

2. 3. 2006

**AUDIT AND RISK MANAGEMENT SUBCOMMITTEE
5 DECEMBER 2005**

**A meeting of the Audit and Risk Management Subcommittee
was held on Monday 5 December 2005 at 2pm**

PRESENT: Councillor Bob Shearing (Chairperson),
The Mayor, Councillors Graham Condon and David Cox.

APOLOGIES: Apologies for absence were received and accepted from
Councillor Gail Sheriff, and Councillor Graham Condon
(from 2.20pm) and the Mayor (from 2.26pm) for lateness.

The Subcommittee reports that:

**PART C - REPORT ON DELEGATED DECISIONS
TAKEN BY THE SUBCOMMITTEE**

1. INFLATION ADJUSTORS (WHITE PAPER ON INFLATION)

It was **resolved** that option (d) be adopted and the General Manager Corporate Services be authorised to set inflation rates for both OPEX and CAPEX for the period 2008-2010.

2. AUDIT MANAGEMENT LETTER

It was **resolved** that the Audit New Zealand management report be received.

3. RESOLUTION TO EXCLUDE THE PUBLIC

It was **resolved** that the draft resolution contained on page 2 of the agenda be adopted.

It was **resolved** to resume the open meeting and readmit the public.

5. ACCOUNTING FOR INVESTMENT PROPERTY

It was **resolved** that the policy of accounting for investment property as set out in Attachment 1 of the officer's report be adopted.

6. ACCOUNTING FOR RELATED PARTIES

It was **resolved** to adopt clauses (a), (b), (d), (e), and (f) and that clause (c) be further reviewed in the light of delegated authority to Community Board members.

It was further **resolved** to hold a seminar for Councillors, affected Community Board members and senior management on the new legislation, as well as to have staff draw up guidelines for presentation in a paper to those affected.

7. REPORT ON INTERNAL AUDIT ACTIVITY: THREE MONTHS ENDED 30 SEPTEMBER 2005

The Subcommittee requested information on whether rural property or a farm in the Selwyn district had ever been vested in the Council and, if so, its current status.

The Subcommittee also requested information on any rural property the Council owns that have working farms on them. Graeme Nicholas is waiting completion of a peer review of the recent farming audit. As soon as outcomes are received, that information can be made available to the Subcommittee.

It was **resolved** that the report be received, and the Council agree, option (a).

8. IT SECURITY

It was **resolved** that the report be received and that staff add timelines for all 21 primary security vulnerabilities as identified by Ernst & Young as soon as possible. Staff are requested to update the Subcommittee in April 2006.

9. SINKING FUND COMMISSIONERS ACCOUNTS 2004-2005 YEAR

The Mayor withdrew from the vote being one of the three Commissioners of the Sinking Fund.

It was **resolved** that the audited accounts for the year ended 30 June 2005 be received.

10. RISK MANAGEMENT AND LEGISLATION

It was **agreed** to ask staff to report back on Occupational Safety and Health risks and to provide a list of the legislation under which the Council operates and who addresses those responsibilities.

Graeme Nicholas explained that he is scheduled to report to the Executive Team on the Risk Management Framework and recommendations around risk areas. It was **agreed** that staff provide a report on this issue at the next meeting.

11. TIME FRAMES FOR KEY ISSUES BROUGHT TO SUBCOMMITTEE

It was **agreed** that staff produce a programme of issues planned for the Subcommittee containing time frames to give Councillors an overall view of the schedule for annual planning and LTCCP deadlines.

12. NEXT MEETING

The next meeting of the Subcommittee has been tentatively set for Friday 10 February 2006 from 1.30pm in the No. 3 Committee Room.

The meeting concluded at 3.45pm

CONSIDERED THIS 2ND DAY OF MARCH 2006

MAYOR

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PUBLIC EXCLUDED

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The Subcommittee reports that:

**PART C - REPORT ON DELEGATED DECISIONS
TAKEN BY THE SUBCOMMITTEE (Cont'd)**

4. FORMAT AND CONTENT OF FINANCIAL MANAGEMENT REVIEW – OPERATING SURPLUS

It was **resolved** that the staff report be received and a further report outlining a scenario taking three to five years to change the ratio of operating surplus to borrowing, be brought back to the Subcommittee before the February 2006 seminars on the LTCCP.

It was **resolved** to resume the open meeting and readmit the public.

CONSIDERED THIS 2ND DAY OF MARCH 2006

MAYOR