s financial operations overall, and highlight the trends of major items within the Financial Statements.

20 The Draft 2016/2017 Financial Statements provided in the attachments are broken down into three sections being;

- General Purpose Financial Statements – Attachment 1
- Special Purpose Financial Statements – Attachment 2
- Special Schedules – Attachment 3

25 Brief explanations for each of these items are as follows.

**General Purpose Financial Statements**

30 These Statements provide an overview of the operating result, financial position, changes in equity and cash flow movement of Council as at 30 June 2017 on a consolidated basis with internal transactions between Council’s General, Water and Sewerage Funds eliminated. The notes included within these reports provide details of major items of income and expenditure with comparisons to the previous financial year. The notes also highlight the cash position of Council and indicate which funds are externally restricted (i.e. may be used for a specific purpose only), and those that may be used at Council’s discretion.

**Special Purpose Financial Statements**

40 These Statements are a result of the implementation of the National Competition Policy and relate to those aspects of Council’s operations that are business orientated and compete with other businesses with similar operations outside the Council. Mandatory disclosures in the Special Purpose Financial Reports are Water and Sewerage. Additional disclosure relates to Council business units that Council deems ‘commercial’. In this regard Council has traditionally reported its Caravan Park Operations being Suffolk Beachfront Holiday Park and First Sun Holiday Park on a combined basis. These financial reports must also classify business units in the following categories:

- Category 1 – operating turnover is greater than \$2million
- Category 2 – operating turnover is less than \$2million

50 All of Council’s business units are classed as Category 1 with all having operating turnover greater than \$2million.

55 Another feature of the Special Purpose Financial Reports is to build in taxes and charges where not physically incurred into the financial results to measure the results in the sense of a level

playing field with other organisations operating similar businesses, who are required to pay these additional taxes and charges. These taxes and charges include:

- Land tax – Council is normally exempt from this tax so notional land tax is applied.
- 5 • Income tax – Council is exempt from income tax and in regard to these reports, company tax. Any surplus generated has a notional company tax applied to it.
- 10 • Debt guarantee fees – Generally due to the low credit risk associated with Councils, Councils can often borrow loan funds at lower interest rates than the private sector. A debt guarantee fee inflates the borrowing costs by incorporating a notional cost between interest payable on loans at the interest rate borrowed by Council and one that would apply commercially.

In regard to the Special Purpose Financial Reports, these are prepared on a non consolidated basis or in other words grossed up to include any internal transactions with the General Fund.

### 15 **Special Schedules**

These schedules are prepared essentially for use by the Australian Bureau of Statistics, the NSW Grants Commission, the Office of Local Government, and are primarily used to gather information for comparative purposes. Special Schedules 3 to 6 are also used by the Department of Primary Industries (NSW Office of Water) in analysing the performance of the Water and Sewer Funds and are also non consolidated and grossed up including internal transactions. Special Schedule 7 provides an approximate value of what funds are needed for the maintenance and renewal of Council assets in comparison to what is currently allocated in the budget. Special Schedule 8 is also included, which is a disclosure regarding Council's compliance with General Rate revenue raising and rate pegging. Special Schedule 8 is also subject to separate external audit aside from the financial statements.

### **Auditors Reports on the Financial Statements**

30 Council's auditors, The Auditor General of NSW (NSW Audit Office) and their representative firm Thomas Noble and Russell, have completed their audit of the Draft 2016/2017 Financial Statements. All matters identified during the audit have been adjusted and included in the Draft 2016/2017 Financial Statements (if required) included at Attachments 1, 2 and 3. The Auditor's Reports contained at Attachment 4 and 5 is to report on the following:

- 35 • A report on the conduct of the audit. This report states the financial statements have been audited with an opinion. For the year ended 30 June 2017 the opinion is unmodified. In addition, this report outlines significant audit issues and observations, and a analysis of the major aspects of the financial statements.
- 40 • A Client Service Report outlining audit issues and outcomes as a result of the audit process. This document also lists outstanding matters still required to be completed to enable the audit to be finalised. Given the nature of this report, it has been included as a confidential Attachment.

### 45 **Specific Items relating to 2016/2017 Draft Financial Statements**

The Draft 2016/2017 Financial Statement results have been impacted by the following items that require explanation to the Audit, Risk and Improvement Committee:

- 50 • Operating Result from Continuing Operations

The 2016/2017 financial year has seen a further significant improvement in the operating financial results of Council. Overall Council recorded a \$21.174million surplus compared to a \$15.974million surplus in 2015/2016. This represents a positive change of \$5.200million between

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

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financial years. This result incorporates the recognition of capital revenues such as capital grants and contributions for specific purposes and asset dedications including part of the Old Pacific Highway that amounted to \$18.767million in 2016/2017 compared to \$12.707million in 2015/2016.

- 5 A more important indicator is the operating result before capital grants and contributions. This result for Council was a surplus of \$2.407million in 2016/2017 compared to a surplus of \$3.267million in 2015/2016 representing a decrease of \$0.860million between financial years. Whilst this was a decline, it is still a surplus.
- 10 If reference is made to the Income Statement to the General Purpose Financial Reports included at Attachment 1, the following table indicates the major changes between 2016/2017 and 2015/2016 by line item:

Item	Change between 2016/2017 and 2015/2016 \$'000	Change Outcome	Comment
<b>Income</b>			
Rates & Annual Charges	+\$1,280	Increase	Reflects imposition of rate peg increase for 2016/2017 of 1.80% and changes in annual charges from Council's adopted 2016/2017 Revenue Policy
User Charges and Fees	+\$3,553	Increase	Major changes include additional \$371k revenue for holiday parks, \$356k for planning and development fees, \$1,484k increase in parking fees (first full year of expanded pay parking), 1,236k increase in water and sewerage user charges. Further information is available in Note 3(b) in Attachment 1.
Interest and Investment Revenue	-\$88	Decrease	Decrease in revenues due to further decline in interest rates reflective of economic conditions. Council's cash position though did not decrease as expected which enabled more funds to be invested which minimised the extent of the decline.
Other Revenues	-\$58	Decrease	Decline mainly due to less fine revenue.
Grants & Contributions – Operating	-\$939	Decrease	Increase in financial assistance grant \$1,573 including 50% advance payment of 2017/2018 grant and additional \$940k recognition of Roads to Recovery grant. There was a decline of \$3.643million in funding for natural disaster restoration works.
Grants & Contributions – Capital	+\$6,060	Increase	Increased transport grants \$2,071k, decrease in developer contributions \$2,460k, additional \$6,399k in contributed or dedicated assets including approx. \$4,000k for the former Pacific Highway gazetted to Council.
Net gain from disposal of assets	-\$1,270	Decrease	Specific details are contained in Note 5 to Attachment 1 but in 2016/2017 there was no profit on disposal of assets.
<b>Total Income Change</b>	<b>+\$8,538</b>	<b>Increase</b>	
<b>Expenditure</b>			
Employee Benefits and Oncosts	+\$698	Increase	Increased salary and wages \$914k including Award increase of 2.8% and additional staffing. Increased superannuation of \$261k. There was a further \$440k of employee costs capitalised given

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Item	Change between 2016/2017 and 2015/2016 \$'000	Change Outcome	Comment
			increased emphasis on capital works in 2016/2017 that reduced overall gross amount of employee costs charged as an operating expense.
Borrowing Costs	-\$311	Decrease	Results from Council gradually repaying loans and not borrowing new loans, however that may change in 2017/2018.
Materials & Contracts	-\$867	Decrease	Shifting emphasis onto capital works has contributed in part to the reduction in raw materials and contracts of \$1,015k. There were decrease in agency temporary staff of 165\$, decreases in legal expenses \$192k, operating lease expenses increased \$293k relating to parking meters, and waste contract \$67k
Depreciation	+802	Increase	Major change is due to roads 96k increase, buildings \$101k increase and provision for quarry/tip asset reinstatement \$536k increase due to reassessment of costs and remaining useful life in 2015/2016.
Other Expenses	+599	Increase	Overall increase but there were variations in line items as disclosed at Note 4(e) in Attachment 1. Most significant item was cost of Council election \$187k.
Net Losses from Disposal of Assets	+2,417	Increase	Reflection of the written down value of assets disposed at the end of financial year and is contingent upon the extent of assets disposed and their written down value at the time of disposal which can vary. For 2016/2017, Council has more disposals than gains including the disposal of Periwinkle Pre-School \$580k and Infrastructure \$1,743k
<b>Total Expenditure Change</b>	<b>+\$3,338</b>	<b>Increase</b>	
<b>Change in Result</b>	<b>+5,200</b>	<b>Increase</b>	

5 Following on from the operating results, there are performance ratios disclosed at note 13 to the General Purpose Financial Statements and in Special Schedule 7. These ratios have been derived following the financial assessments undertaken by NSW Treasury Corporation on all NSW Councils in 2012, and are now continued to be incorporated into the latest update to the Code of Accounting Practice and Financial Reporting that determines the content of Council's Financial Statements. These ratios also have trend graphs and all look to be presenting either a stable or improving result for Council in Note 13. Council though in relation to the ratios for Special Schedule 7 in terms of Asset Management, whilst showing some improvement generally, still has a ways to go to meet the required benchmarks.

15 It is also important to note that the ratios and benchmarks outlined in Note 13 to the General Purpose Financial Statements and Special Schedule 7 are on an annual basis. Whilst some of these ratios were also benchmarks in Council's 'Fit for the Future' response, these were reported as a three year average as required. Therefore direct comparison cannot be made based on these reported benchmarks.



- Asset Revaluations

During 2016/2017, there was a revaluation conducted for the following asset categorie(s):

- 5 • Water and Sewerage – revaluation done by an external valuer.
- Community Land – revaluation done by the Valuer General.

10 The impact of the revaluation process realised an overall increase in asset values of \$6.233million, with the biggest increase related to Community Land increasing \$6.081million. The revaluation of Water and Sewerage assets has indicated a decrease in Sewerage valuations of \$9.696million and an increase in Water valuations of \$9.848million.

15 The revaluation of Water and Sewerage Assets has not yet been finalised at the time of preparing this report and is still an outstanding audit matter as indicated in the Client Service Report at Attachment 5. Clarification is being sought as to accuracy of the unit rates utilised in the valuation of Sewerage Rising Mains and Sewerage Gravity Mains. It is understood the valuation for Water Assets is complete.

20 In respect of Community Land, Council has undertaken a comprehensive review. The revaluation process identified 60 parcels of land controlled by Council not previously included in Council's financial Statements in previous years. The majority of these assets relate to Crown Reserves where Council is appointed as the Reserve Trust Manager. The work conducted included a reconciliation of information from the Department of Primary Industries – Crown Lands and Council's records. This has resulted in the recognition at Note 20 to the Financial Statements of a  
25 Prior Period Error of \$27.593million to increase the Equity of Council in respect of recognising these assets. The residual revaluation amount of \$6.081million relates to other Community Land assets not previously recognised (ie land dedicated to Council from Developers).

30 As a general comment regarding Infrastructure, Property, Plant and Equipment (Assets), Council needs to improve its processes as to the recording, recognition and valuation of assets. This work given the diversity and complexity of these Assets requires assistance across Directorates of Council to ensure the correct, timely and accurate financial reporting. This can no longer be seen as just a 'Finance' issue as it also requires Engineering expertise and participation. It is expected this issue will be raised in the year end Management Letter yet to be received.

- 35 • Cash and Investments

40 As at 30 June 2017, Council has maintained \$1.145million in unrestricted cash and investments being the same level as 2016. This is an ongoing pleasing result and Council has been able to maintain another one of its short term financial goals of reaching unrestricted cash balance of \$1million. All other cash and investments totalling \$77.694million are restricted for specific purposes. Overall the cash and investment position of Council decreased by \$0.650million during the year.

- 45 • Receivables

50 As at 30 June 2017, Council was due \$10.363million in receivables. Of this amount \$2.120million was due from Roads and Maritime Services for expenditure claims and \$1.051million from the Commonwealth Government for Goods and Services Tax and \$0.611million in Government grants and subsidies. Overall receivables increased by \$1.109million compared to the 2015/2016 financial year.

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- Payables and Provisions

At 30 June 2017, total payables by Council were \$11.403million including \$4.270million held in security bonds, deposits, retentions, payments received in advance, \$0.773million in accrued expenses and \$6.413million payable to suppliers. In addition at 30 June 2017, Council has accrued employee leave entitlements valued at \$5.567million. Specific employee leave entitlements include \$1.888million for annual leave, \$3.527million for long service leave and \$0.152million for gratuities. In comparison to 2015/2016, total payables increased \$0.699million whereas total provisions for employee leave entitlements increased \$0.285million.

- Loan Borrowings

During 2016/2017 Council did not borrow any new loans but continued to make normal loan repayments. This has been the fifth year that Council has not borrowed any new loans and as a consequence has continued to reduce its level of debt. Council though for 2017/2018 financial year is currently proposing to borrow up to \$6million for bridge replacement program.

Council's outstanding loans as at 30 June 2017 are \$62.720million. Total loan expenditure for 2016/2017 included interest of \$4.493million and principal payments of \$2.592million. Total expenditure of Council in 2016/2017 related to loan repayments was \$7.085million or 10.25% of Councils revenue excluding all grants and contributions.

Outstanding loans by Fund totalling \$60.128million are as follows:

- General Fund \$13.957million
- Water Fund \$0 – Water Fund is debt free
- Sewerage Fund \$46.171million

### Liquidity

Council's balance sheet indicates net current assets of \$69.640million. It is on this basis in the opinion of the Responsible Accounting Officer that the short term financial position of Council remains in a satisfactory position and that Council can be confident it can meet its payment obligations as and when they fall due. That is, there is no uncertainty as to Council being considered as a 'going concern'. In addition, Council's cash expense cover ratio is out to 14.32 months whereas the minimum benchmark is 3 months. Council exceeds this benchmark by nearly four times.

Council's Unrestricted Current Ratio has improved to 3.20 demonstrating Council has \$3.20 in unrestricted current assets compared to every \$1.00 of unrestricted current liabilities.

However, on a longer term basis Council will need to consider its financial position carefully but in isolation the financial results for 2016/2017 continue to be an ongoing improvement for Council and demonstrate the ongoing gains through the implementation of the Financial Sustainability Plan (FSP), the Council Improvement Plan (CIP) and the efforts of Council.

### Financial Implications

There are no direct financial implications associated with this report as the report does not involve any future expenditure of Council funds but it is a report advising the financial outcomes of Council during the 2016/2017 financial year which are identified in this report, Attachments 1 to 3 and the Auditors reports in Attachments 4 to 5.

**Statutory and Policy Compliance Implications**

5 Section 413(2)(c) of the Local Government Act 1993 and Regulation 215 of the Local Government (General) Regulation 2005 requires Council to specifically form an opinion on the financial statements. Specifically Council needs to sign off an opinion on the Financial Statements regarding their preparation and content as follows:

In this regard the Financial Statements have been prepared in accordance with:

- 10
- The Local Government Act 1993 (as amended) and the Regulations made thereunder.
  - The Australian Accounting Standards and professional pronouncements.
  - The Local Government Code of Accounting Practice and Financial Reporting.

And the content to the best of knowledge and belief:

- 15
- Present fairly the Council's operating result and financial position for the year.
  - Accord with Council's accounting and other records.
  - Management is not aware of any matter that would render the Financial Statements false or misleading in any way

20 Section 416(1) of the Local Government Act 1993, requires a Council's annual Financial Statements to be prepared and audited within four (4) months of the end of that financial year ie on or before 31 October 2017.

25 Section 417(4) of the Local Government Act 1993 requires, as soon as practicable after completing the audit, the Auditor must send a copy of the Auditor's Reports to the Departmental Chief Executive and to the Council.

30 Section 417(5) of the Local Government Act 1993 requires Council, as soon as practicable after receiving the Auditor's Reports, to send a copy of the Auditor's Reports on the Council's Financial Statements, together with a copy of the Council's audited Financial Statements, to the Departmental Chief Executive before 7 November 2017.

35 Section 418(1) of the Local Government Act 1993 requires Council to fix a date for the Meeting at which it proposes to present its audited Financial Statements, together with the Auditor's Reports, to the public, and must give public notice of the date so fixed. This requirement must be completed within five weeks after Council has received the Auditors Reports ie prior to 5 December 2017.

40 Section 420 of the Local Government Act 1993 requires Council to provide the opportunity for the public to submit submissions on the Financial Statements. Submissions are to be submitted within seven days of the Financial Statements being presented to the public. In the case of the 2016/2017 Financial Statements, closing date for submissions will be 30 November 2017.

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**CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES**

**Report No. 5.1**                    **CONFIDENTIAL - Audit, Risk & Improvement Delivery Program and Strategy for 2017 - 2021**

5    **Directorate:**                    Corporate and Community Services  
**Report Author:**                Jessica Orr, Strategic Risk and Improvement Coordinator  
**File No:**                            I2017/1345  
**Theme:**                            Corporate Management  
10                                        Governance Services

**Summary:**

15    This report outlines the proposed audit plan and strategy for the four year contract period from 2017 – 2021. The audit plan has been prepared by Council’s internal auditors, O’Connor Marsden and Associates (OCM) in consultation with managers and Council staff.

20    The plan seeks to confirm the 17/18 first year audit review program and highlights the proposed audit review program for the following three years to 2021. The audit plan will be brought back to the Committee for consideration and confirmation of the audit review program at the beginning of each audit year (financial year).

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25    **RECOMMENDATION:**

1.    That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, the Committee resolve into Confidential Session to discuss the report Audit, Risk & Improvement Delivery Program and Strategy for 2017 - 2021 .
- 30    2.    That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a)    details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property
- 35    3.    That on balance it is considered that receipt and discussion of the matter in open Committee would be contrary to the public interest, as:

40    disclosure of the confidential information could affect the security of the Council, Councillors, Council staff or Council property.

**Attachments:**

- 45    1        Internal Audit Plan 1718 to 2021, E2017/95055