



Report 10.383
Date 9 August 2010
File CFO/13/02/01

Committee Council
Author Judith Aitken, Councillor

Report on the Finance, Audit and Risk Committee meeting held on 5 August 2010

1. Purpose

To update the Council on the meeting of the Finance, Audit and Risk Committee held on 5 August 2010.

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

3. Reports

The Chair opened by commenting on the increasingly high quality of reports from the Finance and Support group.

3.1 Insurance Renewal (PE)

The report was presented by Mike Timmer. He noted that despite an increase in the asset value for material damages, overall premiums had remained fairly consistent since 2007/08 and there had been a 20% reduction in premiums.

There were a number of questions from the Committee, in particular:

- Would combining with other councils, Health Boards, etc, lower premiums?
- Have we considered going to the London insurance market?

In response management replied:

Greater Wellington has had discussion about combining with other organisations. The most cost effective model would be with organisations outside Wellington due to the spread of risk re earthquakes. To provide more

competition, Greater Wellington will consider going to the London market next year.

3.2 CentrePort Debt

Barry Turfrey outlined the report. There was a lot of discussion around the proposal. In particular:

- Clarification of what medium significance meant. This led to a request from the Committee for further discussions at a later date.
- Need to discuss with Horizons Regional Council prior to the proposal going to Council. This is because Greater Wellington must have a good appreciation of how Horizons Regional Council would see themselves in relation to this proposal.
- Some minor changes to the recommendations.

3.3 Review by Price Waterhouse Coopers (PWC)

Barry Turfrey presented the report with discussion involving the type of tests undertaken by PWC.

There were a number of tests run by PWC, for example:

- Employees sharing bank account
- Duplicate payments
- Payments authorised at unusual times.

Generally, the Committee were satisfied with the level of tests and the results.

3.4 People and Capability Group quarterly and Year End review

Leigh-Anne Buxton presented a very well received report with:

- Injury statistics
- Staff turnover and number of job applicants

3.5 Financial report for the year ending 30 June 2010

The financial report for the year was presented by Barry Turfrey. There was discussion around the following;

- Confirmation by management that any funding surplus from Transport went exclusively into the Transport Reserve, while at the same time reducing Councils external debt
- Any general surplus reduced debt and went to retained earnings
- The Committee noted the highlights for the year.

4. Unconfirmed minutes

The unconfirmed minutes of the committee meeting are attached as *Attachment 1*.

5. Recommendations

That the Council:

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

Report prepared by:

Report prepared by:

Judith Aitken
Chair
Finance, Audit and Risk Committee

Barry Turfrey
Chief Financial Officer

Attachment 1: Unconfirmed minutes of Committee meeting