

**NOTICE OF MEETING**

**AUDIT COMMITTEE**

**TO:** Stuart Bauld (Chairperson)  
Alan Curtis  
John Kirikiri (Deputy Mayor)  
Roy Tiffin

The Audit Committee will meet in the Committee Room, Centreway Road, Orewa on Tuesday, 20 October 2009, commencing at 11.30 a.m.

for: ACTING CHIEF EXECUTIVE  
Warren MacIennan

OREWA  
7 October 2009

\* \* \* \* \*

## INDEX

<u>Item No.</u>	<u>Subject</u>	<u>Page No.</u>
1.	Apologies	1
2.	Fraud Policy	1
3.	Updated Credit Card Policy	6
4.	Corporate Risk Update	10
5.	Auditor's Management Report on 2009-19 Long Term Council Community Plan	17
6.	Annual Report for Year Ended 30 June 2009	34
7.	Update on Auckland Regional Governance	36
8.	Future Meetings of Audit Committee	39

\* \* \* \* \*

ITEM NO: 1

---

**APOLOGIES**

ITEM NO: 2

---

**REPORT**



**TO** Audit Committee  
**ON** 20 October 2009  
**FROM** Warren Stevens – Group Manager: Financial Services  
**APPROVED BY** Kevin Ramsay – Director: Corporate Services  
**SIGNATURE**

A handwritten signature in black ink, appearing to read "K Ramsay", with a flourish at the end.

**SUBJECT** FRAUD POLICY  
**FILE REF** SC/21/1

---

**PURPOSE OF REPORT:**

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input checked="" type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? Yes HR Policy
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? No
(vii)	Does a decision on this matter require Auckland Transition Agency approval? (yes / no / advice being sought?) No

**FINANCIAL IMPLICATIONS:**

Capital cost implications	Not applicable
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Not applicable
Is it currently budgeted for?	Not applicable
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

**SUMMARY:**

Over a number of years Council's external Auditors have indicated a need for Council to put in place a specific fraud policy.

**RECOMMENDATION:**

**That the Fraud Policy (Appendix 1) be received.**

---

**1.0 Background**

Over the last couple of years the Council's external auditors have indicated that the Council should have a specific fraud policy. While the HR Manual has topics that cover issues surrounding fraud there was not a specific policy that summarised all the issues into one document.

**2.0 Issues**

Staff have as a result of the issues raised by the external auditors prepared a fraud policy that summarises the processes and issues plus directs the reader and organisation to other relevant policies that should be referred to in the case of suspected fraud.

**3.0 Options**

This policy is viewed as being the best process for ensuring the whole organisation has access to relevant procedures in the case of suspected fraud.

**4.0 Conclusion**

That a specific fraud policy incorporated into the Council's HR Manual is the best process for ensuring that staff are informed of their obligations and procedures in the event of a suspected incidence.

# APPENDIX 1

# Chapter 38

## Fraud Policy

23 September 2009

---

### Overview

This policy is to ensure that any cases of suspected or illegal actions of fraud within the Council are dealt with properly and succinctly in accordance with legislative requirements and in the interest of the Council's policies, procedures and Human Resources policies.

---

### In This Chapter

The chapter contains the following

Topic
<a href="#">Purpose and Scope</a>
<a href="#">Zero Tolerance</a>
<a href="#">Actions Constituting Fraud</a>
<a href="#">Investigation Responsibilities</a>

---

---

**Purpose and Scope**

Rodney District Council (RDC) recognises that the public have expectations of a high standard of ethical behaviour in the public sector. RDC's policy on Fraud recognises this expectation. RDC takes a wide approach to its responsibility with regards to fraud as it impacts the Council, encapsulating not only employees and contractors but also suppliers and customers.

The responsibility for the prevention and detection of fraud rests with all staff, but particularly with management through the implementation and continued operation of robust risk management and internal control systems, policies and processes.

All staff are encouraged to report any instance of suspected fraud. These may be reported to the Manager: HR Operations, Chief Legal Officer or Director: Corporate Services.

A report by a staff member may be protected under the *Protected Disclosures Act 2000*. Further details are included within RDC's Protected Disclosures Policy.

The Director: Corporate Services will incorporate fraud risk in the on-going programme of risk and assurance activities and reviews, and will consider the risk of fraud in the design of the audit approach.

---

**Zero Tolerance**

Council personnel must have, and be seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. The Council will not tolerate fraud, impropriety or dishonesty and will investigate all instances of suspected fraud, impropriety or dishonesty by Council personnel or external parties.

Any irregularity that is detected must be reported immediately to the Chief Executive, the appropriate Manager, the Director: Corporate Services and the Chief Legal Officer. Where a Council employee is involved, the Manager: HR Operations must also be advised.

The Director: Corporate Services will advise Audit New Zealand of all occurrences of fraud which fall within the scope of this policy. The Director: Corporate Services will also advise the Audit Committee of all occurrences of fraud which fall within the scope of this policy. The Director: Corporate Services will also advise the Council Insurers as appropriate.

The Council will take action against any person defrauding or attempting to defraud the Council. In all cases the Council will make every effort to gather sufficient reliable evidence to support a prosecution and will seek to recover funds or property lost through fraud.

---

---

**Actions  
Constituting  
Fraud**

The terms fraud, impropriety and dishonesty refer to, but are not limited to:

- Any dishonest or fraudulent act;
- Forgery, falsification or alteration of documents or computer files;
- Misappropriation of funds, securities, supplies or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Disclosing confidential and proprietary information to unauthorised parties;
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Council other than gifts declared/approved within Conflict of Interest Policy;
- Destruction, removal, or inappropriate use of records, furniture, fixtures, information or equipment.

If there is any question as to whether an action constitutes fraud, contact the Director: Corporate Services or the Manager: HR Operations for guidance.

---

**Investigation  
Responsibilities**

The Chief Executive has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy.

Corporate Services will maintain specifications for fully documenting the facts and circumstances in the suspected fraud. Management of a fraud investigation may be conducted in-house or outsourced, or a combination of the two at the discretion of the Director: Corporate Services and the Chief Legal Officer.

The Manager: HR Operations will provide professional guidance to the individual(s) responsible for conducting a fraud investigation to ensure that individuals who are the subject of a fraud investigation are treated in the same manner and consistent with the principles of natural justice, employment law and employment agreements.

The individual(s) managing the investigation of a suspected fraud must, through a management investigation, gather sufficient reliable evidence to establish whether a prima facie case of fraud exists, before any decision is made to place the matter with the appropriate law enforcement agency. Notwithstanding, in special situations a decision may be taken by the CEO in consultation with the Manager: HR Operations to refer the matter to the appropriate law enforcement agency in the first instance.

It is inappropriate for management's judgement to be substituted for that of the law, and accordingly as a matter of policy, management will in all cases where a prima facie case of fraud exists, involve law enforcement after the management investigation is complete.

---

REPORT



TO Audit Committee  
 ON 20 October 2009  
 FROM Morna Macfarlane – Manager: Finance  
 APPROVED BY Kevin Ramsay – Director: Corporate Services  
 SIGNATURE

SUBJECT **UPDATED CREDIT CARD POLICY**  
 FILE REF CF/1/1

PURPOSE OF REPORT:

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

IMPLICATIONS:

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? No
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? Not applicable
(vii)	Does a decision on this matter require Auckland Transition Agency approval? No

## FINANCIAL IMPLICATIONS:

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

## SUMMARY:

Audit New Zealand recommended that the Council review and amend our credit card policy to ensure we were following the OAG's good practice guide "Controlling sensitive expenditure: Guidelines for public entities." The specific concern was that the Director, Corporate Services approved for payment all credit card invoices /statements.

The RDC credit card policy is part of the Office Management Policies and Guidelines of the Corporate Manual.

Minor adjustments have been made to the policy principally to amend the approval of the credit card statements (see **Appendix 1**). The amended policy requires:

- The relevant Directors to approve the expenditure on the credit cards held by the Managers; Libraries, ICT Support and HR Operations;
- The Chief Executive to approve the credit card statements of the Assistant Chief Executive and the Directors; and
- The Mayor will approve the expenditure of the Chief Executive;
- The Executive Team will approve the expenditure of the Mayor.

## BACKGROUND INFORMATION

The cards are not used excessively and the costs are monitored. No issues were identified by Audit New Zealand regarding the actual use of the cards.

Each individual card has a limit of \$10,000 except for the Manager HR Operations, where the limit is \$30,000 to cover learning and development costs. In the 2008/09 financial year the total transactions across all cards was \$249k of which \$186k was on the card of the Manager HR Operations.

## RECOMMENDATION:

**That the Audit Committee receives the report.**

---

# APPENDIX 1

# Rodney District Council Credit Card Policy

## Introduction

This chapter outlines the RDC Credit Card policy that applies when Rodney District Council staff use an RDC credit card for business purchases.

## Objective

This Policy aims to provide guidelines for the use of Council credit cards.

## Eligibility

Eligibility to use credit cards is limited to the following:

- Mayor
- Chief Executive
- Assistant Chief Executive
- Director: Infrastructure
- Director: Customer Service
- Director: Corporate Services
- Manager: HR Operations
- Manager: Libraries
- Manager: ICT and Support

## Accountability

The Director Corporate Services is responsible for monitoring this policy and its amendments from time to time as needed.

## General Philosophy

Prudent financial management is the responsibility of every Council employee.

Employees should not be left out of pocket for genuine business costs provided provisions within the policy and all necessary approvals are first complied with.

The cash advance facility of these cards is not to be used under any circumstances.

Purchases are to be limited to business expenses only in cases where it is necessary for reasons such as urgency, purchase of texts, flowers in case of illness or bereavement, expenses when travelling, internet orders, overseas orders and transactions that require immediate booking confirmation.

## Responsibilities

Card holders are responsible for:

- The security on the card. It is issued in an individual's name and should not be shared, except by individuals that have been given specific delegation in writing, to use the card. In this case, these users must be made aware of and comply with this policy.
- Notifying the bank on the 24-hour service phone 0800 888-111 within 24 hours of the card's loss or theft. If appropriate a card holder must also notify their Director as soon as practicable.
- Obtaining a tax invoice for each purchase (meeting GST requirements where applicable).
- Attaching the invoices to the statement for all purchases, coding and forwarding to the Director Corporate Services by the end of each month.
- If under exceptional circumstances elements of private expenditure have had to be included in your statement, payment in favour of the Council must be made and the receipt attached to your statement.

## **Review of credit card expenditure**

- The credit card statements for the Managers; Libraries, HR Operations and ICT Support should be approved by the relevant Director.
- The Chief Executive will approve the expenditure of the Assistant Chief Executive and the Directors.
- The Mayor will approve the expenditure of the Chief Executive.
- The Executive Team will approve the expenditure of the Mayor.

## **Restrictions on card use**

Cards should be used only for official Rodney District Council business transactions, and more specifically:

- The Human Resources card is to be used only for the purchase of learning and development initiatives and related costs.
- The Information Systems and Libraries cards are to be used only for the purchase of applicable goods.

## **Cards should not be used for:**

- Procuring cash from ATM facilities, bank tellers or any other source
- Obtaining cash refunds from vendors
- Purchasing petrol or oil where fuel cards are available
- The purchase of assets
- Hire purchases, time payments or any other form of progressive payment
- Purchasing goods and services which can be purchased through preferred suppliers.

## **Staff resignation**

When a card holder resigns or is transferred to another area where a card is not required, the following must be completed:

- Return the card to the Director Corporate Services
- Provide receipts and GST invoices
- Code all outstanding transactions.

ITEM NO: 4

REPORT



**TO** Audit Committee  
**ON** 20 October 2009  
**FROM** Lynne Booth - Manager: Business Services  
**APPROVED BY** Kevin Ramsay – Director: Corporate Services  
**SIGNATURE**

A handwritten signature in black ink, appearing to read "K Ramsay", written over a horizontal line.

**SUBJECT** CORPORATE RISK UPDATE  
**FILE REF** CF/1/1

**PURPOSE OF REPORT:**

<input checked="" type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? Not applicable
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? Not applicable
(iv)	Implications in terms of other Council Strategic documents or Council Policy? Not applicable
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? Not applicable
(vii)	Does a decision on this matter require Auckland Transitional Authority approval? (yes / no / advice being sought?) No

**FINANCIAL IMPLICATIONS:**

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Not applicable
Is it currently budgeted for?	Not applicable
Funding & rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

**SUMMARY:**

This report is a result of the request from Audit Committee members to receive regular updates of the Class 3 and 4 risks to be presented on a regular basis. This will include reference to changes in the order and any new risks that have been identified.

**RECOMMENDATION:**

**That the report be received.**

---

**1.0 Background**

The Corporate risk update report is a regular item on this agenda and the report is attached as **Appendix 1**.

**2.0 Issues**

There have been no material changes since the last report.

There are no other issues to consider.

**3.0 Options**

The risk report is tabled for information.

**4.0 Conclusion**

This report will be a regular inclusion on the Audit Committee agenda.

# APPENDIX 1

REPORT



TO Audit Committee  
 ON 20 October 2009  
 FROM Rory Palmer – General Manager, Strategy  
 APPROVED BY Kevin Ramsay – Director: Corporate Services  
 SIGNATURE

SUBJECT **AUDITOR'S MANAGEMENT REPORT ON 2009-19 LONG TERM COUNCIL COMMUNITY PLAN**  
 FILE REF DG/11/3

**PURPOSE OF REPORT:**

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input checked="" type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? None
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? N/A
(vii)	Does a decision on this matter require Auckland Transitional Authority approval? (yes / no / advice being sought?) No

## FINANCIAL IMPLICATIONS:

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding & rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

## SUMMARY:

This report presents the Management Report for the Rodney District Council 2009-19 LTCCP.

Note: Audit New Zealand representatives are expected to be present for this item.

## RECOMMENDATION:

**That Audit New Zealand's management report on the Audit on the 2009-19 LTCCP be received.**

---

Audits of the draft and final long term council community plans (LTCCPs) are legal requirements under sections 84 and 94 of the Local Government Act 2002. Under that Act, the Auditor General is the council's auditor and Audit New Zealand has been assigned by the Auditor-General as this Council's external audit service provider or auditor.

Under sections 84 and 94, the auditors are required to provide councils with reports setting out:

- a) the extent to which the draft of final LTCCP complies with the requirements of the Act;
- b) the quality of the information and assumptions underlying the forecast information provided in the plans;
- c) 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.

These reports or "audit certificates" are to be included in the draft and final LTCCPs as part of their statutory content.

In addition to this and as part of normal practice, Audit New Zealand sends councils a draft management report at the conclusion of the LTCCP process. These reports set out the auditors observations of the councils' LTCCP development process and the adequacy of the LTCCPs' content.

Rodney District Council has received a draft management report. This has been reviewed by the General Manager, Strategy and the Director of Corporate Services who have accepted the management report as a fair and constructive commentary on RDC's process.

Council management's acceptance of the management report has been communicated to Audit New Zealand and a signed final management letter is expected without substantive change from the draft attached (**Appendix 1**).

# APPENDIX 1

REPORT



**TO** Audit Committee  
**ON** 20 October 2009  
**FROM** Morna Macfarlane – Manager: Finance  
**APPROVED BY** Kevin Ramsay – Director: Corporate Services  
**SIGNATURE**

**SUBJECT** ANNUAL REPORT FOR YEAR ENDED 30 JUNE 2009  
**FILE REF** CF/1/1

**PURPOSE OF REPORT:**

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input checked="" type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? No
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? Not applicable
(vii)	Does a decision on this matter require Auckland Transition Agency approval? No

**FINANCIAL IMPLICATIONS:**

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

**SUMMARY:**

The Annual Report for the year ended 30 June 2009 is currently being finalised with the Council's auditors reviewing the document and systems leading to its production. Clearance from the auditors is due to be given by 13 October 2009.

The proposed Annual Report will be circulated under separate cover as soon as it is available, with an accompanying report highlighting the key issues.

It is expected that the final report will be tabled and adopted by Council on 27 October 2009.

**RECOMMENDATION:**

**That the Audit Committee recommend to the Council that the Annual Report for the year ended 30 June 2009 be adopted.**

REPORT



TO Audit Committee  
 ON 20 October 2009  
 FROM Kevin Ramsay – Director Corporate Services  
 APPROVED BY Kevin Ramsay – Director Corporate Services  
 SIGNATURE

SUBJECT **UPDATE ON AUCKLAND REGIONAL GOVERNANCE**  
 FILE REF CF/1/1

**PURPOSE OF REPORT:**

<input checked="" type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input type="checkbox"/> Administrative matter			

**IMPLICATIONS:**

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? No
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? Not applicable
(vii)	Does a decision on this matter require Auckland Transition Agency approval? No

## FINANCIAL IMPLICATIONS:

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

## SUMMARY:

The review on Auckland Regional Governance continues to gain momentum with the Auckland Transition Agency (ATA) having completed a discovery process and now entering a design and strategy phase through its initiated workstreams.

A second piece of legislation has now been enacted building on the first to give more detail around boundaries, the role of the Mayor and transitional reporting responsibilities.

The purpose of this report is to update the Committee on the current situation and outline the approach that is being taken by the Transition Agency to implement the legislation.

## RECOMMENDATION:

**That the update on Auckland Regional Governance be received**

---

### 1.0 Background

The Local Government (Tamaki Makaurau Reorganisation) Act 2009 came into force on 24 May 2009. The Local Government (Auckland Council) Act 2009 came into force on 22 September 2009, after a select committee process involving several thousand submissions.

A third bill is expected to be introduced around November or December this year and be enacted around March or April 2010.

### 2.0 Issues

#### Auckland Governance Situation

The first piece of legislation, the Local Government (Tamaki Makaurau Reorganisation) Act 2009 ("first Act"), established the Auckland Transition Agency ("ATA"), placed some restrictions around the decision making powers of the existing Councils, and detailed the disestablishment of the existing Councils and the establishment of a new Auckland Council as of 1 Nov 2010.

The Local Government (Auckland Council) Act 2009 ("second Act"), advised that all of Rodney district would be included in the new Super-City, more formally established the Auckland Council, described the governance arrangements including Mayor, Councillors and local boards, and stated obligations around annual plans and annual reports.

The third Bill is to follow, and is expected to provide more detail on the actual processes to be followed to make the transition and establishment of the new Council happen.

A separate, but related process is also to take place, being that the Local Government Commission has been asked by the Government to consider issues including the final lines for the northern and

southern boundaries of the Auckland Council, as well as internal boundaries for local boards and electoral wards.

The Local Government Commission is currently visiting Councils to get input into the proposal that it will develop and then issue for public comment.

### ATA Actions

The ATA has produced a draft project outline identifying twelve workstreams that are to be managed within the overall scope of their role. In addition there are two separate workstreams, one each for the Transport and Watercare CCO's. The fourteen resulting workstreams are as follows:

- Governance
- Workforce & Human Resources
- Community Services
- Customer Services
- Finance & Treasury
- Communications & Public Affairs
- CCOs, Trusts, Investments & Infrastructure
- Business Processes & Systems
- Legal
- Environment
- Property & Assets
- Economic Development
- Transport
- Watercare

These workstreams are then broken down into sub-streams, resulting in well over 100 sub-streams. Each of these has or will have a project plan and meetings are being held to finalise these and progress the determined actions.

The draft project outline identifies that each workstream is to be broken down into three phases:

- *High level discovery phase* – just completed
- *Strategy & design phase* – now underway
- *Delivery phase* – split into three delivery stages, with only the first being by 31 Oct 2010.

The ATA has seconded and contracted a team of people to support the board, including the appointment of workstream leaders, and appointments to the project management office.

### RDC Actions

Each workstream has been assigned a key contact from Rodney District Council, to coordinate information requests, handle initial contacts, and take responsibility for that workstream at a high level.

Officers are also now involved in workstream meetings to finalise project plans and implementing the actions identified within those project plans.

All material decisions being made by Council are reviewed against the requirements of the first Act, as to whether ATA confirmation is required, and weekly reporting to ET is in place to consider these decisions.

The establishment of a project management office is to be the next step to ensure that appropriate resourcing is available to meet the needs of this transition.

### **3.0 Option**

Not applicable.

### **4.0 Conclusion**

That the current update be received and that further information be provided to the committee as key milestones are reached.

REPORT



TO Audit Committee  
 ON 20 October 2009  
 FROM Kevin Ramsay – Director: Corporate Services  
 APPROVED BY Kevin Ramsay – Director: Corporate Services  
 SIGNATURE

SUBJECT **FUTURE MEETINGS OF AUDIT COMMITTEE**  
 FILE REF CF/1/1

PURPOSE OF REPORT:

<input type="checkbox"/> Information only	<input type="checkbox"/> Strategic decision	<input type="checkbox"/> Policy decision	<input type="checkbox"/> Statutory process
<input type="checkbox"/> Community issue	<input type="checkbox"/> Contract decision	<input type="checkbox"/> Delegation	<input type="checkbox"/> Appointment
<input checked="" type="checkbox"/> Administrative matter			

IMPLICATIONS:

(i)	Is this matter significant in terms of Council's Policy on Significance? No
(ii)	Implications in terms of Vision Rodney? No
(iii)	Implications in terms of Long Term Council Community Plan / Annual Plan? No
(iv)	Implications in terms of other Council Strategic documents or Council Policy? No
(v)	Is a budget amendment required? No
(vi)	Have the views of affected or interested persons been obtained and is any further public consultation required? Not applicable
(vii)	Does a decision on this matter require Auckland Transition Agency approval? No

## FINANCIAL IMPLICATIONS:

Capital cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding source of capital costs	Not applicable
Ongoing operational cost implications	Nil
Is it currently budgeted for?	Not applicable
Funding and rating impact (whether resulting from capital expenditure or arising directly)	Not applicable

---

## SUMMARY:

As there is no set regular meeting cycle for the Audit Committee consideration needs to be given as to the dates for future meetings for the period January 2010 until October 2010.

## RECOMMENDATION:

**That the following provisional meeting dates for the Audit Committee be set:**

- 
- 
- 

---

### 1.0 Background

By its nature an Audit Committee's meeting timetable is often driven by issues rather than a need for a regular meeting frequency.

One key programme is the annual report timetable, especially around key auditing and adoption dates.

However the 2010 year will be a highly unusual one in that it will be the last year of this Council's existence and current legislation does not require an annual report to be prepared and adopted by Rodney District Council.

Therefore some discussion is needed as to whether a meeting timetable can currently be set and what might drive those meeting dates.

### 2.0 Issues

Late amendments to the Local Government (Auckland Council) Act 2009 included the requirement for the new Auckland Council to prepare and adopt a 16-month Annual Report for the period ended 31 October 2010. This removes the requirement for the Rodney District Council to prepare an Annual Report for the year ended 30 June 2010, and therefore means that there will be no annual report required to be prepared by this Council after the one currently being finalised and to be adopted by Council on 27 October 2009.

There will be substantial work around the transition from Rodney District Council to the new Auckland Council, which the Audit Committee may need or want to be involved with.

### 3.0 Option

The Audit Committee could:

- o set some regular or semi-regular meeting dates
- o set some provisional dates for now, pending the finalisation of other programmes such as amalgamation milestones and reporting deadlines
- o wait on setting dates until more relevant information is known

#### **4.0 Conclusion**

That provisional dates be set for future meetings of the Audit Committee, which can then be confirmed once other key dates are programmes are finalised.

It is recommended that provisional dates include:

- Late January 2010 once the programme for Council's annual plan is determined
- Early April 2010 once the third Auckland Transition Bill is enacted
- Mid September 2010 to review provisional annual results of the Council