

2. AUDITED ANNUAL FINANCIAL STATEMENTS

Jim Palmer, Director Audit New Zealand advised that the Annual Financial Statements would be approved with an unqualified opinion.

Jim Palmer outlined the issues which had been raised for discussion during the audit.

LANDFILL PROVISION

The assumptions made in the provision recognising the liability for the maintenance and mitigation of the environmental effects of landfills were broad and unknown. The estimate was reasonable but could be revised each year as more information came to hand.

STATEMENTS OF SERVICE PERFORMANCE

Modifications were required in some areas. It was noted that no systems had been put in place to support the achievement or otherwise of some performance targets. Improvements made for the 1996/97 financial year would flow through to other years.

OTHER ASPECTS UNDER REVIEW

1. Asset Management Plans

The Council had made good progress in some areas, specifically roading. Water, sewerage and stormwater (waterways) infrastructure were areas requiring more progress. The City Manager and Director of Finance undertook to report back.

2. Annual Plan Monitoring

3. FAMIS

4. Environmental Services

The robustness of the charging regime required further review.

NOTES TO THE FINANCIAL STATEMENTS

John Mackey drew the Committee's attention to note 28 Infrastructural Assets. The ownership of urban portions of the State Highway network is an issue to be resolved.

The Sub-Committee requested that urgent comprehensive research be undertaken on this issue in view of the pending review of the road network by central government.

The Sub-Committee reviewed other notes attached to the financial statements and agreed to amendments as follows:

- A reference would be made to "Landfill Aftercare" only deleting reference to "abnormal item". This item would be included with the vested assets.

- Subsidiaries of the Christchurch City Council. References to subsidiaries of companies would be deleted with the exception of a reference to ENERCO (New Zealand). A note would be included under the Southpower Ltd heading noting that ENERCO is a key subsidiary of Southpower Ltd.

SUMMARY OF ACTIVITIES

It was agreed that publicity be given to the success of the review of processes within the Environmental Services Unit in reducing response time in the processing of building consents.

It was noted that the redevelopment of the Centennial Pool is now progressing in accordance with the revised programme.

(Councillor David Close retired at 1.40 pm and Councillor David Buist assumed the Chair).

It was resolved:

1. That the Draft Annual Financial Statements, as amended during the meeting, be approved and included as the audited financial statements in the Annual Report.
2. That the covering report “Highlights of the Year” be approved (subject to amendment at the meeting) for incorporation into the Annual Report.
3. That the Annual Report and audited Financial Statements of the Christchurch City Council together with a report of the Audit Office be adopted in accordance with the delegated authority of the Council given at its meeting on 17 November 1998.
4. That the City Manager publish the Annual Report in accordance with requirements of the Local Government Act 1974.