

# MINUTES

**TITLE:** Audit Subcommittee  
**DATE:** Thursday 1 September 2005  
**TIME:** 8.30 am  
**VENUE:** Council Chamber, 189 Queen Street, Richmond  
**PRESENT:** Crs M J Higgins (Chair), E E Henry, E M O'Regan  
**IN ATTENDANCE:** Cr T B King, Corporate Services Chairman (D G Ward),  
Corporate Engineering Administrator (V M Gribble)

## 1 MINUTES

### 1.1 Audit Subcommittee – 30 September 2004

The word “constituent” was added in the last paragraph on page one after “Elected Members”.

**Moved Crs Higgins/O'Regan  
FN05/09/01**

**THAT the minutes of the Audit Subcommittee meeting held on 30 September 2004, containing resolutions numbered FN04/09/01 and FN04/09/02, as amended, be received.**

**CARRIED**

## 2 2004 AUDIT MANAGEMENT REPORT

The Subcommittee reviewed the 2004 Audit Management Report prepared by Audit New Zealand, as attached to the agenda to today's meeting. Staff responses to issues raised by Council's Auditors were noted by the Subcommittee.

Mr Ward was asked to review Council's current system for recording the disposal of infrastructural assets.

Cr Higgins said the formal valuation of forests is not the market value. It is the cost of establishment.

Mr Ward said that the valuation for Council's forests and other key operating assets will be subject to new accounting standards which come into effect on 1 July 2006.

Cr King arrived at the meeting at 8.45 am.

**Moved Crs Higgins/O'Regan  
FN05/09/02**

**THAT the advice about the valuation of forestry contained in the Audit Report be forwarded to the Council's Enterprise Subcommittee and the Council's Forestry Consultant.**

**CARRIED**

Cr O'Regan expressed concern about the consultation process for the Long Term Council Community Plan.

Mr Ward said as long as the correct process is followed, Council should have no problems complying with the consultation requirements for LTCCP compilation.

Cr Higgins referred to comments on expenditure incurred through use of Council credit cards. He said it appears Council doesn't have a formal policy for credit card use.

**Moved Crs Henry/O'Regan  
FN05/09/01**

**THAT staff prepare a draft credit card policy based around the matters raised in the 2004 Audit Management Report.  
CARRIED**

Mr Ward advised that a consent job costing system is currently in place. This system is being reviewed, with the objective of implementing a Council-wide system effective from 1 July 2006, when all Richmond staff will be operating from the same site. He emphasised the need for all staff to correctly use the job costing system, otherwise it would simply not be effective.

Cr O'Regan said accounting for the odd five minutes here and there is difficult and there is a problem with building it into the system. It is important that the system is reasonably accurate as it can be open to appeal.

Cr Henry raised the question of constituent mileage claims and asked if the policy was to be reviewed.

Cr King said he hadn't received any complaints and felt the 3,000 km cap was reasonable and meeting Councillors requirements.

**Moved Crs Higgins/Henry  
FN05/09/03**

**THAT the 2004 Audit Management Report be received.  
CARRIED**

### **3                    2005 AUDIT ARRANGEMENTS LETTER**

Mr Ward said the Audit fieldwork commences on Monday 5 September 2005 and will take approximately three weeks. It is anticipated that the annual audited report will be available for adoption by mid-October 2005. It will be received by the Audit Subcommittee and then either Council or Corporate Services Committee by 31 October 2005. The audit fee is \$75,000 not including LTCCP audit which is an additional \$60,000.

Cr O'Regan noted the ultimate responsibility lies with elected representatives. He has a concern with the presentation of the Annual Report specifically the financial figures and asked that they be presented in a way the general rate can be identified.

Cr Henry said there is some sense in looking at a summary for the Annual Report being included in Newline – The Mag.

**Moved Crs O'Regan/Henry  
FN05/09/04**

**THAT the 2005 Audit Arrangements Letter be received.  
CARRIED**

#### **4 CREDIT CARD EXPENDITURE REPORT**

Mr Ward tabled a report on credit card expenditure for the year ended 30 June 2005.

**Moved Crs O'Regan/Higgins  
FN05/09/05**

**THAT the Credit Card Expenditure Report to 30 June 2005 be received.  
CARRIED**

The meeting concluded at 9.20 am

Chair:

Date: