

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE AGENDA

WEDNESDAY 2 DECEMBER 2009

AT 12.30PM

IN THE NO 3 COMMITTEE ROOM, CIVIC OFFICES

Subcommittee: The Mayor, Mr Bob Parker
Councillors David Cox, Bob Shearing, Gail Sheriff, and Chrissie Williams,
and Messrs John Hooper and Michael Rondel.

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9. **CORPORATE FINANCE REPORT FOR QUARTER ENDED OCTOBER 2009**
10. **ISSUES FOR FUTURE MEETINGS**
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Please note: A light luncheon will be available from 12 noon.

2. 12. 2009

1. APOLOGIES

Mayor Bob Parker, and Mr John Hooper.

2. CONFIRMATION OF MINUTES

Attached.

It is recommended the Subcommittee confirm the minutes of the meetings of 14 August 2009 and 29 September 2009.

3. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

8. RESOLUTION TO RESUME OPEN MEETING

Attached.

9. CORPORATE FINANCE REPORT FOR QUARTER ENDED OCTOBER 2009

Attached.

10. ISSUES FOR FUTURE MEETINGS

11. NEXT MEETING

2. 12. 2009

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

RESOLUTION TO EXCLUDE THE PUBLIC

Section 48, Local Government Official Information and Meetings Act 1987.

I move that the public be excluded from the following parts of the proceedings of this meeting, namely items 4 to 7.

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 this resolution are as follows:

GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER	GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF THIS RESOLUTION
4. CONFIRMATION OF MINUTES: MEETINGS OF 14 AUGUST 2009 AND 29 SEPTEMBER 2009)	
5. LEGAL SERVICES UPDATE)	
6. CHRISTCHURCH CITY COUNCIL NEGOTIATIONS)	SECTION 48(1)(a)
7. INTERNAL AUDIT ACTIVITY REPORT – AUGUST – OCTOBER 2009, QUARTER ONE)	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests 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 are as follows:

Item 4	Maintain legal professional privilege	(Section 7(2)(g))
Item 5	Maintain legal professional privilege	(Section 7(2)(g))
Item 6	Maintain legal professional privilege	(Section 7(2)(g))
Item 7	Maintain legal professional privilege	(Section 7(2)(g))

Chairman's

Recommendation: That the foregoing motion be adopted.

Note

Section 48(4) of the Local Government Official Information and Meetings Act 1987 provides as follows:

“(4) Every resolution to exclude the public shall be put at a time when the meeting is open to the public, and the text of that resolution (or copies thereof):

- (a) Shall be available to any member of the public who is present; and
- (b) Shall form part of the minutes of the local authority.”

9. CORPORATE FINANCE REPORT FOR PERIOD ENDED OCTOBER 2009

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish, Unit Manager Corporate Finance

PURPOSE OF REPORT

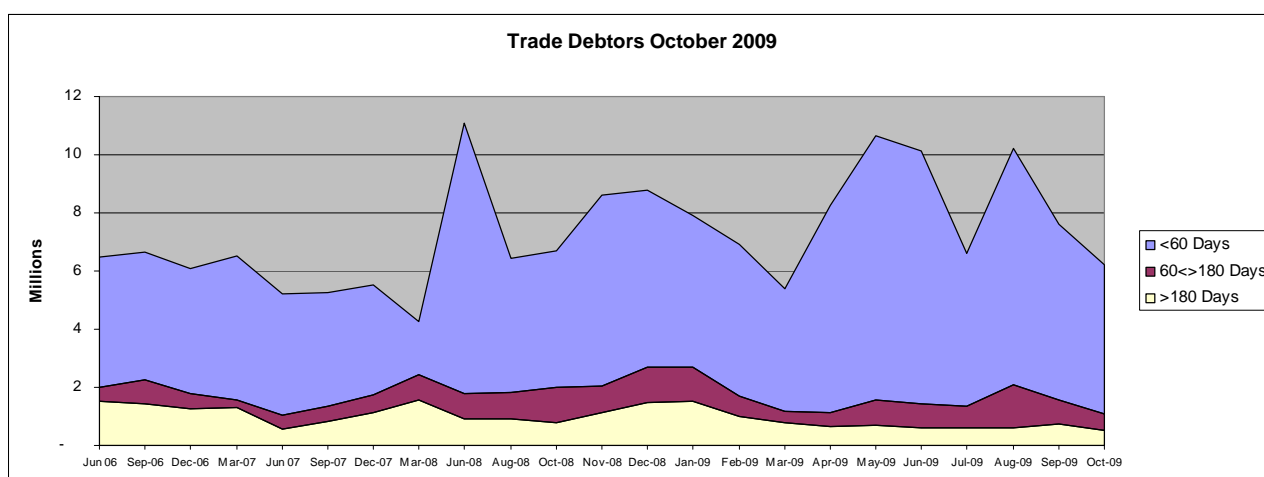
1. The purpose of this report is to provide the Audit and Risk Management Subcommittee with an update on key financial and treasury matters for the four months ending October 2009.

TREASURY

2. The table attached as **Appendix 1** shows that the Council remained within its financial ratio policy limits. Council continues to be a net investor with investments in cash, bonds, floating rate notes and advances to subsidiaries exceeding the debt levels.
3. In September Council raised \$25 million of three-year Floating Rate Notes at 85 bps over the 90 day BKBM, (down from 155 bps in June), and a further \$50 million of three year medium term notes in October at a margin of 65 bps. \$12 million of these funds were on-lent to Civic Building Ltd, \$10 million was used to refinance a maturing loan from Christchurch City Holdings Limited, and the balance is required to fund the capital programme.

DEBTORS

4. At 31 October the debtor balance stood at \$6.2 million, \$3.9 million below that reported in June. This movement is consistent previous years and reflects the collection of invoices raised as part of the year end processing.
5. At the last meeting the Committee requested detail on the Council's policy for debt write-off. Under the delegations policy Council officers have authority to write-off debts up to a value of \$10,000 after which they are referred to Council.
6. **Appendix 2** lists all overdue debtors with a value of \$20,000 or greater. As at 31 October there were 9 debtors totalling \$375,197, or 6 percent of the total debt. Of this \$125,000 relates to Meta and is the balance of a larger debt which was part of an agreed payment plan. It is due to be paid before the end of November.



9 Cont'd

AUDIT NEW ZEALAND MANAGEMENT REPORT ON 2009/19 LTCCP

7. The report from Audit New Zealand on the 2009/19 Long Term Community Council Plan (LTCCP) is attached as **Appendix 3**. The report confirms that an unqualified opinion was received on the LTCCP and associated documents and provides an assessment of the approach adopted by Council in preparing the plan with recommendations from Audit New Zealand on improvements that might be made. A representative from Audit New Zealand will be at the meeting should the Committee have any questions regarding the report.

FINANCIAL AND LEGAL CONSIDERATIONS

8. There are no financial or legal implications.

STAFF RECOMMENDATIONS

It is recommended that the report be received.