

Report 12.456  
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Committee Council  
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## Report on Audit, Risk and Assurance Committee meeting, 19 September 2012

### 1. Purpose

To inform the Council of the Audit, Risk and Assurance Committee meeting of 19 September 2012.

### 2. The decision-making process and significance

No decision is being sought in this report.

### 3. Reports

#### 3.1 Draft Annual Report for the year ended 30 June 2012

Karen Young, Director, Audit New Zealand, advised that the audit process has gone smoothly, with excellent cooperation received from Council officers. Ms Young also mentioned that the non-financial information has been very easy to audit, with the richness of the story coming through, and that the overall quality of the Annual Report document is excellent.

Ms Young advised the Committee that new accounting standards, specifically tailored for the public service, are being developed with the view to their introduction in 2014. The Committee requested that officers report to the Committee on the proposed standards, together with any suggestions on how the proposed standards could be enhanced.

#### 3.2 Year-end review for the year ended 30 June 2012

The Committee noted the stalled engagement of Greater Wellington staff, and was informed that new initiatives are being developed to foster engagement across Greater Wellington.

In terms of insurance the Committee briefly discussed the matter of self insurance of Greater Wellington assets. Officers advised that such an approach would be assessed as part of the current review of Greater Wellington's insurance, and that a report on options for the future would be provided to the Committee's next meeting.

The Committee requested that the development of a citizen panel to enhance community feedback and engagement activities be the subject of a Council workshop before any commitments are entered into.

### **3.3 Local Government Funding Agency update**

The Committee noted the success of the Local Government Funding Agency (LGFA) to date, with over \$1 billion so far having been raised for local government. Officers advised that the LGFA is demonstrating an ability to raise funding at cheaper rates than its overseas equivalents. The Committee considered that this is a good news story that should be more actively publicised.

### **3.4 Summary risk report**

The Committee reviewed Greater Wellington's risks. It requested that a report on high risk areas (with an initial focus on emergency management), and the steps being taken to reduce those risks, should be provided to each Committee meeting.

### **3.5 Insurance renewal 2012/13**

The Committee considered a report on Greater Wellington's insurance programme for 2012/13 in public excluded business. The Committee noted the significant increase in insurance premiums due to the impacts of the Christchurch earthquake events, and the options considered in developing the 2012/13 insurance programme.

It was also noted that there is no longer automatic reinstatement of insurance following a major event and that the Council now carries a significant financial exposure in the case of a Maximum Probable Loss event.

## **4. Recommendations**

*That the Council:*

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

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