

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE AGENDA

TUESDAY 10 AUGUST 2010

AT 2PM

IN THE NO. 1 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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1. APOLOGIES

2. CONFIRMATION OF MINUTES OF MEETING: 4 MAY 2010

Attached.

It is recommended that the Subcommittee confirm the minutes of the meeting of 4 May 2010.

3. CORPORATE FINANCE REPORT FOR PERIOD ENDED JUNE 2010

General Manager responsible:	General Manager Corporate Services, DDI 941-8540
Officer responsible:	Corporate Finance Manager
Author:	Diane Brandish

PURPOSE OF REPORT

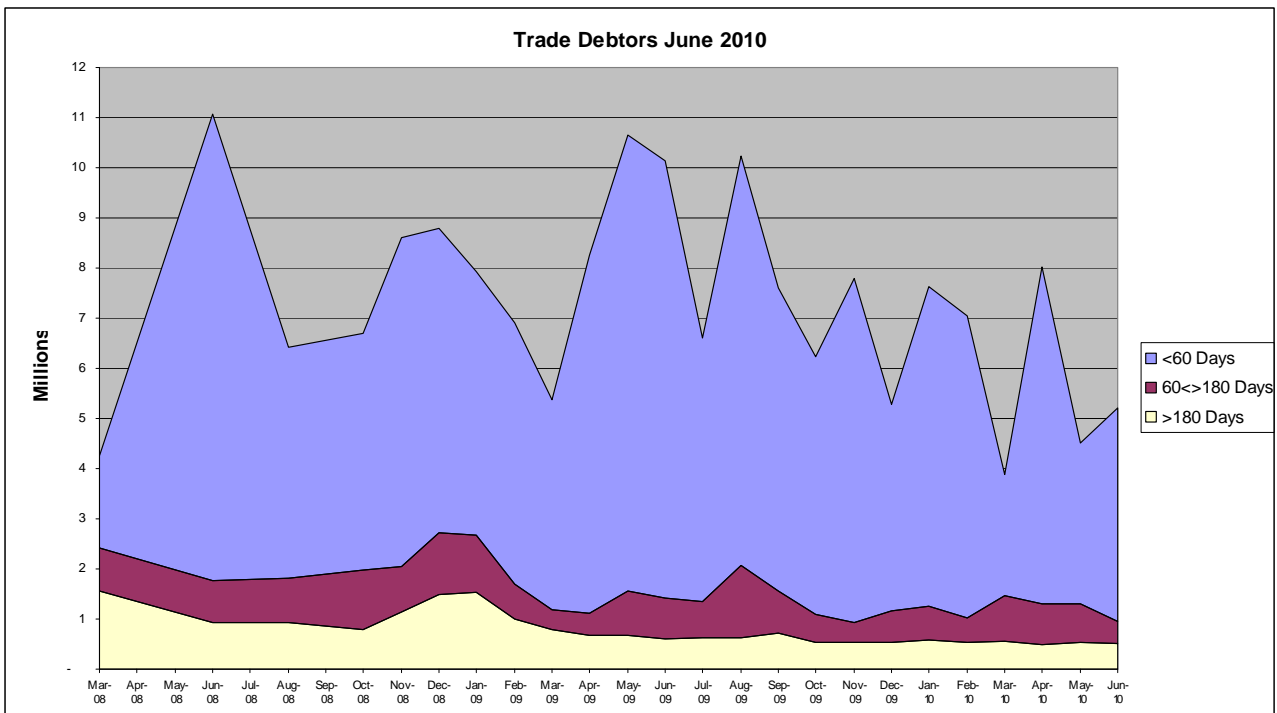
1. The purpose of this report is to provide the Audit and Risk Management Subcommittee with an update on key financial and treasury matters for the period ending June 2010.

TREASURY

2. The table attached as **Appendix 1** shows that the Council remained within its financial ratio policy limits. As at the date of this report there are no changes to the forecast that would cause Council to breach these limits for the balance of the LTCCP period.
3. Council received a special dividend of \$73.3 million from Christchurch City Holdings Limited. These funds were used to repay the internal borrowing of \$25 million, the process in which we drawdown on our own deposits to fund the capital programme and credit the special funds with a market rate of interest. As detailed in the 2010-11 Annual Plan the remaining balance of the special dividend will be used to reduce the required borrowing in the next financial year.
4. At 30 June 2010 Council's borrowing was \$18.1m higher than planned, largely reflecting the advance and investment in CCC Two Ltd for the purchase of Meta, as resolved by Council on 29 July 2009. There were a number of other offsetting variances which were mainly timing issues associated with carry forwards, and the application of special dividend monies.

DEBTORS

5. At 30 June 2010 the debtor balance stood at \$5.2 million, \$1.3 million above that reported in January. \$1.2 million of the variance is due to the increase in SAP debtors. The balance at year end is well below that of the last two years as costs owing to Council have been invoiced and recovered throughout the year rather than at year end as was the previous practice.
6. As at 30 June the overdue debtors totalled \$709,800, or 13.7 per cent of total debt. The March figures were \$841,798 and 21.6 per cent. A detailed report of overdue debtors over \$20,000 (**Appendix 2**), will be tabled at the meeting.
7. Debt written off for the year totalled \$230,288 as compared to last year's figure of \$256,556. Further detail is provided in **Appendix 3** (attached).



3 Cont'd

FINANCIAL AND LEGAL CONSIDERATIONS

8. There are no financial or legal implications.

STAFF RECOMMENDATIONS

It is recommended that the report be received.

4. ISSUES FOR FUTURE MEETINGS

5. NEXT MEETING

6. RESOLUTION TO EXCLUDE THE PUBLIC

Attached.

10 AUGUST 2010

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 7, 8, 9, and 10.

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
7.	CONFIRMATION OF PUBLIC EXCLUDED MINUTES OF MEETING: 4 MAY 2010)	
)	
8.	ORAL UPDATE BY LEGAL SERVICES MANAGER)	
)	
9.	INTERNAL AUDIT ACTIVITY REPORT – MAY 2010 / JULY 2010 QUARTER FOUR) GOOD REASON TO WITHHOLD EXISTS UNDER SECTION 7	SECTION 48(1)(a)
)	
10.	ORAL UPDATE BY GENERAL MANAGER, CORPORATE SERVICES)	
)	
)	

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 7	Prevent damage to public interest	Section 7(2)(c)(ii)
Item 8	Maintain legal professional privilege	Section 7(2)(g)
Item 9	Prevention of improper advantage	Section 7(2)(j)
Item 10	Prevent damage to public interest	Section 7(2)(c)(ii)

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.”