
MINUTES

TUESDAY 29 JUNE 2010

**9.17AM – 10.35AM
10.51AM – 10.52AM
10.52AM – 11.48AM (Public Excluded)**

**Committee Room One
Ground Floor, Council Offices
101 Wakefield Street
Wellington**

PRESENT:

Councillor Best	(9.17am – 10.35am, 10.51am – 11.48am)
Councillor McKinnon (Chair)	(9.17am – 10.35am, 10.51am – 11.48am)
Councillor Pepperell	(9.17am – 10.16am, 10.18am - 10.35am, 10.51am – 11.48am)
John Milne	(9.17am – 10.35am, 10.51am – 11.48am)
David Pilkington	(9.30am – 10.35am, 10.51am – 11.48am)

APOLOGIES :

Mayor Prendergast
David Pilkington (lateness)

IN ATTENDANCE (DEMOCRATIC SERVICES):

Maleik Edwards, Committee Advisor

014/10QA **APOLOGIES**
(1215/52/01/IM)

Moved Councillor McKinnon, seconded Councillor Best the motion that apologies for absence from Mayor Prendergast and lateness from David Pilkington be accepted.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

- 1. Accept apologies for absence from Mayor Prendergast.*
- 2. Accepts apologies for lateness from David Pilkington.*

015/10QA **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/01/IM)

NOTED:

1. There were no conflict of interest declarations.

016/10QA **MINUTES FOR CONFIRMATION**
(1215/52/01/IM)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Approve the minutes of the meeting held on Friday, 19 March 2010, having been circulated, be taken as read and confirmed as an accurate record of this meeting.*

017/10QA **PUBLIC PARTICIPATION**
(1215/52/01/IM)

NOTED:

There was no public participation.

018/10QA **DRAFT 2009/2010 FINANCIAL STATEMENTS (9.19AM – 10.25AM)**
AND PROPOSED SIGN-OFF PROCESS
(1215/52/01/IM) (REPORT 1)

Report of Nicky Blacker, Manager, Financial Accounting.

(David Pilkington joined the meeting at 9.30am.)

(Councillor Pepperell left the meeting at 10.16am.)

(Councillor Pepperell rejoined the meeting at 10.18am.)

Moved Councillor Best, seconded Councillor Pepperell the substantive motion.

Moved Councillor McKinnon as Chair the following amendment to Recommendation 4:

THAT the Audit and Risk Management Subcommittee:

4. Approves the proposed format and disclosures for the 2009/10 financial statements subject to:
 - (c) **Agreeing the change in accounting policy related to the valuation of the Civic Assurance investment from cost to fair value.**

The amendment was put and declared CARRIED.

The substantive motion as amended, was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receives the information.*
2. *Notes that the proposed 2009/10 financial statements template has recently been reviewed by Audit New Zealand and that their comments/recommendations have been reflected in the template.*
3. *Notes that all new standards, amendments and interpretations which are applicable for the 2009/10 financial statements have been considered by officers (refer Appendix 1) and notes that we are not planning to early adopt any new standards, amendments and interpretations.*
4. *Approves the proposed format and disclosures for the 2009/10 financial statements subject to:*
 - (a) *consideration of the implications of any changes in NZ GAAP arising up to 30 June 2010 which may be required to be applied retrospectively;*
 - (b) *the determination and disclosure of the final results of operations, cashflows and financial position for the year ending 30 June 2010 (and any subsequent impact on the notes to the financial statements); and*
 - (c) ***agreeing the change in accounting policy related to the valuation of the Civic Assurance investment from cost to fair value.***
 - (d) *receiving final clearance from Audit New Zealand.*
5. *Approves the sign-off process and timetable for the 2009/10 financial statements (refer Appendix 2).*

019/10QA **STATUS REPORT ON PROGRESS AGAINST (10.24AM – 10.28AM)**
AUDIT NEW ZEALAND RECOMMENDATIONS
(1215/52/01/IM) (REPORT 2)
Report of Nicky Blacker, Manager, Financial Accounting

Moved Councillor Best, seconded Mr Pilkington, the substantive motion.

The substantive motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*
2. *Note the progress made in implementing the Audit New Zealand recommendations attached in Appendix 1 of the officer's report.*

020/10QA **IMPLICATIONS FOR COUNCIL OF (10.28AM – 10.35AM)**
NEW AND PROPOSED FINANCIAL REPORTING STANDARDS
(1215/52/01/IM) (REPORT 3)
Report of Nicky Blacker, Manager, Financial Accounting

Moved Councillor Pepperell, seconded Mr Pilkington, the substantive motion.

The substantive motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information*
2. *Note the developments in New Zealand generally accepted accounting practice (GAAP) since the last regular Subcommittee meeting in March 2010.*

(The meeting adjourned for morning tea at 10.35am.)

(The meeting reconvened at 10.51am.)

(Councillors Best, McKinnon, and Pepperell and Mr Milne and Mr Pilkington were present when the meeting reconvened.)

021/10QA **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/01/IM)

Moved Mr Milne, seconded Mr Pilkington, the motion to exclude the public.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

- 1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:*

Report 4: Risk Assurance Summary of Work Completed

Grounds: Section 48(1) (a) Local Government Official Information and Meetings Act – that public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section .

Reason: Section 7(2) (b) Protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of Council.

- 1. Permit Audit New Zealand to remain at this meeting after the public has been excluded, because of their specialist knowledge of the matters under discussion.*

Report 5: Risk Assurance 2010-11 Audit Plan

Grounds: Section 48(1) (a) Local Government Official Information and Meetings Act – that public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Reason: Section 7(2) (b) Protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of Council.

1. *Permit Audit New Zealand to remain at this meeting after the public has been excluded, because of their specialist knowledge of the matters under discussion.*

Report 6: Summary of Incidents (to be distributed at meeting)

Grounds: Section 48(1) (a) Local Government Official Information and Meetings Act – that public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.

Reason: Section 7(2) (a) Protect the privacy of natural persons, including that of deceased natural persons.

Section 7(2) (b) Protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of Council.

Section 7(2) (i) To enable the Council to carry out negotiations without prejudice or disadvantage.

1. *Permit Audit New Zealand to remain at this meeting after the public has been excluded, because of their specialist knowledge of the matters under discussion.*

Report 7: Council Debtors Report (to be distributed at the meeting)

Grounds: Section 48(1) (a) Local Government Official Information and Meetings Act – that public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section .

Reason: Section 7(2) (a) Protect the privacy of natural persons, including that of deceased natural persons.

Section 7(2) (b) Protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of Council.

Section 7(2) (i) To enable the Council to carry out negotiations without prejudice or disadvantage.

- 1. Permit Audit New Zealand to remain at this meeting after the public has been excluded, because of their specialist knowledge of the matters under discussion.*

The meeting went into public excluded session at 10.52am.

For items 022/10QA to 025/10QA, see the public excluded minutes.

The meeting concluded at 11.48am.

Confirmed: _____
Chair
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