

9. DEBTOR MANAGEMENT REPORT

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	Corporate Finance Manager
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PURPOSE OF REPORT

1. The purpose of this report is to provide the Audit and Risk Management Subcommittee with an update of the Council's outstanding debtors.

EXECUTIVE SUMMARY

2. The Audit and Risk Management Subcommittee has requested a quarterly report on the Council's debtors. This report is attached as Appendix 1.
3. The total of outstanding trade debtors is \$5.2m compared with \$5.4m in April. The amount outstanding at 183+ days overdue has reduced from \$1.2m to \$0.6m largely through the write off the \$0.5m Lyttelton Marina debt inherited from the Banks Peninsula District Council.
4. For the total rates debtors the amount outstanding in the previous years column has reduced from \$1.4m to \$0.4m. This is partly due to the write off of \$0.2m of rates on Maori freehold land.
5. The write off of both of these debts was discussed at the May meeting of this Subcommittee and it was agreed that they would be forwarded to Council for formal write off. Due to a misunderstanding this did not happen and the papers are now in the process of being formally submitted. Any tax treatment of the debts will be deferred to the current financial year.

FINANCIAL AND LEGAL CONSIDERATIONS

6. There are no legal implications.

STAFF RECOMMENDATIONS

It is recommended that the report be received.