

Report 11.386
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Committee Council
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Report on the Audit, Risk and Assurance Committee meeting 20 July

1. Purpose

To inform the Council about the meeting of the Audit, Risk and Assurance Committee that took place on 20 July 2011.

2. Decision-making and significance

No decision is being sought in this report.

3. Report

3.1 Overview of March quarterly reports

The Committee discussed the merits of implementing a policy which would see that the quarterly review from each group be considered by the relevant committee. This could help ensure that the information contained in the reports was more easily digestible. Consistency in presentation and information given in the quarterly reviews is important, however, managers need to be careful that this does not compromise the integrity of the information. A new format and style for the review is to be implemented in the report for the first quarter of the new financial year.

3.2 Risk overview

The information contained in the risk overview report is consolidated rather than new. Residual risk is the focus of the report and any changes in the mitigation of risks need to be identified. The Committee discussed the process used to identify risks and how they are reviewed. It was noted that the risk register needed to be updated regularly. The Committee agreed to hold a workshop to discuss the risk identification framework.

3.3 Draft interim Audit report

Audit New Zealand advised the Committee that the legal compliance controls put in place at Greater Wellington are effective. The formalising of process and policy was progressing well.

Greater Wellington is managing the delivery delays on rail projects well by addressing the public concern on this issue. The key focus of Audit New Zealand would now be on the transfer of KiwiRail assets.

3.4 Legal compliance

The Committee noted the report and discussed putting more of a focus on risk management and identification in order to improve compliance.

3.5 Changes to the Committee's Terms of Reference

The current Terms of Reference for the Audit, Risk and Assurance Committee do not comply with the good practice notes issued by the Auditor General. The Committee agreed to work with Audit New Zealand to make sure they are brought up to standard. They will then be referred to council for approval.

3.6 Public excluded business

The Committee went into a publicly excluded session to discuss the quarterly review from the People and Capability group and the Insurance Renewal 2011/12 report. Issues raised by the Committee from the quarterly review included staff training and audibility concerns during presentations.

4. Unconfirmed minutes

The unconfirmed minutes of the Committee meeting are in **Attachment 1**.

5. Recommendations

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*

Report prepared by:

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Report prepared by:

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Report approved by:

Judith Aitken
Chair