

28. 9. 2006

**AUDIT AND RISK MANAGEMENT SUBCOMMITTEE  
10 FEBRUARY 2006**

**A meeting of the Audit and Risk Management Subcommittee  
was held on Friday 10 February 2006 at 1.30pm**

**PRESENT:** Councillor Bob Shearing (Chairperson),  
The Mayor,  
Councillors David Cox and Gail Sheriff.  
Mike Rondell and John Hooper.

**IN ATTENDANCE:** Lesley McTurk, Roy Baker, Graeme Nicholas, Diane Brandish,  
Melissa Haskell, Bruce Moher and Max Robertson (Christchurch City  
Council), Greg Bell, Devan Menon and Ken Boddy (Audit New Zealand).

**APOLOGIES:** An apology for absence was received and accepted from the Mayor.

The Subcommittee reports that:

**PART C - REPORT ON DELEGATED DECISIONS  
TAKEN BY THE SUBCOMMITTEE**

**1. INFLATION ADJUSTERS**

It was **resolved** that the report be received.

**2. RELATED PARTY DISCLOSURES FOR COMMUNITY BOARD MEMBERS**

The Subcommittee **resolved**:

- (a) That for the purposes of NZIAS 24: Related Party Disclosures, for the Council, a community board member will not be a "director".
- (b) That training be included on dealing with conflicts of interest as part of the overall training on related parties.
- (c) That the General Manager Regulation and Democracy Services include in the training programme a session on "conflicts of interest" and related parties for all elected members.

**3. ACCOUNTING POLICIES**

It was **resolved** to adopt the accounting policies attached as Appendix 1 to the staff report.

**4. RECOGNITION AND MEASUREMENT OF COMMUNITY LOANS**

It was **resolved**:

1. That future community loans be granted at commercial rates, with the additional interest cost being returned to the borrower by way of a grant.
2. That existing loans be amended to reflect commercial rates, backdated to 1 July 2005, and that the appropriate grants be given.
3. That community loans be designated as Loans and Receivables at transition to IFRS, and annual amortisation and impairment testing occur thereafter

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**Audit and Risk Management Subcommittee 10.2.2006**

**5. REPORT ON INTERNAL AUDIT ACTIVITY : 3 MONTHS ENDED 31 DECEMBER 2005**

It was **resolved**:

1. That the report be received.
2. That the Chief Executive be requested to investigate and report back to the Subcommittee on:
  - Improved methods of monitoring private calls on Council cellphones, and the present arrangements for reimbursing the Council for the cost of such private calls.
  - The introduction of a system for recording airpoints credited to staff and elected members for Council-related travel, and the possible utilisation of such airpoints for future Council-related travel by the staff and members affected.
  - Arrangements for the regular review of parking charges, to ensure that charges for permanent parking in Council parking facilities reflect true market rates.

**6. OCCUPATIONAL SAFETY AND HEALTH ISSUES**

It was **resolved** that the report be received.

**7. LIABILITY MANAGEMENT POLICIES**

It was **resolved** that the report be received.

**8. CALENDAR OF EVENTS**

It was resolved :

1. That the report be received.
2. That the next meeting be held commencing at 1.30pm on Friday 7 April 2006. (Subsequently changed to 9am on this date.)
3. That subsequent meetings be held on dates to be arranged in May, late August, early September and early December 2006.
4. That future meetings be held in the No 1 Committee Room, if available.

**9. RESOLUTION TO EXCLUDE THE PUBLIC**

It was **resolved** that the draft resolution to exclude the public contained in the agenda be adopted.

**CONSIDERED THIS 28TH DAY OF SEPTEMBER 2006**

**MAYOR**

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10 FEBRUARY 2006**

**PUBLIC EXCLUDED**

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The Mayor,  
Councillors David Cox and Gail Sheriff  
Mike Rondell and John Hooper

**IN ATTENDANCE:** Lesley McTurk, Roy Baker, Graeme Nicholas, Diane Brandish, Melissa Haskell, Bruce Moher and Max Robertson (Christchurch City Council), Greg Bell, Devan Menon and Ken Boddy (Audit New Zealand).

**APOLOGIES:** An apology for absence was received and accepted from the Mayor.

The Subcommittee reports that:

**PART B - REPORTS FOR INFORMATION**

**10. OPERATING SURPLUS**

The Subcommittee considered the following documents:

- White paper documenting a recommended method for determining the borrowing requirement, operating surplus and rating requirement for the Council.
- Schedule of rate smoothing options.
- Schedules relating to surplus requirement and capital programme funding.
- Schedule relating to borrowing requirement, operating surplus and cash operational cost.
- Deloitte report on borrowing requirement, operating surplus and rates requirement.
- Schedule of new surplus formula based on capital spend average for years 2002/03 to 2006/07 inclusive.

The Subcommittee **decided** to adopt the method set out in the white paper for determining the borrowing requirement, operating surplus and rating requirement.

The meeting concluded at 3.45pm

**CONSIDERED THIS 28TH DAY OF SEPTEMBER 2006**

**MAYOR**