

# AUDIT AND RISK MANAGEMENT SUBCOMMITTEE



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**MONDAY 17 JUNE 2013**

**1.30PM – 2.43PM  
2.45PM – 3.39PM (PUBLIC EXCLUDED)**

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

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**PRESENT:**

Councillor McKinnon (Chair)	(1.30pm – 2.43pm, 2.45pm - 3.20pm)
Mayor Wade-Brown	(1.34pm – 2.43pm, 2.45pm - 3.39pm)
Councillor Best	(1.30pm – 2.43pm, 2.45pm - 3.39pm)
Councillor Lester	(1.30pm – 2.43pm, 2.45pm - 3.39pm)
Kevin Simpkins (External)	(1.30pm – 2.43pm, 2.45pm - 3.39pm)

**APOLOGIES:**

David Pilkington

**OFFICERS IN ATTENDANCE:**

Kevin Lavery – Chief Executive  
Sally Dossor – Director CEO's Office  
Peter Garty – Chief Financial Officer  
Anthony Wilson – Chief Asset 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:**

Antoinette Bliss – Committee Advisor

012/13QA **APOLOGIES**  
(1215/52/01/IM)

**Moved Councillor McKinnon, seconded Councillor Best, the motion that the Audit and Risk Management Subcommittee accept apologies for absence from David Pilkington.**

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

**RESOLVED:**

*THAT the Strategy and Policy Committee:*

1. *Accept apologies for absence from David Pilkington.*

(Mayor Wade-Brown joined the meeting at 1.34pm.)

013/13QA **MINUTES FOR CONFIRMATION**  
(1215/52/01/IM)

**Moved Councillor Best, seconded Kevin Simpkins, the motion that the Audit and Risk Management Subcommittee approve the minutes of the meeting held on Monday 18 March 2013, 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 18 March 2013, having been circulated, that they be taken as read and confirmed as an accurate record of those meetings.*

014/13QA **CONFLICT OF INTEREST DECLARATIONS**  
(1215/52/01/IM)

**NOTED:**

There were no conflict of interest declarations.

**015/13QA PUBLIC PARTICIPATION**  
(1215/52/IM)

**NOTED:**

There was no public participation.

**016/13QA ACTION POINTS**  
(1215/52/01/IM)

**NOTED:**

The Subcommittee raised various matters of interest at the meeting of Monday 18 March 2013. The action to be taken/ or taken by officers are communicated as follows:

Action points / points to note	Response
➤ CARRIED FORWARD FROM DECEMBER 2012: Update on the Wellington Waterfront assets / sign off of Annual Report	The Wellington Waterfront Annual Report was signed off on 3 May 2013. It received an unqualified audit opinion.
➤ CARRIED FORWARD FROM DECEMBER 2012: Send audit management reports for the CCOs to subcommittee members (hard copy with covering note not e-mailed)	Draft has been prepared – awaiting finalisation by management. Action to be carried forward.
➤ Mayor and Chief Financial Officer to discuss possibility of preparing a presentation for the chamber and property Council relating to the Scoop insurance article	Following discussions with Aon New Zealand, our insurance broker, an e-mail responding to the article was sent from Chief Financial Officer - Peter Garty to the Mayor and Deputy Mayor on 22 March 2013.

**017/13QA PROGRESS AGAINST AUDIT NEW ZEALAND (1.40PM – 1.46PM)**  
**RECOMMENDATIONS**

Report of Nicky Blacker, Manager – Financial Accounting.  
(1215/52/01/IM)

(REPORT 1)

**Moved Mayor Wade-Brown, seconded Kevin Simpkins, 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.*

**NOTED:**

1. Haydn Read, Manager Strategic Asset Planning was in attendance for this item.

018/13QA **IMPLICATIONS FOR COUNCIL OF PROPOSED (1.47PM – 1.56PM)  
FINANCIAL REPORTING STANDARDS**

Report of Nicky Blacker, Manager – Financial Accounting.

(1215/52/01/IM)

(REPORT 2)

**Moved Councillor Best, seconded Councillor Kevin Simpkins, 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 on 18 March 2013.*

019/13QA **DRAFT 2012/13 FINANCIAL STATEMENTS, (1.57PM – 2.43PM)  
DRAFT FINANCIAL OVERVIEW AND PROPOSED SIGN OFF  
PROCESS**

Report of Nicky Blacker, Manager – Financial Accounting.

(1215/52/01/IM)

(REPORT 3)

**Moved Kevin Simpkins, seconded Mayor Wade-Brown, 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 that the 2012/13 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 2012/13 financial statements have been considered by officers (refer Appendix 1 of the officer's report) 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 2012/13 financial statements subject to:*
  - (a) *consideration of the implications of any changes in NZ GAAP arising up to 30 June 2013 which may be required to be applied retrospectively;*
  - (b) *the determination and disclosure of the final results of operations, cash flows and financial position for the year ending 30 June 2013 (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 2012/13 financial statements (refer Appendix 2 of the officer's report).*
6. *Approve the proposed format of the financial overview template for the 2012/13 financial year (refer Appendix 4 of the officer's report).*

020/13QA **RESOLUTION TO EXCLUDE THE PUBLIC**  
(1215/52/01/IM)

**Moved Councillor Best, seconded Councillor Lester, 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 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 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 6 – Health and Safety 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 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 officers 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 2.45pm.

(Councillor McKinnon left the meeting at 3.20pm.)

For items 021/13QA – 026/13QA see the public excluded minutes.

The meeting concluded at 3.39pm.

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

Chair

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