

CHRISTCHURCH CITY COUNCIL
MINUTES OF A MEETING OF THE
AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

Held in the No 3 Committee Room, Civic Offices
on Wednesday 16 May 2007 at 10am

- PRESENT:** Councillor Bob Shearing (Chairman)
Councillors Graham Condon and Gail Sheriff,
John Hooper and Michael Rondel
- APOLOGIES:** Apologies for absence were received and accepted from
Mayor Garry Moore and Councillor David Cox and the
CEO Tony Marryatt.
- IN ATTENDANCE:** Roy Baker, Diane Brandish, Graeme Nicholas,
Max Robertson (Christchurch City Council),
Murray Harrington (PriceWaterhouseCoopers),
Scott Tobin and Greg Bell (Audit New Zealand)

1. CONFIRMATION OF MINUTES

It was **resolved** that the minutes of the previous meeting of the Subcommittee held on 7 March 2007 be adopted as a true and correct record, subject to the correction of Clause 3.8 to record that Murray Harrington (rather than Ken Boddy) had spoken to the Subcommittee regarding fraud prevention.

2. MATTERS ARISING

2.1 Alignment of Council policies: Strategic Planning Documentation

It was noted that a report would be submitted to the Council at its meeting on Thursday 17 May 2007 recommending the revocation of a number of items which were currently included in the Council's Policy Register, and providing a suggested vision of a revised Policy Register, once the review process had been completed.

2.2 Rates

The Subcommittee was advised that a report would be submitted to the Council in the near future recommending the write off of a bad debt for the Lyttelton Marina and the remission of six years of rates on Maori land.

3. DEBT MANAGEMENT TOTALS AS AT 30 APRIL 2007

Roy Baker tabled a schedule listing debts owed to the Council as at 30 April 2007.

It was **resolved** that updated versions of the schedule be submitted to the Subcommittee, on a quarterly basis.

4. REPORT ON INTERNAL AUDIT ACTIVITY: THREE MONTHS ENDED 31 MARCH 2007

The Subcommittee considered a report from Graeme Nicholas, Senior Auditor, Christchurch City Council and Murray Harrington, PriceWaterhouseCoopers, providing an update on the status of internal audit activities.

Graeme Nicholas reported orally on areas which had been the subject of particular focus, and noted that 90% of the current audit programme had been completed.

The Subcommittee then discussed particular aspects of the report, as follows:

Environmental Enforcement

The Subcommittee expressed the view that urgent action needed to be taken to ensure that environmental enforcement procedures were well controlled, and operated in line with the Council's expectations of best practice.

Requests for Official Information

The Subcommittee also discussed the amount of staff time devoted to responding to requests for information lodged under the Local Government Official Information and Meetings Act 1987. Roy Baker and Max Robertson outlined the present procedures for dealing with such requests, and it was noted that the Council's present policy provided for a charge to be made in certain circumstances for the supply of the requested information.

It was **resolved** that a report be submitted to the next meeting, outlining the Council's present policy, the amount of staff time involved in responding to such requests, and the related staff costs.

5. TREASURY MANAGEMENT REPORT FOR PERIOD TO 30 APRIL 2007

The Subcommittee **resolved** to receive the Treasury Management Report for the period to 30 April 2007.

6. INSURANCE COVER

The Subcommittee considered a report outlining the intended approach to the 2007/08 reinsurance programme.

It was **resolved** that the report be received, and that the course of action outlined in the report be endorsed.

7. ANNUAL REPORT TIMETABLE

The Subcommittee considered a report providing an overview of the Council's Annual Report timetable. It was noted that Bede Kearney (Audit New Zealand) had disclosed a possible conflict of interest in relation to the fact that his brother (Brendan Kearney) held the position of General Manager Corporate Services at Orion.

It was **resolved** that the report be received and that the disclosure relating to the relationship between Bede Kearney and Brendan Kearney be noted.

8. OFFICE OF CONTROLLER AND AUDITOR GENERAL: ANNUAL REPORTS AND SUMMARIES IN AN ELECTION YEAR

The Subcommittee received a tabled copy of a letter dated 26 April 2007 from the Auditor General, emphasising the need for Councils to take care in preparing and publishing their annual reports and summaries in 2007, to ensure that these documents did not give an electoral advantage to existing members during the pre-election period.

Roy Baker advised that care would be taken to ensure that the Council's Annual Report did not breach the Auditor General's guidelines.

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

9. COMMUNITY VANS

The Subcommittee considered a memorandum outlining the general policy for the use of the Council's three community vans. It was noted that the general policy for the use of the vans was to:

- Provide support for Christchurch based community groups and organisations which provided predominately voluntary or charitable services for the benefit of the broader community, with priority given to not for profit, low socio-economic groups whose primary use of the vans was for the direct benefit of Christchurch residents and ratepayers.

- Generally exclude use by sporting clubs or sporting organisations, except in situations involving children from low socio-economic backgrounds with limited ability to source other safe or alternative modes of travel.

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

8. ISSUES FOR FUTURE MEETINGS

It was agreed that reports on the following topics be submitted to the next meeting of the Subcommittee:

- Report on policy relating to requests for official information, and the related cost of responding to such requests
- Advice as to whether the present external members of the subcommittee needed to be reappointed as members following the forthcoming triennial Council elections (it having been noted that the subcommittee and the elected members appointed thereto would automatically go out of office following the elections).

9. CONCLUSION

The meeting concluded at 11am.