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**MINUTES**

**TUESDAY 6 DECEMBER 2011**

**1.34PM – 2.29PM  
2.29PM – 3.22PM (PUBLIC EXCLUDED)**

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

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**MEMBERS:**

Councillor McKinnon (Chair) (1.34pm – 3.22pm)  
Councillor Best (1.34pm – 3.22pm)  
Councillor Lester (1.34pm – 3.22pm)  
Kevin Simpkins (External) (1.34pm – 3.22pm)  
David Pilkington (External) (1.34pm – 3.22pm)

**ABSENT:**

Mayor Wade-Brown

**OFFICERS IN ATTENDANCE:**

Garry Poole – Chief Executive  
Sally Dossor – General Counsel  
Peter Garty – Chief Financial Officer  
Vincent Fallon – Manager, Risk Assurance  
Nicky Blacker – Manager, Financial Accounting

**EXTERNAL AUDITORS:**

Andy Burns – Audit New Zealand

**DEMOCRATIC SERVICES OFFICERS IN ATTENDANCE:**

Luka Dujmovic – Committee Advisor

038/12QA **APOLOGIES**  
(1215/52/01/IM)

**NOTED:**

The Chair noted that the Mayor will be late.

039/12QA **CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/01/IM)

**NOTED:**

There were no conflicts of interest declared. For a conflict of interest Mr Simpkins please see 044/12QA "Report 3 - Implications for Council of proposed Financial Reporting Standards including draft submission on IPSAS."

040/12QA **MINUTES FOR CONFIRMATION**  
(1215/52/01/IM)

**Moved Councillor McKinnon, seconded Mr Pilkington, the motion that the Audit and Risk Management Subcommittee approve the minutes of the meeting held on Wednesday, 5 October 2011 having been circulated, that they be taken as read and confirmed as an accurate record of the meeting.**

**The motion was put and declared CARRIED.**

**RESOLVED:**

*THAT the Audit and Risk Management Subcommittee:*

1. *Approve the minutes of the meeting held on Wednesday 5 October 2011.*

041/12QA **PUBLIC PARTICIPATION**  
(1215/52/01/IM)

**NOTED:**

1. Jim Candiliotis, Bernie Harris and Tom Law representing the Federation of Wellington Progressive and Residents' Associations addressed the Subcommittee regarding the New Zealand International Financial Reporting Standards, the Revenue and Funding policy, and the implications these have on ratepayers.

**TABLED:** Supplementary Information from the Federation of Wellington Progressive and Residents' Associations, reference 041/12QA (a).

042/12QA **AUDIT ARRANGEMENTS FOR THE 2011/12**

**AUDIT**

**(1.48PM – 2.06PM)**

Report of Nicky Blacker, Manager – Financial Accounting and Audit New Zealand

(1215/52//01/IM)

(REPORT 1)

**Moved Mr Pilkington, seconded Councillor Lester, the substantive motion with changes to the recommendations in the officer's report as shown in bold.**

1. Receive the information.
2. Note the draft Audit Arrangements Letter prepared by Audit New Zealand (attached in Appendix 1).
3. **Note the content of the Audit Arrangements Letter and authorise the Mayor signing it on Councils behalf.**

The motion was put and declared CARRIED.

**RESOLVED:**

*THAT the Audit and Risk Management Subcommittee:*

1. *Receive the information.*
2. *Note the draft Audit Arrangements Letter prepared by Audit New Zealand (attached in Appendix 1).*
3. ***Note the content of the Audit Arrangements Letter and authorise the Mayor signing it on Councils behalf.***

**NOTED:**

- The resolution differs from the recommendations in the officers report as follows:

The Subcommittee added the text in **BOLD**

- 043/12QA **PROGRESS IN IMPLEMENTING AUDIT NEW ZEALAND'S RECOMMENDATIONS** (2.06PM – 2.13PM)  
 Report of Nicky Blacker, Manager – Financial Accounting and Audit New Zealand  
 (1215/52//01/IM) (REPORT 2)

**Moved Councillor Lester, 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 progress made in implementing the Audit New Zealand recommendations attached in Appendix 1.*

- 044/12QA **IMPLICATIONS FOR COUNCIL OF PROPOSED FINANCIAL REPORTING STANDARDS INCLUDING DRAFT SUBMISSION ON IPSAS** (2.13PM – 2.26PM)  
 Report of Nicky Blacker, Manager – Financial Accounting  
 (1215/52//01/IM) (REPORT 3)

**Moved Councillor Best, seconded Councillor Lester, the substantive motion with changes to the recommendations in the officer's report as shown in bold..**

1. Receive the information.
2. Note the developments in New Zealand generally accepted accounting practice (GAAP) since the last regular Subcommittee meeting on 5 October 2011.
3. Approve the draft submission in Appendix 1 "Submission on Consultation Paper on Accounting Standards Framework for General Purpose Financial Reporting by Public Benefit Entities" for submission to the XRB.
4. **Agree to delegate to the Committee Chair and the Chief Executive the authority to amend the submission to include any amendments agreed by the Sub Committee and any associated minor consequential edits.**

**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 5 October 2011.*
3. *Approve the draft submission in Appendix 1 “Submission on Consultation Paper on Accounting Standards Framework for General Purpose Financial Reporting by Public Benefit Entities” for submission to the XRB.*
4. ***Agree to delegate to the Committee Chair and the Chief Executive the authority to amend the submission to include any amendments agreed by the Sub Committee and any associated minor consequential edits.***

**NOTED:**

1. The resolution differs from the recommendations in the officers report as follows:  
  
The Subcommittee added the text in **BOLD**
2. Mr Simpkins declared a conflict of interest and moved away from the table during the vote.

045/12QA **RESOLUTION TO EXCLUDE THE PUBLIC**  
(1215/52/01/IM)

**Moved Mr Simpkins, 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 – Treasury Management*

*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.*

*Report 5 – 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 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.*

*Report 6 – Risk Management Framework Update*

*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.*

*Report 7 – Summary of Incidents*

*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.*

*Report 8 – 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) (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 2.29pm.

For items 046/12QA – 050/12QA see the public excluded minutes.

The meeting concluded at 3.22pm.

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

Chair

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