



Report 12.281  
Date 12 June 2012  
File E/11/01/04

Committee Council  
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## Report on Audit, Risk and Assurance Committee 12 June 2012

### 1. Purpose

To inform the Council of the Audit, Risk and Assurance Committee meeting of 12 June 2012.

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

No decision is being sought in this report.

### 3. Reports

#### 3.1 People and Capability Group quarterly review

The Committee discussed the value of the Gallup Engagement Survey. The Gallup Engagement Survey will be conducted for the sixth time in 2012/13. It is envisaged that after this year staff surveys will be conducted on a biennial basis. Officers advised that the survey results provide a good indication of engagement, and has been helpful to have a number of years' results for comparison.

The Committee noted the risk of staff movement due to uncertainty around potential local government reorganisation.

#### 3.2 Tenders report

The Committee discussed Greater Wellington's processes for preparing, receiving and evaluating tenders, and noted the importance of maintaining robust tendering processes. Greater Wellington has a good practice guide relating to tenders, which is based on guidance issued by the Controller and Auditor-General.

Greater Wellington's general practice is to seek competitive tenders for projects with a value of \$50,000 or greater, or that may be contentious and involve work of a lesser value. Tendering can be an expensive and time consuming process for both Greater Wellington and potential providers, and in some instances, it may be more appropriate to seek competitive quotes from specialist providers. Where there are two tenders evaluated as being of equal quality, the practice is to give preference to local providers.

The Committee requested that officers circulate the tendering guidelines and information on the decision-making process to Councillors.. The Committee also requested the Chief

Financial Officer to ascertain whether the auditors review any tender processes as part of their annual audit, and if so, whether they have any comments on Greater Wellington's processes.

### **3.3 Summary Risk Report**

The Committee noted the quality and usefulness of the risk report and recommended that risks be reported in the same format over the next 12 months. Two new risks have been added since December 2011: Source water availability reduced by external and unexpected effects; and Disruption to staff and business as usual due to potential Council reorganisation.

### **3.4 Draft Risk Management Policy**

The Committee commended the quality of the draft Risk Management Policy, which has had two informal reviews, both of which have provided favourable feedback. The Committee discussed the risk rating levels, and noted that risk management scoring levels should be consistent across the organisation. Officers advised that the policy is yet to be reviewed by focus groups and ELT. The Committee sought assurance that the focus groups comprise a wide range of officers, and that their feedback be included in the report back to the Committee on the policy. The Committee also asked that the policy review date be one year from the date of approval.

### **3.5 Local Government Funding Agency – Quarterly report**

The Local Government Funding Agency (LGFA)'s will now, as part of its reporting, prepare some market based data to show the savings that the LGFA is achieving for its borrowers. The Committee commended the work of Mike Timmer, Treasurer, whose work on aspects of the first settlement process between LGFA, NZDMO and participating councils was noted by the LGFA in its quarterly report.

Communications will draft a media statement about the success of the LGFA.

## **4. Recommendations**

*That the Council:*

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

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