

3. AUDIT NEW ZEALAND MANAGEMENT REPORT FOR THE YEAR ENDED 30 JUNE 2004

Consideration was given to the above report for the year ended 30 June 2004.

Audit New Zealand issued an unqualified audit opinion on the Council's Financial Statements for the period ended 30 June 2004 on 13 September 2004. This was more than two months earlier than previous years. The Christchurch City Holdings Ltd and Christchurch City Facilities Ltd Financial Statements were also prepared much earlier than normal. The Management Report comments: *"These improvements are a credit to Council staff involved in the annual reporting process and also reflect the good working relationship between Council and group and Audit New Zealand."*

The Management Report which is prepared each year by Audit New Zealand identifies the audit findings and recommendations arising from these findings. These findings do not alter the unqualified opinion which is published on page 18 of the 2004 Annual Report.

The Management Report notes opportunities for the Council to improve its systems as they relate to manual timesheet entry, the reconciliation of the GRNI Account, bank reconciliations, debtor follow-up, credit card expenditure and the recording of non financial data.

The report also identifies accounting for leases, related entities and International Financial Reporting Standards as issues.

Included within the report is the management response to all those matters raised. Where appropriate the management response notes the action which has/will be taken to resolve the matter.

Arising from a discussion on the authorisation of credit card expenditure, it was **decided** that in future the Chief Executive's credit card expenditure would be authorised by the Chairperson of the Audit and Risk Management Subcommittee.

The Financial Services Manager updated the Subcommittee on the licensing agreement for the GEMS System and advised that the Council now had a concurrent licence for 305 users and that GEAC had agreed to subsidise the remaining 95 users.

The Subcommittee **resolved** that the Audit New Zealand Management Report be received.