

9. CORPORATE FINANCE REPORT FOR PERIOD ENDED OCTOBER 2009

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| 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

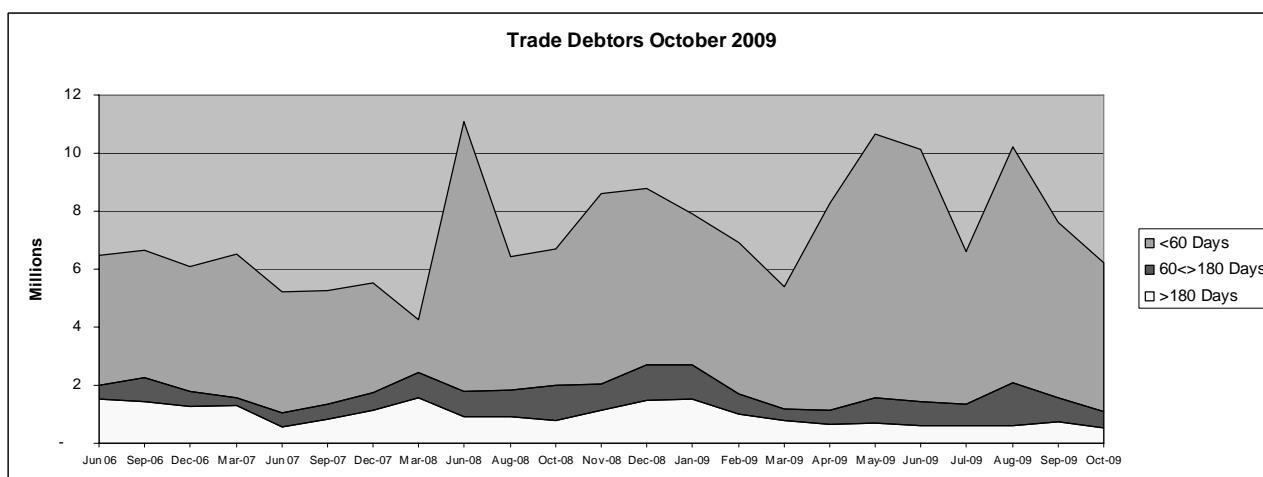
1. The purpose of this report is to provide the Audit and Risk Management Subcommittee with an update on key financial and treasury matters for the four months ending October 2009.

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.