

CHRISTCHURCH CITY COUNCIL

MINUTES OF A MEETING OF THE
AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

Held in the Board Room, Beckenham Service Centre
on Wednesday 1 June 2011 at 3 pm.

PRESENT: Councillor Sally Buck (Chairman), Councillors Jimmy Chen and Chrissie Williams.

APOLOGIES: Apologies for absence were received and accepted from Mayor Bob Parker, Councillors Helen Broughton (lateness) and Jamie Gough.

	ACTION
<p>1. DEPUTATIONS BY APPOINTMENT</p> <p>Nil.</p>	
<p>2. AUDIT AND RISK MANAGEMENT SUBCOMMITTEE STRUCTURE AND TERMS OF REFERENCE</p> <p>Councillor Williams tabled a revised set of Subcommittee Draft Terms of Reference dividing them into three subheadings of Purpose, Delegations and Practices.</p> <p>Discussion took place on the level at which the Subcommittee operated, as to that of the Council, particularly with regard to compliance reporting and risk management, and whether there was a bridge/link between the two. It was explained that the Subcommittee operated at a lower, but more detailed level, than that of the Council.</p> <p>(a) It was resolved that the Subcommittee recommends to Council that its terms of reference be based on:</p> <ul style="list-style-type: none">• Approving the Annual Report and Audited Financial Statement of the Council.• Reviewing and approving significant accounting policy changes.• Reviewing the format of financial reports prior to audit.• Evaluating the adequacy and effectiveness of the administrative, operating and accounting policies through active communication with the external and internal auditors and consideration of their management report.• Recommending to the Council amended terms of reference for this subcommittee. <p>(b) Agrees that practices should be standard for the subcommittee:</p> <ul style="list-style-type: none">• The Subcommittee will meet at least four times a year.• At least once a year the Subcommittee may meet with the external and internal auditors, without management present.• The subcommittee will principally rely on discussions and reports from staff, and remains at arms length from any operational activity.• The subcommittee will be serviced by the Secretariat.• The Chairperson of the Subcommittee may initiate meetings as they see fit. <p>It was agreed that the Terms of Reference should be presented in a similar format to other Council committees and the Subcommittee requested that staff complete this work and refer them back to the Subcommittee for approval.</p>	<p>Paul Anderson</p>

3. COUNCIL RISK MANAGEMENT FRAMEWORK

Murray Harrington of PriceWaterHouseCoopers explained to the Subcommittee the robust internal process that had been undertaken to identify the “key” business unit and organisational risks. It was noted that these risks are organisational risks rather than City-wide risks (eg. climate change) in that they focus on the organisation’s delivery of the LTCCP / LTP and other Council resolutions. It was further noted that these risks form the basis of internal management reporting, bi-annual reporting to the Subcommittee as well as informing the Internal Audit Programme..

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

3. CORPORATE FINANCE REPORT FOR THE PERIOD ENDED JUNE 2010

It was noted that due to the earthquake, debt collection was temporarily curtailed but this had now been resumed. The Subcommittee noted that it was likely that due to the earthquake, the level of service for rates collected on time would need to be reduced..

It was noted that the Council’s Insurers were having trouble with re-insurance and there was no certainty that “earthquake” cover would be obtained.

The situation would be reported back to the next meeting.

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

4. AUDIT ARRANGEMENTS LETTER FOR THE YEAR ENDED 30 JUNE 2011

A letter from Audit New Zealand outlined the arrangements for the Audit of Christchurch City Council for the year ended 30 June 2011.

It was **resolved** that the details of the audit are acknowledged and the Chairman be authorised to sign the Letter of Agreement.

4. NEXT MEETING

The next meeting will be held possibly early in October, so as the Annual Report can be adopted at the Council’s 13 October 2011 meeting.

5. RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** that the Resolution to exclude the public, as set out on Page 16 of the Agenda be adopted.

ACTION

Diane Brandish

Warren Brixton