

CHRISTCHURCH CITY COUNCIL

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

**Held in the No. 3 Committee Room, Civic Offices
on Wednesday 7 June 2006 at 12.30pm**

PRESENT: Councillor Bob Shearing (Chairperson),
The Mayor,
Councillors Graham Condon (from 1.00pm),
and Gail Sheriff.

APOLOGIES: Apologies for absence were received and accepted from
Councillor David Cox, Messrs John Hooper and Mike Rondell.

IN ATTENDANCE: Lesley McTurk, Roy Baker, Bob Lineham, Graeme Nicholas,
Diane Brandish, Monique MacIntosh and Tony McKendry
(Christchurch City Council), Greg Bell, Ken Boddy and
Devan Menon (Audit New Zealand).

	ACTION
<p>1. CONFIRMATION OF MINUTES</p> <p>It was resolved to confirm the minutes of the previous meeting of the Subcommittee held on Friday 10 February 2006, as a true and correct record of that meeting.</p>	
<p>2. LONG TERM COUNCIL COMMUNITY PLAN (LTCCP)</p> <p>The Chairperson advised that the purpose of the meeting was to discuss matters of mutual interest to the Council and Audit New Zealand relating to the LTCCP. He invited Roy Baker (General Manager Corporate Services) to lead the discussion.</p> <p>Roy Baker outlined inter alia:</p> <ul style="list-style-type: none">• Possible risks associated with finalising the LTCCP.• The timeline necessary to achieve this goal.• A possible financial bottleneck.• Inflation factors to be built in to final document.• Changes to draft document must be acceptable to Audit New Zealand.• Development Contributions Policy (DCP) presents a challenge with the application (not the principles) being an issue.	

	ACTION
<p>Greg Bell, Audit New Zealand, commented:</p> <ul style="list-style-type: none">• The Council has presented Audit with a revised and tighter timeline. This will present a challenge.• The importance of S.97 of the Local Government Act 2002 to the whole process. <p>The meeting then discussed various matters raised at hearings and the procedures required to implement relevant and acceptable submissions. Such decisions when made by the Council to acknowledge the strong signal from submitters not to reduce the level of services.</p> <p>(Following the meeting Roy Baker circulated to all Councillors a timetable on the LTCCP for the period 12–30 June 2006. A copy of the timetable is attached to these minutes.)</p> <p>3. RESOLUTION TO EXCLUDE THE PUBLIC</p> <p>It was resolved that the draft resolution to exclude the public contained in the agenda be adopted.</p>	

LTCCP Timetable

12 to 30 June 2006

JUNE	
M 12 } T 13 } W 14 }	Council Seminars Council Deliberations ⁽¹⁾
T 15	Council Meeting
F 16	-
M 19	Changes to Audit ⁽²⁾
T 20	Council Seminar ⁽³⁾ overall rate
W 21	-
T 22	Council Meeting
F 23	-
M 26 } T 27 }	Agenda finalised and sent out for Friday's meeting
W 28	-
T 29	-
F 30	Council adopt LTCCP → Audit sign-off on Plan

- (1) Clear and final decisions required at this point.
- (2) We need to give details to Audit NZ for review and ensure the decisions and financial changes are consistent with the underlying AMPs, Community Outcomes, and Policies within the draft LTCCP.
- (3) This seminar is designed to ensure Councillors are aware of the overall rate impact of the decisions made on 12-14 June. It is designed to avoid any "surprises" on 30 June.

Please note, this phase of the LTCCP process is a bottleneck from a financial aspect. Changes made within the Financial Planning System (FPP) are NOT instantaneous. At a global level we have a feel for the impact, but at a detail level it takes time to process any changes. In addition we need to incorporate inflation into any changes. This exercise is done outside the FPP. The point here is that changes requested by Council after 14 June will put the process (and Audit NZ sign-off) at severe risk.

We have agreed with Audit NZ on a process regarding documentation for the final LTCCP. Clearly the timeframe does not allow the production of an "updated" glossy final LTCCP document to send out with the agenda on 26/27 June. What you will receive is the draft LTCCP and a schedule of changes. The schedule will already have most of the finance pages updated and details of other changes, e.g. new pages/topics, which will reflect what will be in the final document.

LTCCP Timetable

12 to 30 June 2006

The Audit and Risk Committee met on Wednesday, 7th June to consider possible risks associated with finalising the LTCCP. The above timeline was explained and the constraints faced. Audit NZ made some specific points:

- The timeline is tighter than the original plan (caused by Council moving the determination session by three days) which is placing pressure on Audit NZ review time.
- Audit NZ is not prepared to compromise the quality of its work and just sign off under time pressure.
- Any changes made must have logic and meet legislative requirements around consultation.
- Any change to a LOS needs to ensure Council has undertaken the appropriate level of decision making, i.e. how does the change impact on strategy and policy of significance; was it consulted upon; was there substance through submissions; if it wasn't consulted upon, who is impacted; is it significant etc.
- While there are no black and white answers, the above factors will be important for Audit NZ to consider when determining its opinion on the Final LTCCP.

The criteria for acceptable resolutions, or notices of motion or amendments will be circulated to Councillors.