
MINUTES

MONDAY 3 MARCH 2008

9.15AM

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

PRESENT:

Mayor Prendergast (9.15 – 9.58am, 10.25am – 1.02pm)
Councillor McKinnon (Chair)
Councillor Best
Councillor Pepperell
David Pilkington
John Milne

001/08QA **APOLOGIES**
(1215/52/01/IM)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

- 1. Accept apologies from Mayor Prendergast for lateness*

002/08QA **ANNOUNCEMENT OF THE CHAIR**
(1215/52/01/IM)

NOTED:

The Chair welcomed Councillor Ngaire Best to the Subcommittee and Vincent Fallon as the Acting Director of Risk Assurance. He also noted that Andy Burns from Audit New Zealand had assumed responsibility for the audit of the Wellington City Council and welcomed him to the meeting. He also advised that Svea Cunliffe-Steel, Manager Committee and Councillor Services would be taking over the administration of the Subcommittee from Georgia McRae at its next meeting.

(Mayor Prendergast joined the meeting at 9.17am)

003/08QA CONFLICT OF INTEREST DECLARATIONS
(1215/52/01/IM)

NOTED:

There were no conflict of interest declarations.

004/08QA PUBLIC PARTICIPATION
(1215/52/01/IM)

NOTED:

There was no public participation.

**005/08QA STATUS REPORT ON AUDIT NEW ZEALAND ARRANGEMENTS,
PROGRESS AND RECOMMENDATIONS**
Report of Helen Rogers – Financial Controller.
(1215/52/01/IM) (REPORT 1)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

- 1. Receive the information.*
- 2. Note the content of the 2006/07 financial statements audit management letter (attached in Appendix One of the officer's report).*
- 3. Note the draft Audit Engagement letter prepared by Audit New Zealand (attached in Appendix Two of the officer's report).*
- 4. Note that the draft Planned Audit Approach letter by Audit New Zealand was tabled at the meeting.*
- 5. Note that the draft Letter of Undertaking is currently being prepared by Audit New Zealand and will be provided to the Subcommittee's June 2008 meeting.*

006/07QA **AUDIT ARRANGEMENTS FOR THE 2007/2008 AUDIT**
(1215/52/01/IM) (ORAL REPORT)

NOTED:

1. Andy Burns, Director of Audit New Zealand made a presentation to the meeting, introducing himself and stating what his objectives were in the upcoming year, in auditing the Wellington City Council. He highlighted what he saw as significant audit issues and discussed the process that would be followed. He took questions from the Subcommittee.
2. Andy Burns discussed the document tabled in Report One, titled "Planned audit approach".

(Mayor Prendergast left the meeting at 9.58am.)

007/08QA **IMPLICATIONS FOR COUNCIL OF NEW AND PROPOSED FINANCIAL REPORTING STANDARDS (IFRS)**
Report of Helen Rogers – Financial Controller.
(1215/52/01/IM) (REPORT 3)

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 June 2007.*

(Mayor Prendergast returned to the meeting at 10.25am.)

(The meeting adjourned for morning tea at 10.26am and reconvened at 10.46am. When the meeting reconvened all members were present.)

008/08QA **DRAFT 2007/08 FINANCIAL STATEMENTS AND PROPOSED SIGN-OFF PROCESS**
Report of Neil Cherry – Chief Financial Officer and Helen Rogers – Financial Controller.
(1215/52/01/IM) (REPORT 4)

RESOLVED:

THAT the Audit and Risk Management Subcommittee:

1. *Receive the information*

2. *Note that the draft 2007/08 financial statements reporting template is being reviewed by Audit New Zealand and that their comments/recommendations will be adopted as appropriate.*
3. *Approve the proposed format and disclosures for the 2007/08 financial statements subject to:*
 - (a) *consideration of the implications of any changes in NZ GAAP arising up to 30 June 2008 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 2008 (and any subsequent impact on the Notes to the financial statements); and*
 - (c) ***Reviewing the Statement of Service Performance, report on council-controlled organisations and report on mana whenua partnership***
 - (d) *receiving final clearance from Audit New Zealand.*
4. *Approve the sign-off process for the 2007/08 financial statements (refer Appendix 1 of the officers report).*

NOTED:

The resolutions differ from the recommendations in the officer's report as follows:

The subcommittee added the words in **bold**.

009/08QA **RESOLUTION TO EXCLUDE THE PUBLIC**
(1215/52/01/IM)

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 5: *Risk Assurance Summary of Work Completed*

Grounds: Section 48(1)(a) 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.

Reasons: Section 7(2) (b) To protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of Council.

Report 6: 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 7: Audit Programme for 2007/08

Grounds: Section 48(1)(a) 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.

Reasons: Section 7(2) (b) To 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 11.28am.

(For items 10/08QA - 14/08QA see public excluded minutes)

The meeting concluded at 1.02pm.

Confirmed: _____
Chair / /