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**MINUTES**

**TUESDAY 15 MARCH 2011**

**9.16AM – 10.49AM  
11.10AM – 12.37PM (PUBLIC EXCLUDED)**

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

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**MEMBERS:**

Mayor Wade-Brown	(9.20am – 10.49am, 11.10am – 12.37pm)
Councillor McKinnon (Chair)	(9.16am – 10.49am, 11.10am – 12.37pm)
Councillor Best	(9.16am – 10.49am, 11.10am – 12.37pm)
Councillor Lester	(9.16am – 10.49am, 11.10am – 12.37pm)
David Pilkington (External)	(9.16am – 10.49am, 11.10am – 12.37pm)
Kevin Simpkins (External)	(9.16am – 10.49am, 11.10am – 12.37pm)

**IN ATTENDANCE:**

Councillor Foster	(9.19am – 10.49am, 11.18am – 11.56am.)
Councillor Pepperell	(9.16am. – 10.49am, 11.10am – 12.37pm.)

**DEMOCRATIC SERVICES OFFICERS IN ATTENDANCE:**

Maleik Edwards – Committee Advisor

001/11QA **CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/01/IM)

**NOTED:**

1. There were no conflicts of interest declared.

002/11QA **PUBLIC PARTICIPATION:**  
(1215/52/01/IM)

**NOTED:**

1. Bernie Harris addressed the Audit and Risk Management Subcommittee and discussed Report 3 - Implications for Council of New and Proposed Financial Reporting Standards. Mr Harris said that he was concerned with section 5.2.3 of the report which states that the Council does not currently use the International Public Sector Accounting Standards (IPSAS) for Financial Reporting and the consequences this has on financial reporting practices.

(Councillor Foster joined the meeting at 9.19am.)  
(Mayor Wade Brown joined the meeting at 9.20am.)

003/11QA **AUDIT NEW ZEALAND GOVERNING BODY (9.25AM – 9.55AM)**  
**REPORT**

Report of Nicky Blacker, Manager – Financial Accounting.  
(1215/52/IM) (REPORT 1)

**Moved by Councillor Best, seconded Councillor Lester the substantive motion.**

**The motion was put and declared CARRIED**

**RESOLVED:**

*THAT the Audit and Risk Management Subcommittee:*

1. *Receive the information.*
2. *Note the content of the 2009/10 Management Report to Council from Audit New Zealand attached in Appendix one.*
3. *Note the progress made in implementing the Audit New Zealand recommendations attached in Appendix two.*

004/11QA **ANNUAL AUDIT PLAN** (9.55AM – 10.35AM)  
Report of Nicky Blacker, Manager – Financial Accounting.  
(1215/52/IM) (REPORT 2)

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

**The motion was put and declared CARRIED**

**RESOLVED:**

*THAT the Audit and Risk Management Subcommittee:*

1. *Receive the information.*
2. *Note the draft Audit Proposal Letter prepared by Audit New Zealand (attached in Appendix one).*
3. *Note the draft Audit Engagement Letter prepared by Audit New Zealand (attached in Appendix two).*
4. *Note the draft Audit Arrangements Letter prepared by Audit New Zealand (attached in Appendix three).*
5. *Authorise the Mayor to finalise and sign the Audit Proposal Letter, Audit Engagement Letter and Audit Arrangements Letter.*

005/11QA **IMPLICATIONS FOR COUNCIL OF NEW** (10.35AM – 10.45AM)  
**AND PROPOSED FINANCIAL REPORTING STANDARDS**  
Report of Nicky Blacker, Manager – Financial Accounting.  
(1215/52/IM) (REPORT 3)

**Moved by Wade-Brown, seconded Councillor Lester the substantive motion.**

**The 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 on 29 June 2010.*

(Councillor Foster left the meeting at 10.36am.)

006/11QA **AUDIT AND RISK MANAGEMENT** (10.45AM – 10.49AM)  
**SUBCOMMITTEE FORWARD PROGRAMME**

Report of Nicky Blacker, Manager – Financial Accounting and Vincent  
 Fallon, Manager – Risk Assurance  
 (1215/52/IM) (REPORT 4)

**Moved by Councillor McKinnon, seconded Councillor Best the  
 substantive motion, amended as follows:**

2. *Agree the Forward Programme, attached as Appendix one, as amended.*

<b>March</b>		
<b>Items</b>	<b>Author(s)</b>	<b>Description/Comment</b>
<del>Consolidated Monthly Report and Treasury Report</del>	<del>Finance</del>	<del>Result for the year to date and comparison to budget. Full year forecast and explanation of significant variances. Review of year to date borrowings position and forecast. Reporting on compliance with Treasury policy.</del>

<b>June</b>		
<b>Items</b>	<b>Author(s)</b>	<b>Description/Comment</b>
<del>Consolidated Monthly Report and Treasury Report</del>	<del>Finance</del>	<del>Result for the year to date and comparison to budget. Full year forecast and explanation of significant variances. Review of year to date borrowings position and forecast. Reporting on compliance with Treasury policy.</del>

<b>October</b>		
<b>Items</b>	<b>Author(s)</b>	<b>Description/Comment</b>
<del>Consolidated Monthly report and Treasury Report</del>	<del>Finance</del>	<del>Result for the year to date and comparison to budget. Full year forecast and explanation of significant variances. Review of year to date borrowings position and forecast. Reporting on compliance with Treasury policy.</del>

<b>December</b>		
<b>Items</b>	<b>Author(s)</b>	<b>Description/Comment</b>
<del>Consolidated Monthly Report and Treasury Report</del>	<del>Finance</del>	<del>Result for the year to date and comparison to budget. Full year forecast and explanation of significant variances. Review of year to date borrowings position and forecast. Reporting on compliance with treasury policy.</del>

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

**RESOLVED:**

*THAT the Audit and Risk Management Subcommittee:*

1. *Receive the information.*
2. *Agree the Forward Programme, attached as Appendix one, as amended.*

(The meeting adjourned for morning tea at 10.49am.)

(The meeting resumed at 11.10am.)

(Mayor Wade-Brown, Councillors Best, Lester, McKinnon, Pepperell and Mr Pilkington and Mr Simpkins were present the meeting resumed.)

**007/11QA RESOLUTION TO EXCLUDE THE PUBLIC**

**(11.10AM)**

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

**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 5 - Consolidated Monthly Report and Treasury Report***

***Report 6 - Risk Assurance Summary of Work Completed***

***Report 7 - Risk Management Framework Update***

***Report 8 - Summary of Incidents***

***Report 9 - Council Debtors Report***

*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.*

2. *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 11.10am.

For items 008/11QA – 012/11QA see the public excluded minutes.

(Councillor Foster joined the meeting at 11.18am.)

(Councillor Foster left the meeting at 11.56am.)

The meeting concluded at 12.37pm.

Confirmed: \_\_\_\_\_

Chair

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