

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE



**FRIDAY 11 APRIL 2014
2.00PM – 3.35PM**

(PUBLIC EXCLUDED) 2.25PM – 3.35PM

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

PRESENT:

Councillor Peck (Chair)	(2 – 3.35pm)
Mayor Wade-Brown	(2 – 3.35pm)
Councillor Marsh	(2 – 3.35pm)
Peter Harris (External)	(2 – 3.35pm)
Kevin Simpkins (External)	(2 – 3.35pm)

APOLOGY:

Councillor Simon Woolf

OFFICERS IN ATTENDANCE:

Kevin Lavery – Chief Executive
Sally Dossor – Director CEO’s Office
Andy Matthews – Chief Financial Officer
Geoff McRobie – Manager, Risk Assurance
Ben Rodgers – Manager, Financial Accounting

EXTERNAL AUDITORS:

Bede Kearney – Audit New Zealand
David Kidman – Audit New Zealand

DEMOCRATIC SERVICES OFFICERS IN ATTENDANCE:

Libby Kemp – Committee Advisor

APOLOGIES

NOTED:

Moved Councillor Peck, Seconded Councillor Marsh the motion that the Audit and Risk Subcommittee receive the apology from Councillor Woolf for absence.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Subcommittee:

1. *Receive the apology from Councillor Woolf for absence.*

CONFLICT OF INTEREST DECLARATIONS

NOTED:

Peter Harris declared his role as a Trustee of the New Zealand Fire Service Superannuation scheme, in particular as this organisation will have NZ Fixed Interest Securities which could from time to time include those issued by the Council.

PUBLIC PARTICIPATION

NOTED:

There was no public participation.

PROGRESS AGAINST AUDIT NEW ZEALAND RECOMMENDATIONS

Report of Ben Rodgers, Manager Financial Accounting (REPORT 1)

Moved Councillor Peck seconded Mayor Wade-Brown the substantive motion.

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information*
2. *Note the progress made in implementing the Audit New Zealand recommendations.*

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.*

IMPLICATIONS FOR COUNCIL OF PROPOSED FINANCIAL REPORTING STANDARDS

Report of Ben Rodgers, Manager Financial Accounting (REPORT 2)

Moved Councillor Peck seconded Kevin Simpkins the substantive motion.

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 17 June 2013.

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 17 June 2013.*

AUDIT NEW ZEALAND ANNUAL AUDIT PLAN (INCLUDING PROPOSAL, ENGAGEMENT AND ARRANGEMENT LETTERS)

Report of Ben Rodgers, Manager Financial Accounting (REPORT 3)

Moved Councillor Peck seconded Kevin Simpkins the substantive motion.

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 1).
3. Note the draft Audit Engagement Letter prepared by Audit New Zealand (attached in Appendix 2).
4. Note the draft Audit Arrangements Letter prepared by Audit New

Zealand (attached in Appendix 3).

5. Note the content of the 2012/13 Report to Council from Audit New Zealand (attached in Appendix 4).
6. Authorise the Mayor to finalise and sign the Audit Proposal Letter, Audit Engagement Letter and Audit Arrangements Letter.

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 1).*
3. *Note the draft Audit Engagement Letter prepared by Audit New Zealand (attached in Appendix 2).*
4. *Note the draft Audit Arrangements Letter prepared by Audit New Zealand (attached in Appendix 3).*
5. *Note the content of the 2012/13 Report to Council from Audit New Zealand (attached in Appendix 4).*
6. *Authorise the Mayor to finalise and sign the Audit Proposal Letter, Audit Engagement Letter and Audit Arrangements Letter.*

RESOLUTION TO EXCLUDE THE PUBLIC

Moved Councillor Peck seconded Councillor Marsh the motion to exclude the public.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Audit Bede Kearney and David Kidman, from Audit New Zealand to remain at this meeting after the public has been excluded, because of their specialist knowledge of the matters under discussion.*

2. 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 - Internal Audit 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) (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.*

Report 6 – 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) (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.*

Report 7 - 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.*

Report 4 – Risk Management 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.

The meeting went into public excluded session at 2.25pm.

The meeting concluded at 3.35pm.

Confirmed:

Chair
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