

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

MINUTES

MONDAY 18 JUNE 2012

1.31PM – 3.20PPM
3.20PM – 3.48PM (PUBLIC EXCLUDED)

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

MEMBERS:

Mayor Wade-Brown	(1.39pm – 3.48pm)
Councillor McKinnon (Chair)	(1.31pm – 3.48pm)
Councillor Best	(1.31pm – 3.48pm)
Councillor Lester	(1.31pm – 2.01pm)
Kevin Simpkins (External)	(1.31pm – 3.48pm)
David Pilkington (External)	(1.31pm – 3.48pm)

APOLOGIES:

Mayor Wade-Brown (lateness)
Councillor Lester (early departure)

OFFICERS IN ATTENDANCE:

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

EXTERNAL AUDITORS:

Andy Burns – Audit New Zealand
David Kidman – Audit New Zealand

DEMOCRATIC SERVICES OFFICERS IN ATTENDANCE:

Luka Dujmovic – Committee Advisor

051/13QA **APOLOGIES**
(1215/52/01/IM)

Moved Councillor McKinnon, seconded Councillor Best, the motion that the Audit and Risk Management Subcommittee accept apologies for lateness from Mayor Wade-Brown and for early departure from Councillor Lester.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Strategy and Policy Committee:

1. *Accept apologies for lateness from Mayor Wade-Brown and for early departure from Councillor Lester.*

052/13QA **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/01/IM)

NOTED:

There were no conflicts of interest declared.

053/13QA **MINUTES FOR CONFIRMATION**
(1215/52/01/IM)

Moved Councillor McKinnon, seconded Councillor Lester, the motion that the Audit and Risk Management Subcommittee approve the minutes of the meeting held on Monday, 2 April 2012 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 Monday, 2 April 2012.*

054/13QA **ORAL UPDATE ON THE LONG TERM PLAN
AUDIT** (1.34PM – 1.54PM)
Report of Audit New Zealand.
(1215/52//01/IM) (REPORT 1)

Moved Mr Pilkington, seconded Mr Simpkins, the substantive motion.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*

(Mayor Wade-Brown joined the meeting at 1.39pm.)

055/13QA **PROGRESS AGAINST AUDIT NEW ZEALAND
RECOMMENDATIONS** (1.54PM – 1.58PM)
Report of Nicky Blacker, Manager – Financial Accounting.
(1215/52//01/IM) (REPORT 2)

Moved Councillor Lester, seconded Mr Simpkins, 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.*

NOTED:

1. Julian Moore – Director, Organisational Services was in attendance for this item.

056/13QA **IMPLICATIONS FOR COUNCIL OF NEW AND PROPOSED FINANCIAL REPORTING STANDARDS** (1.58PM – 2.02PM)
 Report of Nicky Blacker, Manager – Financial Accounting.
 (1215/52//01/IM) (REPORT 3)

(Councillor Lester left the meeting at 2.01pm.)

Moved Mr Simpkins, 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 developments in New Zealand generally accepted accounting practice (GAAP) since the last regular Subcommittee meeting on 2 April 2012.*
3. *Note the implications of the Local Government (Financial Reporting) Regulations 2011 on the Council's financial reporting*

057/13QA **IMPLICATIONS OF GOVERNMENT'S PROPOSED "BETTER LOCAL GOVERNMENT" REFORMS** (2.02PM – 3.00PM)
 Report of Nicky Blacker, Manager – Financial Accounting.
 (1215/52//01/IM) (REPORT 4)

Moved Mayor Wade-Brown, seconded Mr Simpkins, the substantive motion.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*
2. *Note that the 2011/12 financial statements template has recently been reviewed by Audit New Zealand and that their comments/recommendations have been reflected in the template.*
3. *Note that all new standards, amendments and interpretations which are applicable for the 2011/12 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. *Approve the proposed format and disclosures for the 2011/12 financial statements subject to:*
 - (a) *consideration of the implications of any changes in NZ GAAP arising up to 30 June 2012 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 2012 (and any subsequent impact on the notes to the financial statements); and*
 - (c) *receiving final clearance from Audit New Zealand.*
5. *Approve the sign-off process and timetable for the 2010/12 financial statements (refer Appendix 2).*
6. *Approve the proposed format of the financial overview template for the 2011/12 financial year (refer Appendix 4).*

058/13QA **UPDATE ON RECENT COUNCIL CASES – ORAL REPORT** (3.00PM – 3.20PM)
 Report of Sally Dossor – General Counsel.
 (1215/52/01/IM) (REPORT 5)

Moved Mr Simpkins, seconded Mr Pilkington, the substantive motion.

The motion was put and declared CARRIED.

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*

059/13QA **RESOLUTION TO EXCLUDE THE PUBLIC**
 (1215/52/01/IM)

Moved Councillor Best, 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 6 - 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 7 - Risk Assurance 2012 – 13 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.

Report 8 - 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 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) (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 3.21pm.

For items 060/13QA – 063/13QA see the public excluded minutes.

The meeting concluded at 3.48pm.

Confirmed: _____
Chair
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