

**CHRISTCHURCH CITY COUNCIL**

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

**Held in the No 1 Committee Room, Civic Offices  
on Tuesday, 4 May 2010 at 12.30pm**

**PRESENT:** Councillor David Cox (Chairman), Mayor Bob Parker, Councillors Bob Shearing, Gail Sheriff, Chrissie Williams and Messrs John Hooper (until 1.30pm) and Michael Rondel.

**IN ATTENDANCE:** **Christchurch City Council**  
Councillor Helen Broughton (until 1.05pm), Paul Anderson, (General Manager Corporate Services), Diane Brandish (Corporate Finance Manager), Chris Gilbert (Legal Services Manager), Graeme Nicholas (Internal Audit Manager) and Warren Brixton (Committee Adviser).

**Audit New Zealand**  
Scott Tobin and Andrew Timlin.

**APOLOGIES:** An apology for absence was received and accepted from Murray Harrington (PriceWaterhouseCoopers).

	<b>ACTION</b>
<p><b>1. MINUTES OF PREVIOUS MEETING</b></p> <p>It was <b>resolved</b> that the minutes of the meeting of 9 February 2010, as circulated, be confirmed.</p>	<p>Warren Brixton</p>
<p><b>2. CORPORATE FINANCE REPORT FOR THE PERIOD ENDED MARCH 2010</b></p> <p>Diane Brandish provided an update on key financial and treasury matters for period ended March 2010.</p> <p><b>Debt Write-Off Policy</b> Following an explanation of current debtor write-off practices, no editorial reference was sought, it being noted that a Quarterly Report will be provided.</p> <p><b>Annual Audit Programme</b> Discussions had been held with the Council's various companies as to the timeliness of providing their Annual Accounts.</p> <p>This could be further endorsed at a forthcoming CCHL meeting.</p>	<p>Diane Brandish</p>

**Debtors**

Information is to be provided on any Debtors parked, rather than written-off.

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

**3. UPDATE FROM GENERAL MANAGER CORPORATE SERVICES**

Paul Anderson provided an update on:

**IT Management**

In response to a question, assurance was given that benchmarking of IT Services is performed using both ALGIM (Association of Local Government IT Managers) information as well as external benchmarking tools.

**Rates Assessment Delay Measures**

It was reported that while the mailing of Instalment 4 to Area 1 had complied with the legislative requirements, it was considered that it might be perceived to be unfair to those ratepayers involved because they are used to getting around four to six weeks notice, whereas they are only getting two weeks notice for this instalment.

As a result, the payment due date had been extended by 10 days and a letter advising this mailed to ratepayers

**Bond Bank**

The proposed Local Government Debt Vehicle had been presented to 16 Local Authorities, of which 9 had given a commitment to provide financial support (\$50,000 each) to Stage 2 of the project.

The two reasons mainly driving this were:

- Better rates available across the sector than what is currently achieved.
- Broadening Local Authority's access to debt outside the domestic markets.

Achieving a credit rating at least as high as the Crown will be critical for the success of the bond bank. The Stage 2 work will focus on what is required to achieve such a rating.

**City Care Contracts**

The CWW and Greenspace contracts are progressing with most of the focus in the past three months on defining the service levels required. Target dates for implementation are 1 July 2010 and 1 February 2011 for CWW and Greenspace respectively.

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**Performance Report for the Nine Months to 31 March 2010**

An overview of the Council's Financial Performance was provided covering:

- Operating – As a result of lower interest rates and higher dividend yield, a \$4.7 million ratepayer cash operating surplus had been achieved.
- Capital – As a result of good tenders being received, tight control around scope management and asset sales, a favourable variance of \$8.8 million had been obtained. However there is a capital funding deficit due to lower NZTA subsidies and development contributions than were budgeted.

Overall the Council's finances were better by \$2 million, than had been budgeted

The report was **received**.

**4. CORRESPONDENCE.**

**Audit New Zealand - Audit Arrangements**

Forwarding details of the audit arrangements for the audit of Christchurch City Council for the year ending 30 June 2010.

It was **resolved** that the Chairman be authorised to sign the letter of arrangement and audit engagement.

John Hooper retired from the meeting at this point in the proceedings

**5. RESOLUTION TO EXCLUDE THE PUBLIC**

It was **resolved** that the resolution to exclude the public as set out on page 21 of the agenda be adopted.

**6. NEXT MEETING**

Tuesday, 10 August 2010 at 12.30pm (No 1 Committee Room) followed by Wednesday 29 September 2010, with an additional meeting (provisional) on Tuesday 14 September 2010 at 12.30pm

The meeting concluded at 2.15pm.

**ACTION**

Diane Brandish

Warren Brixton