
MINUTES

FRIDAY 02 MARCH 2007

8.55AM

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

PRESENT:

Mayor Prendergast (9.01 – 10.29am)

Councillor McKinnon (Chair)

Councillor Pepperell (8.55-11.24am, 11.26am – 12.50pm)

Councillor Ruben

John Milne

David Pilkington

APOLOGIES:

Mayor Prendergast (for lateness)

001/07QA **APOLOGIES**
(1215/52/01/IM)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

- 1. Receive apologies for lateness from Mayor Prendergast.*

002/07QA **CONFLICT OF INTEREST DECLARATIONS**
(1215/52/01/IM)

NOTED:

There were no conflict of interest declarations.

003/07QA **MINUTES FOR CONFIRMATION**
(1215/52/01/IM)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Approve the minutes of the meetings held on Friday 1 December 2006 having been circulated, be taken as read and confirmed as an accurate record of the meeting.*

004/07QA **PUBLIC PARTICIPATION**
(1215/52/01/IM)

NOTED:

There was no public participation.

(Mayor Prendergast joined the meeting at 9.01am.)

005/07QA **REVIEW OF RELATIONSHIPS BETWEEN AUDIT AND RISK
MANAGEMENT SUBCOMMITTEE, COUNCIL CONTROLLED
ORGANISATION PERFORMANCE SUBCOMMITTEE AND
COUNCIL CONTROLLED ORGANISATIONS**

Report of John Scott – Director, Risk Assurance.

(1215/52/01/IM)

(REPORT 1)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*
2. *Note the recommendations arising from the Roy Tiffin review of the relationships between Audit and Risk Management Subcommittee, Council Controlled Organisation Performance Subcommittee and Council Controlled Organisations.*

3. Provide **the following** input/feedback on the recommendations in the Roy Tiffin report for incorporation into the report to the Strategy and Policy Committee:
- Note that the Subcommittee accepted the Roy Tiffin recommendations except for 1.4 and 1.6.

NOTED:

The Subcommittee added the words in bold.

006/07QA **STATUS REPORT ON AUDIT NEW ZEALAND ARRANGEMENTS, PROGRESS AND RECOMMENDATIONS**
Report of Helen Rogers – Financial Controller.
(1215/52/01/IM) (REPORT 2)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. Receive the information.
2. Note the progress made in implementing the recommendations.
3. Review the draft Planned Audit Approach letter prepared by Audit New Zealand and agree that it be issued in final form.

007/07QA **AUDIT ARRANGEMENTS FOR THE 2006/07 AUDIT**
Presentation by Rudie Tomlinson of Audit New Zealand.
(1215/52/01/IM) (PRESENTATION)

NOTED:

Rudie Tomlinson of Audit New Zealand made a presentation to the Subcommittee covering audit arrangements for the 2006/07 Audit. In the presentation Mr Tomlinson covered how Audit New Zealand would be approaching the audit and the significant audit issues for the Wellington City Council. He also noted changes in the way the audit would be conducted from the previous year.

(The meeting adjourned for morning tea at 10.29am and reconvened at 10.46am. When the meeting reconvened Mayor Prendergast was not present.)

008/07QA **IMPLICATIONS FOR COUNCIL OF NEW AND PROPOSED FINANCIAL REPORTING STANDARDS (IFRS)**

Report of Helen Rogers – Financial Controller.
(1215/52/01/IM)

(REPORT 4)

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 Subcommittee meeting in December 2006.*

009/07QA **DRAFT 2006/07 FINANCIAL STATEMENTS AND PROPOSED SIGN-OFF PROCESS**

Report of Helen Rogers – Financial Controller.
(1215/52/01/IM)

(REPORT 5)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*
2. *Note that this is the first financial year for which the financial statements template has been prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS).*
3. *Note that the draft 2006/07 financial statements reporting template is being reviewed by Audit New Zealand and that their comments/recommendations will be adopted as appropriate.*
4. *Approve the proposed format and disclosures for the 2006/07 financial statements subject to:*
 - (a) *consideration of the implications of any changes in NZ GAAP arising up to 30 June 2007 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 2007 (and any subsequent impact on the Notes to the financial statements);*

(c) reviewing the Statement of Service Performance, report on council-controlled organisations and report on mana whenua partnership; and

(d) receiving final clearance from Audit New Zealand.

5. *Approve the sign-off process for the 2006/07 financial statements (refer Appendix 1 of the Officers report).*

NOTED:

The Subcommittee added the words in bold.

010/07QA **CLUSTERING ACTIVITIES IN THE DRAFT ANNUAL PLAN**
Report of Wayne Maxwell – Director, Strategy and Partnerships.
(1215/52/01/IM) (REPORT 6)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information.*
2. *Note the proposed clustering of activities (and associated performance measures) outlined in Appendix One (attached to the Officer's report).*

011/07QA **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/01/IM)

(Councillor Pepperell left the meeting at 11.24am.)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

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 7: 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 8: 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.

Report 9: Internal Audit Programme

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 10: 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 11: 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.

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 11.26am.)

(Councillor Pepperell returned to the meeting at 11.26am.)

(For items 012/07QA to 016/07QA please see the public excluded minutes.)

The meeting concluded at 12.50pm.

Confirmed: _____
Chair / /