

CHRISTCHURCH CITY COUNCIL

**MINUTES OF A MEETING OF THE
AUDIT AND RISK MANAGEMENT SUBCOMMITTEE**

**Held in the No 3 Committee Room, Civic Offices
on Friday 8 February 2008 at 2.00 pm**

PRESENT: Councillor David Cox (Chairman),
Mayor Bob Parker, (from 2.07 pm),
Councillors Bob Shearing, Gail Sheriff, Chrissie Williams,
John Hooper (Associate Senior Partner, BDO Spicers) and
Michael Rondel (Associate, Assurance and Business
Consulting Services, at Poulson Higgs, Christchurch).

IN ATTENDANCE: **Christchurch City Council**
Paul Anderson, (General Manager Corporate Services),
Diane Brandish (Corporate Finance Manager),
Tony Marriot (Chief Executive),
Graeme Nicholas (Senior Auditor) and
Dale Wreford (Committee Adviser).

PriceWaterhouseCoopers
Murray Harrington (Partner).

Audit New Zealand
Scott Tobin and Hugh Jory.

	ACTION
<p>1. ELECTION OF CHAIRPERSON</p> <p>Nominations were called for the role of Chairperson. Councillor David Cox was nominated by Councillor Gail Sheriff, and seconded by Councillor Bob Shearing. There being no further nominations, Councillor David Cox was elected Chairperson of the Subcommittee.</p>	
<p>2. APOLOGIES</p> <p>Mayor Bob Parker tendered an apology for lateness which was duly received and accepted.</p>	

3. **MINUTES OF THE PREVIOUS MEETINGS OF 29 AUGUST 2007 AND 4 OCTOBER 2007**

1. **29 AUGUST 2007**

It was noted that the priority of outstanding issues referred to on page 30, re page 14, "General Computer Controls and IT Governance" had been resolved during the 29 August 2007 meeting.

It was **resolved** that the minutes were a true and accurate record of the 29 August 2007 meeting.

2. **4 OCTOBER 2007**

It was **resolved** that the minutes were a true and accurate record of the 4 October 2007 meeting.

4. **MATTERS ARISING**

It was noted that a number of observations had been made previously for improvement, and discussion ensued on whether a special meeting should be held to receive further information as to progress made on these proposals.

It was **agreed by consensus** that the chair of the Subcommittee consider the information in conjunction with the General Manager Corporate Services, and then decide if a special meeting will be required.

ACTION

Cr Cox/
Paul Anderson/
Kevin Roche

5. **CORRESPONDENCE**

Nil.

6. **INTERNAL AUDIT ACTIVITY REPORT – SEPTEMBER 2007 QUARTER**

The Subcommittee considered the Internal Audit Activity Report for the quarter ending September 2007, and an accompanying report prepared by the Senior Auditor.

Issues raised during discussion on the "List of 'High Priority' items outstanding" included:

- The terms of the META contract should be revisited regarding provision for the charging of interest for late payment of the profit share due to the Council.
- Include columns for target dates for completion, and when issues were raised.

Graeme Nicholas

	ACTION
<p>A further query was foreshadowed at this stage of the meeting relating to matters contained within this report. It was agreed by consensus that the Subcommittee consider excluding the public at the end of the meeting to revisit the Subcommittee's query, as it was considered the issue involved was sensitive, could affect commercial activities, and may become a subject for negotiation in the future.</p> <p>It was resolved that the report be adopted.</p>	
<p>7. TREASURY MANAGEMENT REPORT FOR THE PERIOD ENDED 31 DECEMBER 2007</p> <p>A Treasury Management Report for the period ended 31 December 2007 from the Corporate Finance Manager was considered by the Subcommittee.</p> <p>It was resolved that the report be received.</p>	
<p>8. DEBTOR MANAGEMENT REPORT</p> <p>The Subcommittee considered a report prepared by the Corporate Finance Manager which provided an update of the Council's outstanding debtors.</p> <p>Following discussion, the following requests were made by the Subcommittee:</p> <ul style="list-style-type: none">• That the concerns of the Subcommittee be conveyed to the relevant manager regarding the council's ability to reduce outstanding planning debts of more than 183 + days,.• The relevancy and effectiveness of the current council policy in this regard be clarified.• A check to be made on progress on including the city's libraries' debtors within the report. <p>It was resolved that the report be received.</p>	Diane Brandish
<p>9. SCHEDULE OF MEETINGS 2008</p> <p>An electronic version of the meetings schedule (copy on file) showing dates, times and venue is to be sent to all parties, and the SSO Civic for the Meetings Finder.</p> <p>It was resolved that the tabled schedule of meetings for 2008 be adopted.</p>	Kevin Roche/ Kate Humphrey
<p>10. ISSUES FOR FUTURE MEETINGS</p> <p>This item was deferred and dealt with later in the meeting.</p>	

	ACTION
<p>11. SUPPLEMENTARY REPORT</p> <p>The Chairperson referred to the Audit Management Report which had been circulated separately, and explained that the report was unavailable within the required timeframe set by the Local Government Official Information and Meetings Act 1987, as the required information was not available at that time, but that it was necessary for the report to be considered at the present meeting of the Subcommittee, rather than being deferred to a subsequent meeting.</p> <p>It was resolved that the Audit Management Report be considered at the present meeting of the Subcommittee.</p>	
<p>12. AUDIT MANAGEMENT REPORT</p> <p>The Subcommittee considered a report from the Corporate Finance Manager, which advised of the issues covered within Audit New Zealand’s 2007 Audit Management Report.</p> <p>Matters raised during the discussion included:</p> <ul style="list-style-type: none">• 1.6 GEMS replacement. Advise on timeframe for LASER implementation.• 2.1 Information Technology review. Business continuance – check with ICMT manager on progress.• Consideration to be given to an action plan to capture major matters showing progress and working toward closure on a combined basis.• 5.3 Tax deductions – donations. Settlement of the dispute with the Inland Revenue Department has been resolved in the Council’s favour.• Appendix 2 – Status of issues reported after the 2005/06 audit: no response has been received as yet from the Officer of the Auditor-General. Scott Tobin will follow up. <p>It was resolved that the report be received.</p>	<p>Paul Anderson</p> <p>Paul Anderson</p> <p>Paul Anderson</p> <p>Scott Tobin</p>
<p>10. ISSUES FOR FUTURE MEETINGS</p> <p>The Subcommittee resolved that the following issues be considered at future meetings:</p> <ul style="list-style-type: none">• A timetable for consideration at the next meeting of the Subcommittee.• Members of the Subcommittee to be made aware of when the Annual Report becomes available for review.• Capital Programme: six-monthly report sought on internal programme around controls etc.	<p>Paul Anderson</p> <p>Paul Anderson</p> <p>Jane Parfitt</p>

13. **RESOLUTION TO EXCLUDE THE PUBLIC:
ITEM 6 - INTERNAL AUDIT ACTIVITY REPORT –
SEPTEMBER 2007 QUARTER**

It was **resolved** that the public be excluded from the following part of the proceedings of this meeting, namely item 6.

The general subject to be considered was item 6 - Internal Audit Activity Report – September 2007 Quarter.

The reason for passing this resolution in relation to this matter: Good reason to withhold exists Under Section 7.

Grounds under Section 48 (1) for the passing of the Resolution:
Section 48 (1) (a)

This resolution was made in reliance on Section 48 (1) (a) of the Local Government Official Information and Meetings Act 1987 and the particular interest 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 6	Prejudice Commercial Position	(Section 7(2)(b)(ii))
	Conduct of Negotiations	(Section 7(2)(i))

It was further **resolved** that Murray Harrington, Scott Tobin and Hugh Jory be permitted to attend the meeting due to their specialist knowledge of the matter under discussion.