

CHRISTCHURCH CITY COUNCIL AGENDA

EXTRAORDINARY MEETING

THURSDAY 5 MARCH 2009

12.30PM

COUNCIL CHAMBER, CIVIC OFFICES

AGENDA - OPEN EXTRAORDINARY MEETING



CHRISTCHURCH CITY COUNCIL

**Thursday 5 March 2009 at 12.30pm
in the Council Chamber, Civic Offices**

Council: The Mayor, Bob Parker (Chairperson).
Councillors Helen Broughton, Sally Buck, Ngaire Button, Barry Corbett, David Cox, Yani Johanson,
Claudia Reid, Bob Shearing, Gail Sheriff, Mike Wall, Sue Wells, Chrissie Williams and Norm Withers.

ITEM NO	DESCRIPTION
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| 1. | APOLOGIES |
| 2. | RECEIVE AUDITOR'S REPORT ON DRAFT LONG TERM COUNCIL COMMUNITY PLAN
2009-19 |

1. APOLOGIES

2. RECEIVE AUDITOR'S REPORT ON DRAFT LONG TERM COUNCIL COMMUNITY PLAN 2009-19

General Manager responsible:	General Manager Corporate Services, DDI 941-8528
Officer responsible:	Manager Organisational Performance
Author:	Ian Thomson, Solicitor, Legal Services Unit

PURPOSE OF REPORT

1. The purpose of this report is to enable Councillors to:
 - (a) Receive a report from the Council's auditor on the Draft Long Term Council Community Plan (LTCCP) 2009-19; and.
 - (b) Receive and approve for consultation the following documents:
 - (i) Statement of Proposal including the draft LTCCP 2009-19;
 - (ii) Statements of Proposal in respect of:
 - Establishment of a charitable trust for the Christchurch Agency for Energy
 - Establishment of a trust to receive charitable donations
 - Transfer of the Christchurch Town Hall to a Christchurch controlled organisation
 - The future involvement of the Council in three early learning centres
 - The future use of the old Edgeware Pool site
 - Extension of the city tram route.

BACKGROUND

2. At its meeting on 16-18 February 2009 the Council resolved to adopt its draft LTCCP 2009-19, subject to amendments being made as discussed at that meeting.
3. The Council also considered and approved Statements of Proposal, again subject to amendments being made.
4. All amendments have been completed and are included in the documents attached to this report (refer to full LTCCP documents on Council website).
5. Since the meeting the Council has received an unqualified audit report from Audit NZ. This is contained in the draft LTCCP.
6. All Statements of Proposal are at the front of the draft LTCCP. They will be available separately and distributed as appropriate.
7. The Statements of Proposal and a summary of the information contained in the draft LTCCP will be distributed as a basis for general consultation.

LEGAL CONSIDERATIONS

8. The Local Government Act 2002 requires the Council to have a Long Term Council Community Plan at all times and to use the special consultative procedure in adopting its plan.
9. The purpose of a Long Term Council Community Plan is to:
 - (a) describe the activities of the Council;
 - (b) describe the community outcomes of the Council's district;
 - (c) provide integrated decision making and coordination of the Council's resources;
 - (d) provide a long term focus for the decisions and activities of the Council;

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- (e) provide a basis for accountability to the community; and
 - (f) provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.
10. In complying with the requirements of the Local Government Act 2002, the Council must include in its LTCCP such detail as the Council considers on reasonable grounds, to be appropriate.
11. The Legal Services Unit advises that the Council has complied with the provisions of Section 93 of the Act.
12. The Council is required by Section 94 of the Act to include in its LTCCP a report from the Council's auditor on:
- (a) The extent to which the Council has complied with the requirements of the Act in respect of its LTCCP; and
 - (b) The quality of the information and assumptions underlying the forecast information provided; and
 - (c) The extent to which the forecast information and performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision.
13. The Council's auditor, Audit NZ, has provided its report in accordance with this requirement and it is contained in the draft LTCCP.
14. Section 102 of the Act requires the Council to adopt funding and financial policies. This can be achieved as part of its Long Term Council Community Plan. The policies included in the draft LTCCP 2009-19 are:
- a) revenue and financing policy;
 - b) liability management policy;
 - c) investment policy;
 - d) policy on development contributions or financial contributions;
 - e) policy on partnerships between the local authority and the private sector; and
 - f) policy on the remission and postponement of rates on Maori free-hold land.
15. The Council has complied with its statutory obligations with regard to these policies.

STAFF RECOMMENDATION

It is recommended that the Council resolve to:

- (a) Receive the report from the Council's auditor on the draft LTCCP 2009-2019;
- (b) Approve the Statement of Proposal in respect of the draft LTCCP 2009-19 as amended;
- (c) Approve the Statements of Proposal as amended, in respect of the following proposals:
 - (i) Establishment of a charitable trust for the Christchurch Agency for Energy;
 - (ii) Establishment of a trust to receive charitable donations;
 - (iii) Transfer of the Christchurch Town Hall to a Christchurch controlled organisation;
 - (iv) The future involvement of the Council in three early learning centres;
 - (v) The future use of the old Edgeware Pool site;
 - (vi) Extension of the city tram route.

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- (d) Authorise the General Manager, Corporate Services to make final amendments to the draft LTCCP and Statements of Proposal prior to the documents being distributed for consultation, provided such amendments are not material.
- (e) Confirm the following timetable for consultation:
 - (i) Public notices published (newspapers and the Council website): by Tuesday 10 March 2009
 - (ii) Consultation period expires: 5pm 16 April 2009
 - (iii) Oral submissions heard: 11, 12, 13, 15 and 18 May 2009
 - (iv) Submissions considered and the LTCCP 2009-19 adopted: by 30 June 2009.

AUDIT REPORT

TO THE READERS OF CHRISTCHURCH CITY COUNCIL'S LONG-TERM COUNCIL COMMUNITY PLAN STATEMENT OF PROPOSAL FOR PUBLIC CONSULTATION FOR THE TEN YEARS COMMENCING 1 JULY 2009

The Auditor-General is the auditor of Christchurch City Council (the City Council). The Auditor-General has appointed me, Scott Tobin, using the staff and resources of Audit New Zealand, to report on the Statement of Proposal for adoption of a Long Term Council Community Plan (LTCCP), on his behalf.

The Auditor-General is required by section 84(4) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the Statement of Proposal complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the Statement of Proposal; and
- the extent to which the forecast information and proposed performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

It is not our responsibility to express an opinion on the merits of any policy content within the Statement of Proposal for adoption of an LTCCP.

Opinion

Overall Opinion

In our opinion the Statement of Proposal for adoption of an LTCCP of the City Council incorporating volumes one and two dated 5 March 2009 provides a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the City Council.

In forming our overall opinion, we considered the specific matters outlined in section 84(4) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- the City Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment;
- the underlying information and assumptions used to prepare the Statement of Proposal provide a reasonable and supportable basis for the preparation of the forecast information;
- the extent to which the forecast information and proposed performance measures within the Statement of Proposal provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 5 March 2009, and is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the City Council and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements 3000: *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the Statement of Proposal for adoption of an LTCCP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the Statement of Proposal provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision making processes;
- the City Council's financial strategy, supported by financial policies as included in the Statement of Proposal is financially prudent, and has been clearly communicated to the community in the Statement of Proposal;
- the presentation of the Statement of Proposal complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the Statement of Proposal are compliant with the decision-making and consultation requirements of the Act;
- the information in the Statement of Proposal is based on materially complete and reliable asset or activity management plans;
- the agreed levels of service are fairly reflected throughout the Statement of Proposal;
- the key plans and policies adopted by the City Council have been consistently applied in the development of the forecast information;
- the assumptions set out within the Statement of Proposal are based on best information currently available to the City Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the City Council's service delivery and performance; and

- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the Statement of Proposal.

We do not guarantee complete accuracy of the information in the Statement of Proposal. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the Statement of Proposal and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The City Council is responsible for preparing a LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the Statement of Proposal for adoption of an LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 84(4) of the Act.

Independence

When reporting on the Statement of Proposal for adoption of an LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the City Council.



S M Tobin
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand