



**Audit and Risk Committee Meeting Minutes  
IPC ARC Meeting No. 22**

Monday 24 September 2015, 10am to 11am

**1. Attendance**

<u>Members:</u>	Ms Lyn Baker (Chair), (LB), Mr Paul Crombie (PC), Mr Malcolm Clinch (MC)
<u>In attendance:</u>	Ms Elizabeth Tydd (ET), Ms Samara Dobbins (SD), Ms Roxane Marcelle-Shaw (RMS) (Chief Audit Executive), Ms Anwen Rowe (AR), Ms Somaiya Ahmed (Audit Office), Mr David Daniels (Audit Office), Graeme Worrall (Department of Justice), Ashley Hawkins (Department of Justice)
<u>Minute Secretary:</u>	Ms Anwen Rowe (AR)

**2. Declarations of interest**

No additional declarations of interest were made.

The meeting **noted** this advice.

**3. 2014-15 Audited Financial Statements**

**a) Financial Statements**

The Committee discussed the IPC 2014-15 Audited Financial Statements.

Members discussed items falling under the statement of comprehensive income, the statement of financial position and the statement of cash flows.

Regarding note (1) e, relating to assets, members requested a comment be added about when the last valuation took place.

Members discussed note 2, specifically differences in 2 (b) relating to other operating expenses.

Members discussed note 3 (d), and Graeme Worrall confirmed a previous year expense had been reversed and reclassified from fees, external training to revenue, other.

A question was raised in note 9, whether IPC has any unique software. Members were informed that IPC has the GIPA software tool and also Resolve Case Management System.

Members discussed note 11 regarding recreation leave, and were informed that IPC had a number of staff with excessive leave however this situation has now resolved.

Members discussed note 14 and noted that IPC will no longer earn interest on bank accounts under the Cash Management Reforms.

Members discussed note 17, and stated a review of significant correspondence between the IPC and the Department of Justice regarding the SLA had been undertaken regarding the negotiation of the SLA. Members were informed the agreement has been entered into and agreed, however had not been formally signed. David Daniels informed the Committee he was relying on representation.

Graeme Worrall stated that due to the Cash Management Reforms, the cash forecast needs to be very accurate in forward periods.

A number of formatting issues were identified within the Financial Statements, on note 1 (k) i and note 3. The Committee **noted** IPC will correct the typos prior to sign off of the statements.

*Action item 1: IPC to address formatting issues identified by members.*

*Action item 2: Comment to be added at note 1 (e) regarding the timing of the last valuation.*

## **b) Draft Management Representation letter**

The Committee discussed the draft Management Representation letter. Ashley Hawkins informed members he would be signing in terms of the SLA. Members discussed concern over the Treasury guidelines that stipulate the agency CFO is to sign the Management letter.

David Daniels advised members that the Commission is responsible for the annual accounts.

LB requested the revised letter be distributed to members for endorsement prior to CEO sign off.

PC suggested a checklist be used and completed prior to signing that underpins the various documents. The Crown Solicitor's Office has sound templates in this regard.

Members agreed to review and endorse out of session.

*Action item 3: Management Representation letter to be revised and distributed to members for endorsement prior to CEO sign off.*

*Action item 4: A management certification checklist is to be completed and signed by IPC and DoJ prior to signing of the Financial Statements.*

## **c) Client Service Report**

The Committee discussed the Client Service Report and Audit Office representatives requested that the Financial Statements should ideally be quality reviewed prior to submission to the Audit Office.

David Daniels informed members that the audit costs have gone over the original agreed costing.

Members discussed whether IPC could contract someone to review the statements each year prior to submission.

Graeme Worrall informed members that access to ARM software may assist the person who takes over his role in the future.

Members suggested the Committee could receive the draft statements in the future to provide assurance and endorse the version prior to submission to the Audit Office.

*Action item 5: Draft financial statements are to be circulated to Committee members for review prior to submission to the Audit Office in future years.*

*Action item 6: Add the review of the draft financial statements to the Committee annual calendar for quarter 1.*

## **4. Certification over financial controls**

Members discussed the Certification over financial controls and **noted** this certification is required to be submitted to Treasury on endorsement from the Committee.

The Audit Office raised a question whether the CEO had sufficient comfort in the statement for inclusion in the annual report.

ET informed members she would need assurance from the CFO of the Department of Justice as she is unsure whether the IPC has satisfied the Treasury requirements.

Members discussed implementing a structured approach using a management questionnaire. Ashley Hawkins stated the Department would sign the questionnaire.

ET requested Ashley Hawkins to confirm with Treasury whether sign off of the certification by Ashley meets Treasury requirements.

The Committee concluded the review of the 2014-15 Financial Statements.

*Action item 7: Ashley Hawkins to confirm if we meet Treasury requirements.*

Audit Office representatives confirmed the deadline for submission of final documents is 5 October.

**Other business**

The Chair thanked members, Audit Office representatives and the Department of Justice representatives for their collective effort to prepare the 2014-15 Financial Statements and associated documents.

The Privacy Commissioner declined the invitation to attend the special meeting via email on 18 September.

Meeting closed at 11.10am