

CHRISTCHURCH CITY COUNCIL

**MINUTES OF A MEETING OF THE
AUDIT AND RISK MANAGEMENT SUBCOMMITTEE**

**Held in the No 1 Committee Room, Civic Offices
on Tuesday 5 August 2008 at 3.00pm**

PRESENT: Councillor David Cox (Chairman),
Councillors Bob Shearing and Chrissie Williams,
and Mr John Hooper.

IN ATTENDANCE: **Christchurch City Council**
Paul Anderson, (General Manager Corporate Services),
Diane Brandish (Corporate Finance Manager),
Graeme Nicholas (Senior Auditor) and
Tony McKendry (Committee Adviser).

PriceWaterhouseCoopers
Murray Harrington (Partner).

Audit New Zealand
Scott Tobin and Andrew Timlin

APOLOGIES: Apologies for absence were received and accepted from
Mayor Bob Parker, Councillor Gail Sheriff and
Mr Michael Rondel.

	ACTION
<p>1. MINUTES OF PREVIOUS MEETING</p> <p>It was resolved on the motion of Councillor Bob Shearing, seconded by John Hooper, that the minutes of the Subcommittee meeting held on 5 May 2008 be confirmed.</p>	<p>Tony McKendry</p>
<p>2. MATTERS ARISING</p> <p>Paul Anderson provided a verbal report on progress with outstanding matters. Points covered included:</p> <ul style="list-style-type: none">• Copies of correspondence from auditors to Council staff were circulated to the members of the subcommittee• Risk issues of significance and likelihood are addressed in the Internal Audit Operational Plan 2008/09• Comment on CCC processes – a number of projects underway aimed at improvements to processes.• There is an excellent level of communication with CCHL. This relationship is strong and working effectively. Letter was sent to Chairman and CEO of CCHL as requested.• Council property and asset management are covered in the Internal Audit Operational Plan 2008/09.	

	ACTION
<p>3. CORRESPONDENCE</p> <p>Nil.</p>	
<p>4. INTERNAL AUDIT ACTIVITY REPORT – APRIL/JULY 2008 QUARTER FOUR</p> <p>Murray Harrington (PWC) and Graeme Nicholas (Senior Auditor) spoke to the report which covered:</p> <ul style="list-style-type: none">• The status of audit projects in the current year’s programme• Executive summaries for reports completed during the quarter ending July 2008• Issues outstanding from previous quarters. <p>They also addressed reviews and the 2008/2009 Internal Audit Planning process which has had a focus on:</p> <ul style="list-style-type: none">• IT capability, planning, security and delivery• Governance, regulatory and communication processes• Reviews in respect of both major capital and operational spend• Improving business processes within the Council. <p>Discussion points included:</p> <ul style="list-style-type: none">• Every review programmed for 2007/2008 now complete.• Newly appointed GM HR (Chris Till) has a particular interest in fraud and has agreed to be accountable GM.• In general tighter controls are progressively being implemented across Council.• Review of capital programmes – a proactive audit of this area was conducted earlier in the 2007/08 year at the request of the Acting GM Capital Programme. The findings of this audit have been formed into an action plan, which is now monitored by a newly-formed Capital Programme Governance Group comprising of four GMs (Corporate Services, City Environment, Capital Programme, Community Services). Good progress is being made.• A complete and robust audit carried out in respect of Civil Defence and Emergency Management.• Clarified instructions to managers regarding budgeting 2008/09.• Governance and reporting arrangements CCTOs and the Council. Paul Anderson to confer further with Bob Lineham.	<p>Paul Anderson Murray Harrington Graeme Nicholas</p> <p>Paul Anderson to provide a verbal report at next meeting</p>

	ACTION
<p>Internal Audit Strategy and Plan</p> <p>Murray Harrington spoke to this report and responded to questions.</p> <ul style="list-style-type: none">• Discussions held with GMs on an individual, and collective basis.• Executive Team have adopted the operational and revised strategic plan.• Reporting on HR. Councillor Williams requested that management consider more frequent reporting of key people measures. Paul Anderson to discuss with Chris Till, General Manager, Human Resources and if appropriate Mr Till to be invited to attend the next meeting of the subcommittee.• Contracts with City Care - Council workshop in August. <p>It was resolved on the motion of Councillor Shearing, seconded by Councillor Williams, that the Internal Audit Operational Plan 2008/09 and the Internal Audit Strategic Plan Three Years to 2009 (revised June 2008) be adopted.</p> <p>It was resolved on the motion of the Chairman, seconded by Councillor Shearing, that the report be received.</p>	<p>Paul Anderson Murray Harrington Diane Brandish</p> <p>Paul Anderson</p>
<p>5. CORPORATE FINANCE QUARTERLY REPORT</p> <p>Diane Brandish spoke to this report which provided an update on financial matters arising from previous meetings including the Council's key treasury and debtor financial ratios and KPIs as at year end. Diane also responded to questions from the subcommittee. A status report on the current audit was provided by Scott Tobin and Andrew Timlin.</p> <p>It was resolved on the motion of Councillor Shearing, seconded by Councillor Williams, that this subcommittee recommend to the Council that the annual report and year-end accounts for 30 June 2008, be considered and adopted by the Council at its meeting set down for 16 October 2008.</p>	<p>Diane Brandish Tony McKendry</p>
<p>6. SPORTS FACILITY LEASES AND CASH CONTROL AT RAWHITI GOLF COURSE</p> <p>Paul Anderson spoke to this report and responded to questions.</p> <p>The report signalled progress on the implementation of the recommendations from two internal audits regarding leasing policy and asset management plans for leased sports facilities, and the control of cash at the Rawhiti Golf Course.</p> <p>Mr Anderson indicated that he was comfortable that management had sufficient focus to resolve the outstanding issues.</p>	

Decision points included:

- Early consultation with lessees prior to review of leases
- Maintenance responsibilities, particularly deferred maintenance

It was **resolved** on the motion of the Chairman, seconded by Councillor Shearing that the report be received.

7. ISSUES FOR FUTURE MEETINGS

Nil.

8. RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** on the motion of Councillor Williams, seconded by Councillor Shearing, that the public be excluded from the following part of the proceedings of this meeting, namely item 9.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
9. PURCHASE OF NEW ZEALAND FLOWER AND GARDEN SHOW SHOW 2004 LTD) GOOD REASON TO WITHHOLD EXISTS) UNDER SECTION 7	SECTION 48(1)(a)

This resolution was made in reliance on Section 48(1)(a) of the Local Government Official Information and meetings Act 1987 and the particular interest protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public is as follows:

9. Commercial Activities Section 7(2)(h)

It was further **resolved** on the motion of Councillor Williams, seconded by Councillor Shearing, that Murray Harrington, Scott Tobin and Andrew Timlin be permitted to attend the meeting due to their specialist knowledge of the matter under discussion.

9. IN OPEN MEETING

10. NEXT MEETING

Monday 22 September 2008 at 11.00am (Mayor’s Lounge)

ACTION

Paul Anderson

Clare Sullivan

The meeting concluded at 4.10pm