



Report 09.86
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Committee Council
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Committee
Barry Turfrey, Chief Financial Officer

Report on the Finance, Evaluation and Risk Committee meeting held on 24 February 2009

1. Purpose

To update the Council on the meeting of the Finance, Evaluation and Risk Committee held on 24 February 2009.

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. Report

3.1 Audit management letter for the year ending 30 June 2008

Greater Wellington's Audit Director, Andy Burns, Audit New Zealand, attended the meeting. Barry Turfrey, Chief Financial Officer, and Andy Burns, made some introductory comments regarding the audit management letter.

There were a number of questions from the Committee regarding the comments made in the letter regarding AO opinion that weaknesses in the Council's IT environment, and that IT governance structures and controls require improvement. Committee members also raised the matter of a wider strategic "knowledge management framework" for information systems and ICT. Management will make a presentation to the Committee at its May meeting regarding the strategic framework and progress on resolution of IT matters in the AO report.

3.2 Financial report for the six months ended 31 December 2008

The report was presented by Barry Turfrey, Chief Financial Officer, with the following areas being highlighted:

- The lower oil price has reduced expenditure in Public Transport
- Consent income is down on budget due to the economic situation
- Volumes and prices are down in Forestry
- A number of divisions are forecasting a worse than budgeted operating result.

Management answered a number of questions from the Committee, including the materiality of differences in the interpretation of asset valuation.

3.3 Overview of Greater Wellington's Health and Safety System

The report was presented by Leigh-Anne Buxton, HR manager, who highlighted the benefits of achieving primary status with ACC.

The Committee raised questions regarding 'lost time injury frequency rate' and asked for additional comparative information on benchmarks, the costs of the ACC redundancy levy, and commented on the management of risks associated with employee illness and other accidental circumstances.

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:

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Judith Aitken
Chair,
Finance, Evaluation and Risk Committee

Barry Turfrey
Chief Financial Officer

Attachment 1: Unconfirmed minutes of Committee meeting