

The Chairman and Councillors
Finance & Governance Committee

NOTICE IS GIVEN that the next meeting of the **Finance & Governance Committee** will be held in the **Tohora Room, Papamoa Community Centre, Papamoa** on:

EMBARGOED
Until 2 working days before meeting on:

Thursday, 5 August 2010

commencing at 9.30 a.m.

Bill Bayfield
Chief Executive

29 July 2010

Working with our communities for a better environment



Finance and Governance Committee

Purpose

- To provide strategic oversight of, and establish policy for, the financial affairs of Council.
- To overview Council's financial reports and annual financial statements, and to monitor Council's financial performance.
- To ensure the effective functioning of the organisation as a corporate body.

Role

- 1 To receive the Council's quarterly overall financial reports and to review the appropriateness of reports received.
- 2 To receive and consider month-end reports between quarters, if required.
- 3 To preview and approve the form and content of the annual financial statements.
- 4 To monitor Council's overall service and financial performance against the Ten Year Plan and Annual Plan, including overseeing the production of the Annual Report.
- 5 To develop and review Council's funding and financial policies, including the Policy on partnerships with the Private Sector, Revenue and Financing Policy, Liability Management Policy, Investment Policy, Policy on Development Contributions or Financial Contributions, Policy on the Remission and Postponement of Rates, Policy on the Remission and Postponement of Rates on Maori Freehold Land, and rating policy in general.
- 6 To review internal systems and their effectiveness.
- 7 To audit decisions if required.
- 8 To consider applications for the remittance of user fees and charges that are not dealt with under delegation.

Delegated Authority

- (a) Authority to delegate to any subcommittee of the Finance and Governance Committee, any authorities that have been delegated by Council to the Committee and to appoint members.
- (b) Authority for the governance of all statutory functions, powers and duties within its terms of reference.
- (c) Authority to make recommendations to Council on financial matters arising from Council's financial reports.
- (d) Authority to determine processes for preparing Council's funding and financial policies, including the Policy on partnerships with the Private Sector, Revenue and Financing Policy, Liability Management Policy, Investment Policy, Policy on Development Contributions or Financial Contributions, Policy on the Remission and Postponement of Rates, Policy on the Remission and Postponement of Rates on Maori Freehold Land, and rating policy in general.
- (e) Authority to remit user charges and rates.
- (f) Authority to approve un-audited annual financial statements for audit purposes.

Authority, within its terms of reference, to approve the transfer of budget levels between activities or to exceed the budget level for an activity with no commensurate savings elsewhere, up to \$100,000 and to recommend to Council amounts exceeding \$100,000.

Committee Membership

Chairman:	I Noble
Deputy Chairman:	J Nees
Councillors:	T Eru, R Ford, J Mansell, P Sherry, A von Dadelszen
Ex Officio:	Chairman J Cronin
Secretary:	S Cubbon

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

1 Apologies

2 General Business and Tabled Items

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be delayed until a subsequent meeting.

3 Public Excluded Section

Resolution to exclude the public

THAT the public be excluded from the following parts of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

3.1 Investment Report for July 2010

(To follow under separate cover)

3.2 ANZ Perpetual Callable Subordinated Bonds

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Reason

That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could

be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.

Grounds

That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings before a local authority where the local authority is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings.

4	Reports	
4.1	Contracting Report 2009-2010	13
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	Quayside Holdings Limited Group Statement of Intent	
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	Credit Card policy	
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	Sensitive Expenditure Policy - Elected Members	
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	Binding Ruling	
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5	Consideration of General Business	

Reports

File Reference: 1.00001
Significance of Decision: Receives Only - No Decisions

Report To: Finance and Governance Committee
Meeting Date: 5 August 2010
Report From: Ken Tarboton, Group Manager Rivers and Drainage

Contracting Report 2009-2010

Executive Summary

This report provides summary information on Environment Bay of Plenty's contracts awarded during the period 1 July 2009 to 30 June 2010. All contractual agreements at Environment Bay of Plenty should be undertaken in accordance with the Contracts Manual which provides transparency to the contracting process and encourages good contract management.

Contracts to a total of \$4.2 million were entered into for the 2009 – 2010 period. During this period 182 contracts were executed: 170 were short form agreements (value of \$3,107,286.61) and 12 were full contracts (value of \$1,122,239.14).

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Contracting Report 2009-2010.**

2 Background

Environment Bay of Plenty's Contracts Manual has been operative since November 2006, and is based on Rotorua District Council's Contracts Manual. The manual was developed to provide good practice guidelines for council staff in the use of contracts and to encourage transparency to the contracting process.

3 Tendering requirements

The Contracts Manual lays out clear dollar value limits that designate whether a purchase order, short form agreement or full sealed contract is required. The following table lists the thresholds and tendering requirements as per the Contracts Manual:

Contract Type	Value Limits	Tendering Requirement
Purchase order	Up to \$20,000	<\$10,000 single quote. \$10,000 - \$20,000 three written quotes. Close in Tender Box.
Minor contract (short form)	Up to \$50,000	Three tenders generally sought. Close in Tender Box. Reduced assessment process.
Sealed contract	\$50,000 and above	Public tender. Close in Tender Box.

4 **Delegated authority**

Tenders can be accepted or a contract signed on behalf of Council up to the following limits (GST exclusive):

Managers	Within financial delegation \$10,000 to \$30,000
Group Manager	Up to \$100,000
Chief Executive	\$100,000 to \$400,000
Chief Executive and Chairperson	\$400,000 to \$1,000,000
Council or Emergency Committee*	over \$1,000,000

* when appointed

5 **Waiver of the contract procedures**

In accordance with the Contracts Manual, any deviation from the standard contract procedure (that is, not fully tendering, seeking proposals or seeking quotes) must be supported by a written rationale and this must be authorised by the officer with delegated authority to approve the contract. Recommendation not to publicly advertise contracts over \$50,000 must be approved by the Chief Executive. Possible reasons for not publicly tendering include urgency, limited private sector capability, existing contracts extended and works needing a high level of control.

6 **Summary of contracts 2009-2010**

All contracts issued in 2009-2010 are listed as short form agreements in Appendix I or sealed contracts in Appendix II. A summary of the contracts issued and their total value is given in Table 1 below.

Table 1 Summary of 2009-2010 Contracts

	Number	Value
Short form Agreements		
Short form agreements with values less than \$50,000	147	\$2,079,501.61
Short form agreements with values greater than \$50,000 (executive waiver obtained)	12	\$1,027,785.00
Hourly rate short form agreements	11	Not available
Total	170	\$3,107,286.61
Sealed contracts		
Selected tenderers	2	\$85,018.00
Publicly advertised	10	\$1,037,221.14
Total	12	\$1,122,239.14

Twelve of the 170 short form agreements awarded were greater than \$50,000 and were approved by the Chief Executive.

Of the 12 sealed contracts, 10 were approved by the Chief Executive, two were approved by Group Managers. Of the sealed contracts 83% (10) were publicly tendered and 17% (2) were selected tenderers (executive waiver obtained).

A total of 125 different contractors were used. Table 2 shows contractors that won more than one contract.

Table 2 contractors, consultants or companies awarded more than one contract in 2009-2010

Contractor, Consultant or Company	Number	Total Value
GNS Science	3	\$265,200.00
Go Bus Transport	2	\$227,525.00
Reesby Buses Ltd	2	\$203,997.00
R Irving	5	\$125,100.00
Lakeweed Harvesters and Contractors	3	\$119,900.00
Landcare Research	5	\$100,880.00
SM Pinkerton Ltd	4	\$99,620.00
Opus International Consultants	3	\$95,000.00
Wildlands Consultants Ltd	5	\$91,720.00
Boffa Miskell	3	\$80,025.00
Bio Vision Ltd	2	\$70,545.00
NIWA	7	\$60,750.00
Collingbourne Ltd	3	\$56,440.00
R J Mankelow	3	\$30,800.00
B Bancroft	3	\$28,100.00
Isthmus Group Ltd	2	\$26,190.00
Indigenous Landscape	2	\$25,690.00
Beca Carter Hollings & Ferner Ltd	2	\$22,000.00
In Situ Heritage Ltd	2	\$20,000.00
M Corbett	2	\$18,000.00
Waiora Soil Conservation Ltd	4	\$17,400.00
J Whale and Associates Ltd	2	\$16,300.00
M Cole	3	\$15,000.00
N L Taylor	4	\$15,000.00
M Hanna	2	\$14,164.00
Harrison Grierson Consultants Ltd	2	\$12,200.00
J Rhodes	2	\$11,730.00
Cheeky Rooster Communications	2	\$11,370.00
Land Use Consultants Ltd	2	\$11,000.00
APR Consultants Ltd	2	\$9,495.00

7 **Financial Implications**

Current Budget

Contract administration is budgeted for under Corporate Support. The budget covers updates to the Contracts Manual tendering process and funds the production of this report.

Future Implications

None.

Ten Year / Annual Plan Implications

None.

Kirsty Brown
Asset Management Officer

for Group Manager Rivers and Drainage

22 July 2010

Appendix

Appendix I – Short Form Agreements 1 July 2009 to 30 June 2010

	Contract Number	Title	Contractor/Consultant	Cost (excluding GST)	Contract Amount or Maximum
1	2009 0159	Coordination of eDay	CPG NZ Ltd	\$11,900.00	\$11,900.00
2	2009 0160	Coordination of Rotorua eDay	APR Consultants Ltd	\$6,300.00	\$6,300.00
3	2009 0162	Pāpāmoa Hills Regional Park - investigation of Community Management Model	Tall Solutions Project Management	\$6,000.00	\$6,000.00
4	2009 0164	Develop and populate the land use register - part 5	S M Pinkerton Ltd	\$26,520.00	\$26,520.00
5	2009 0165	Population of land use register	R Irving	\$18,880.00	\$18,880.00
6	2009 0166	Supply of allophane	Landcare Research	\$10,000.00	\$10,000.00
7	2009 0167	Tikitere Sewer Prefeasibility Proposal	Beca Carter Hollings & Ferner Ltd	\$12,000.00	\$12,000.00
8	2009 0168	Revegetation of sites 3A and 7B at Pāpāmoa Hills Regional Park	Wildlands Consultants	\$24,450.00	\$24,450.00
9	2009 0169	Rotorua air quality winter campaign	V Marketing	\$49,150.00	\$49,150.00
10	2009 0170	Provide engineering services	Britton Consultants Ltd	\$100,000.00	\$100,000.00
11	2009 0173	Provide admin/committee secretary services for Tasman Consent hearing	M Cole	\$6,000.00	\$6,000.00
12	2009 0179	Provide heritage/archaeological advice in relation to district consent applications	In Situ Heritage Ltd	\$10,000.00	\$10,000.00
13	2009 0180	Goat hunting	N Buchanan	\$9,300.00	\$9,300.00
14	2009 0183	Coordination of Whakatāne eDay	Opus International Consultants Ltd	\$4,100.00	\$4,100.00
15	2009 0184	Consenting of unconsented lake structures in the Rotorua Lakes	S Wheeler	\$24 per hour	\$24 per hour
16	2009 0185	Z2 application to Lake Ōkaro	Aqua Ag Ltd	\$45,500.00	\$45,500.00
17	2009 0186	Monitoring of protection areas in the Western Bay of Plenty	R J Mankelow	\$35 per hour	\$35 per hour
18	2009 0188	Lake Ōkaro landowner consultation responses	APR Consultants Ltd	\$3,195.00	\$3,195.00
19	2009 0189	Erosion control measures on streams within Western Bay of Plenty region	Waiora Soil Conservation Ltd	\$10,000.00	\$10,000.00
20	2009 0190	Works implementation audit	Waiora Soil Conservation Ltd	\$4,000.00	\$4,000.00
21	2009 0191	Provide advice on landscape and character issues in relation to consent applications	Wildlands Consultants	\$20,000.00	\$20,000.00
22	2009 0193	Groundwater resource investigation of the Rangitāiki Plains area stage 1	GNS Science	\$96,000.00	\$96,000.00
23	2009 0195	Intervention framework for the Rotorua Lakes	Landcare Research	\$10,000.00	\$10,000.00
24	2009 0198	Pest plant control Matea Road, East Taupō	Bio Vision Ltd	\$65,545.00	\$65,545.00

25	2009 0201	Coast care delivery - Western Bay	M Corbett	\$18,000.00	\$18,000.00
26	2009 0202	Coast care delivery - Eastern Bay	Indigenous Landscape	\$18,000.00	\$18,000.00
27	2009 0205	Implications of Auckland restructuring on local governance in the Bay of Plenty	McKinlay Douglas Ltd	\$6,000.00	\$6,000.00
28	2009 0208	Resource consents for Okere Gates and Ōhau Channel	Opus International Consultants Ltd	\$81,900.00	\$81,900.00
29	2009 0212	Kokako absence/presence survey	A Greaves	\$5,916.00	\$5,916.00
30	2009 0215	Project training and implementation support	D Baxter	\$14,000.00	\$14,000.00
31	2009 0217	Wild ginger Regional Pest Management Strategy compliance monitoring project	N L Taylor	\$3,000.00	\$3,000.00
32	2009 0219	Banana passionfruit Regional Pest Management Strategy compliance monitoring project	N L Taylor	\$2,000.00	\$2,000.00
33	2009 0220	Nukuhou catchment Japanese walnut survey, control and monitoring project	N L Taylor	\$5,000.00	\$5,000.00
34	2009 0221	Protection area monitoring	Environ-sure Ltd	\$16,000.00	\$16,000.00
35	2009 0222	Protection area fencing - Merriman EP	Buck Ridge Ltd	\$13.50 per lineal metre	\$90,000.00
36	2009 0223	EP works implementation	BNS Contracting	\$45,000.00	\$45,000.00
37	2009 0224	Old Man's Beard Regional Pest Management Strategy compliance monitoring project	N L Taylor	\$5,000.00	\$5,000.00
38	2009 0228	Mulching of brush weeds on Motuhoa Island	C Amrain	\$10,000.00	\$10,000.00
39	2009 0233	Facilitation of Rotorua Lakes Strategy Group Health Check workshop	L Gow Ltd	\$1,600.00	\$1,600.00
40	2009 0236	Income Protection and Life Benefits Insurance	Cammell Consulting Ltd	\$16,000.00	\$16,000.00
41	2009 0237	Ten Year Plan 2009-2019 assistance with IT platform	Sue Laurence Consulting Ltd	\$95 per hour	\$20,000.00
42	2009 0245	Provide heritage/archaeological advice in relation to Biodiversity Management Plans and EPs	In Situ Heritage Ltd	\$10,000.00	\$10,000.00
43	2009 0246	Create Ōhiwa Harbour communications and action plan	Cheeky Rooster Communications	\$6,345.00	\$6,345.00
44	2009 0247	Provide communications planning and actions for Ōhiwa Harbour Mangroves and Sediment Management project	Cheeky Rooster Communications	\$5,025.00	\$5,025.00
45	2009 0248	Review Aquatic Plant Pest Surveillance and Monitoring Programme for the Rotorua Lakes	NIWA	\$14,000.00	\$14,000.00
46	2009 0251	Coast care delivery - Western Bay	M Corbett		
47	2009 0252	Compilation of data for a Regional Waste and Recycling Directory	Tauranga Environment Centre	\$35 per hour	\$1,500.00
48	2009 0254	Intervention frameworks for Environment Bay of Plenty	Landcare Research	\$3,000.00	\$3,000.00
49	2009 0259	Software support and maintenance	NIWA	\$2,500.00	\$2,500.00
50	2009 0260	Fish health monitoring in Lake Ōkaro following August	University of Waikato	\$28,000.00	\$28,000.00

		application of modified zeolite			
51	2009 0261	Profiling data collection	Tauranga City Council	\$8,660.00	\$8,660.00
52	2009 0263	Grout geothermal monitoring bore M17	Rotorua Welldrilling Co Ltd	\$3,500.00	\$3,500.00
53	2009 0265	Technical adviser on Okere Gates and Ōhau Channel Control structures consent renewal	Mahi Maioro Professionals	\$17,500.00	\$17,500.00
54	2009 0266	Technology One Project - general accounting services	A Dixon	\$40 per hour	\$20,000.00
55	2009 0268	Rotorua Lakes Programme - preparation of programme plan	Schema	\$130 per hour	\$18,000.00
56	2009 0269	Draft MOU between Ngāti Pīkiao and Environment Bay of Plenty	J Tahana	\$65 per hour	\$65 per hour
57	2009 0270	Review of IM services	Collingbourne Ltd	\$30,240.00	\$30,240.00
58	2009 0272	Populate land use database	R Irving	\$40 per hour	\$16,640.00
59	2009 0273	Develop and populate the land use database - part 6	S M Pinkerton Ltd	\$85 per hour	\$23,120.00
60	2009 0274	Act as commissioner for Environment Bay of Plenty consent hearings as agreed	R Karu	\$220 per hour	\$40,000.00
61	2009 0275	Facilitation of a Triennial meeting Treat Settlement Workshop	W Gardiner	\$2,000.00	\$2,000.00
62	2009 0276	Independent review of partner organisations within Te Arawa Lakes Strategy Group are meeting Terms of Reference	North South Environmental Law	\$10,000.00	\$10,000.00
63	2009 0277	Rotorua Lakes land use change and management plus related resource consent processing	Headway Ltd	\$90 per hour	\$50,000.00
64	2009 0278	Land resources works monitoring 2010 (Eastern)	Wildlands Consultants	\$18,865.00	\$18,865.00
65	2009 0280	Ōhope Reserve Biodiversity Management Plan	First Words in Fauna	\$7,500.00	\$7,500.00
66	2009 0281	Resource consent processing	Southern Skies Environmental Ltd	\$100 per hour	\$20,000.00
67	2009 0284	Land resources works monitoring 2010 (Rotorua)	Boffa Miskell	\$38,580.00	\$38,580.00
68	2009 0285	Land resources work monitoring 2010 (Western)	Boffa Miskell	\$25,275.00	\$25,275.00
69	2009 0286	Geothermal extent and vegetation mapping 2009	Landcare Research	\$30,880.00	\$30,880.00
70	2009 0288	Provide admin/committee secretary services for Rotomā No.1 Incorporation (Geothermal Power Station Project)	M Cole	\$6,000.00	\$6,000.00
71	2009 0289	Possum and rat control Ngāti Awa Kawenata	Indigenous Landscape	\$7,690.00	\$7,690.00
72	2009 0290	Printing of Environment Bay of Plenty's regional newsletter	Webstar	\$17,079.00	\$17,079.00
73	2009 0301	Rook nests on Tihiotonga Station	EcoFX Ltd	\$1,195.00	\$1,195.00
74	2009 0302	BOP Organic Waste Options Study	Eunomia Research & Consulting and Waste Not Consulting	\$27,410.00	\$27,410.00
75	2009 0303	Resource consent compliance monitoring	Waiora Soil Conservation Ltd	\$80 per hour	\$80 per hour
76	2009 0304	Resource consent compliance monitoring	M Hanna	\$30 per hour	\$30 per hour

77	2009 0305	RLTS review focus groups	Versus Research Ltd	\$8,100.00	\$8,100.00
78	2009 0318	Ōhiwa Harbour Strategy Actions Report	John Whale & Associates Ltd	\$14,500.00	\$14,500.00
79	2009 0319	Application development support contract	Spectra Data Solutions Ltd	\$7,680.00	\$7,680.00
80	2009 0326	Stoat control Whakatāne Kiwi Project	J Rhodes	\$8,230.00	\$8,230.00
81	2009 0328	Analyse current boiler operations at Tachikawa Forest Products Ltd	CRL Energy Ltd	\$11,025.00	\$11,025.00
82	2009 0329	Photograph additional soil profiles	Land Use Consultants Ltd	\$5,000.00	\$5,000.00
83	2009 0332	Stoat control Whakatāne Kiwi Project - withdraw and replace existing stoat traps	J Rhodes	\$3,500.00	\$3,500.00
84	2009 0333	Forestry Operators Accreditation Panel	Waiora Soil Conservation Ltd	\$80 per hour	\$3,400.00
85	2009 0334	Forestry Operators Accreditation Panel	R Bawden	\$80 per hour	\$3,400.00
86	2009 0335	Forestry Operators Accreditation Panel	EMTS Ltd	\$80 per hour	\$3,400.00
87	2009 0336	Compliance monitoring and sampling assistance	Aquatek Ltd	\$60 per hour	\$60 per hour
88	2009 0340	Rotorua Lakes Oxygenation Peer Review	AWT NZ Ltd	\$15,000.00	\$15,000.00
89	2009 0341	Quality assurance check of submissions database for Navigation and Safety Bylaws Review 2009	John Whale & Associates Ltd	\$1,800.00	\$1,800.00
90	2009 0343	Tasman appeals, Okere Gates proposal, BOP Energy dam proposal	Ryder Consulting	\$95,000.00	\$95,000.00
91	2009 0344	Wallaby monitoring camera evaluation trial	R Keyzer	\$3,000.00	\$3,000.00
92	2009 0345	Waitangi No.2 Willow Control	Moorland Services Ltd	\$22,574.00	\$22,574.00
93	2009 0346	Tumurau Lagoon Ecological survey	Wildlands Consultants	\$12,176.00	\$12,176.00
94	2009 0347	Groundwater resource investigation of the Lake Tarawera catchment - drilling project	GNS Science	\$134,000.00	\$134,000.00
95	2009 0351	Horsenettle control at Waihou Bay	J C Wairua	\$2,000.00	\$2,000.00
96	2009 0353	Provide admin/committee secretary services for Tauranga City Council - Tara Road Widening	M Cole	\$3,000.00	\$3,000.00
97	2009 0355	EBP10401 Reivew of Report	NIWA	\$2,600.00	\$2,600.00
98	2009 0356	Allophane investigation	Landcare Research	\$47,000.00	\$47,000.00
99	2010 0006	Develop and populate the land use register	S M Pinkerton Ltd	\$27,540.00	\$27,540.00
100	2010 0007	Populate the land use register and assist with Council's pollution prevention programme - part 7	R Irving	\$22,800.00	\$22,800.00
101	2010 0010	Land Management Projects as directed	R J Mankelow	\$8,400.00	\$8,400.00
102	2010 0013	Bay of Plenty Transport Futures Study	D Wignall	\$3,000.00	\$3,000.00
103	2010 0018	Gather baseline information: RPMS review	Apiary Bzzzness Ltd	\$40 per hour	\$40 per hour
104	2010 0025	BOP freight study	R Paling Consulting Ltd	\$12,500.00	\$12,500.00
105	2010 0026	BOP region road safety analysis	Opus International Consultants Ltd	\$9,000.00	\$9,000.00
106	2010 0027	2006 Ecological review for plan change of the Regional	Wildlands Consultants	\$16,229.25	\$16,229.25

		Coastal Environment Plan			
107	2010 0028	Monitor Rodents: Ōhope Reserves BMP 2010	B Bancroft	\$9,500.00	\$9,500.00
108	2010 0029	Monitor Rodents: EP's and Care Groups	B Bancroft	\$9,000.00	\$9,000.00
109	2010 0030	Landowner Survey MU3 Eastern BOP Feral Goat Plan	B Bancroft	\$9,600.00	\$9,600.00
110	2010 0031	Assessing Koura and Kakahi effects on Ohau Wall	I Kusabs & Associates Ltd	\$17,000.00	\$17,000.00
111	2010 0034	Bar reporting and associated duties	B & G Holdings 2000 Ltd	\$40 per hour	\$40 per hour
112	2010 0035	Regional Waste Contractor Audit	Andrew Stewart Ltd	\$8,000.00	\$8,000.00
113	2010 0036	Pest plant monitoring - Rotorua Lakes	C Neilson	\$20 per hour	\$20 per hour
114	2010 0038	Lakeweed harvesting Lake Rotoehu	Lakeweed Harvesters and Contractors	\$54,600.00	\$54,600.00
115	2010 0039	Whakatāne West Woolly Nightshade Regional Pest Management Strategy Compliance Monitoring	Whakatāne Wide Ltd	\$10,000.00	\$10,000.00
116	2010 0039A	Lakeweed harvesting Okawa Bay, Lake Rotoiti	Lakeweed Harvesters and Contractors	\$10,700.00	\$10,700.00
117	2010 0041	Act as commissioner for Port of Tauranga Harbour dredging application	Baywatch Ōpōtiki Ltd	\$160 per hour	\$20,000.00
118	2010 0049	East Coast Wild Ginger Control Project	J Kingsnorth	\$10,000.00	\$10,000.00
119	2010 0050	East Coast Wild Ginger Control Project	J Wairua	\$10,000.00	\$10,000.00
120	2010 0077	Eastern Bay Minimum Flow Study Modelling and Report	I Jowett	\$28,690.00	\$28,690.00
121	2010 0078	Eastern Bay Minimum Flow Study Modelling and Report	NIWA	\$12,890.00	\$12,890.00
122	2010 0080	Undertake a review of the form and function of SmartGrowth.	vV Environmental Ltd	\$180 per hour	\$10,000.00
123	2010 0082	2010 Bus Satisfaction Survey	Key Research Ltd	\$26,900.00	\$26,900.00
124	2010 0082	2010 Bus Satisfaction Survey	Key Research Ltd	\$26,900.00	\$26,900.00
125	2010 0083	Undertake the collection of soil sample from health sample sites for the year 2010	Land Use Consultants Ltd	\$6,000.00	\$6,000.00
126	2010 0084	Old Man's Beard Control Tarawera 2010	Bio Vision Ltd	\$5,000.00	\$5,000.00
127	2010 0085	Provision of Cleaner Production Services in the Rotorua District.	Rotorua District Council	\$39,000.00	\$39,000.00
128	2010 0087	Poisoning of Wilding Pines in Kōhi Point and Mokoroa Scenic Reserves	Pest Destruction Services	\$40 per hour	\$10,000.00
129	2010 0087A	Kaituna Maketū Wetland Feasibility Project	Boffa Miskell	\$16,170.00	\$16,170.00
130	2010 0088	Develop and populate the land use register	S M Pinkerton Ltd	\$22,440.00	\$22,440.00
131	2010 0089	Populate the land use register and assist with Council's pollution prevention programme - part 8	R Irving	\$24,800.00	\$24,800.00
132	2010 0090	Redefinition survey and plan preparation	Harrison Grierson Consultants Ltd	\$2,200.00	\$2,200.00

133	2010 0091	Environmental programmes (Western) works implementation	R J Mankelow	\$22,400.00	\$22,400.00
134	2010 0092	Provide assistance with development of second generation Bay of Plenty Regional Policy Statement	R De Luca	\$20,000.00	\$20,000.00
135	2010 0093	Summarise comments received on the Draft BOP Regional Policy Statement	J Morgan	\$45 per hour	\$10,000.00
136	2010 0097	Develop Rerewhakaaitu case studies and profiles	Devcich Design	\$12,000.00	\$12,000.00
137	2010 0099	Assistance with EBOP Science Strategy Development	B Dyck	\$10,000.00	\$10,000.00
138	2010 0100	Compliance monitoring and sampling assistance	D P Culliford	\$60 per hour	\$60 per hour
139	2010 0103	Provide policy advice and assistance	R Thompson	\$10,000.00	\$10,000.00
140	2010 0104	Review of Quayside Group	PricewaterhouseCoopers	\$115,000.00	\$115,000.00
141	2010 0105	Awatarariki Stream debris dam resource consent application	Isthmus Group Ltd	\$6,190.00	\$6,190.00
142	2010 0107	Hornwort harvesting - Lake Rotoehu	Lakeweed Harvesters and Contractors	\$54,600.00	\$54,600.00
143	2010 0108	Ōkāreka Ornamental pond aquatic pest audit	C D Consultants	\$5,600.00	\$5,600.00
144	2010 0109	Bay of Plenty Transport Futures Study	McCormick Rankin Cagney Pty Ltd	\$75,000.00	\$75,000.00
145	2010 0112	Consents section customer satisfaction survey implementation	L Schick	\$1,200.00	\$1,200.00
146	2010 0115	Maketū Estuary Water Quality modelling	DHI Water and Environment Ltd	\$66,140.00	\$66,140.00
147	2010 0119	Information Services Strategy for Ōpōtiki District Council	Collingbourne Ltd	\$11,800.00	\$11,800.00
148	2010 0121	Rotorua clean heat incentives project process flowcharts and standards, procedures and guidelines development	Strategic Energy	\$10,000.00	\$10,000.00
149	2010 0124	Rotorua clean heat incentives project process flowcharts and standards, procedures and guidelines development	Allen and Clark	\$10,000.00	\$10,000.00
150	2010 0128	Various reviews for resource consent applications	Isthmus Group Ltd	\$20,000.00	\$20,000.00
151	2010 0131	Review and analysis of regulatory interventions to manage nutrient inputs to Rotorua/Te Arawa Lakes from rural land use.	Wasley Knell Consultants Ltd	\$38,000.00	\$38,000.00
152	2010 0133	Enterprise architecture scoping report	Collingbourne Ltd	\$14,400.00	\$14,400.00
153	2010 0135	Iwi management plan pilot project	Eight Associates	\$8,000.00	\$8,000.00
154	2010 0137	Preliminary bus tracking investigation	CCS Logistic Ltd	\$4,625.00	\$4,625.00
155	2010 0138	Environmental programme pest animal control	P Alley	\$1,526.36	\$1,526.36
156	2010 0146	Hydraulic testing of monitoring bores Lake Tarawera	Rotorua Farm and Industrial Pumping Ltd	\$38,212.00	\$38,212.00
157	2010 0148	Rotorua geothermal field surface feature monitoring	Institute of Geological and Nuclear Science	\$5,800.00	\$5,800.00
158	2010 0149	Interpret the methodology for analysing Olsen P from a	BOP Farm and Pastoral	\$3,300.00	\$3,300.00

		range of specific soil types in the Rotorua Lakes District	Research		
159	2010 0158	Lake SPI on Rotorua Lakes 2010-2011	NIWA	\$25,000.00	\$25,000.00
160	2010 0159	Kopeopeo Canal remediation - cost assessment	Golder Associates (NZ) Ltd	\$23,635.00	\$26,365.00
161	2010 0168	Lake Rotorua and Lake Rotoiti water control structure reconsenting	R Greenaway	\$120 per hour	\$10,000.00
162	2010 0169	To populate the land use register and assist with Council's Pollution Prevention Programme	R Irving	\$50 per hour	\$42,000.00
163	2010 0171	Lab consultancy	M Hanna	\$30 per hour	\$14,164.00
164	2010 0172	Bay of Plenty Regional Council Natural Hazards Risk - advice on conducting community participation	Beca Carter Hollings & Ferner Ltd	\$10,000.00	\$10,000.00
165	2010 0175	Prepare and lodge an application for land use consents	MTEC Consultants Ltd	\$5,000.00	\$5,000.00
166	2010 0188	Data access	NIWA	\$3,760.00	\$3,760.00
167	2010 0189	Investigation and reporting flood risk and managed realignment	Harrison Grierson Consultants Ltd	\$10,000.00	\$10,000.00
168	2010 0220	Review strategy for the lakes of the Rotorua District	Martin Jenkins and Associates Ltd	\$30,000.00	\$30,000.00
169	2010 0223	Purchase and installation of rainfall recharge lysimeters.	GNS Science	\$35,200.00	\$35,200.00
170	2010 0225	Technical Advisory Group Meetings 2010-2011	NIWA	\$265 per hour	\$265 per hour

Appendix II – Full Contracts – 1 July 2009 to 30 June 2010

	Contract No.	Title	Tenderers	Contract Manager	Contract Price excl GST	Approved by	Estimate (excl GST)	Publicly Tendered or Selected Tenderers
1	2009 0087	Mechanical Mangrove removal in Tauranga	Waiohahi Contractors Ltd Fotheringham Contractors Ltd Gaddum Construction KJ's Bobcats, Digger, Haulage Doug Gerrand Ltd Piki Manunui Ltd Rogerson Farms LTd Hopper Construction Ltd Hurlstone Earthmoving Ltd Colin Amrein Contracting V Boothby Contractors	Braden Rowson	\$113,065.20	Chief Executive	\$77,000.00	Publicly tendered
2	2009 0088	Rotorua to Tauranga Bus Service	Reesby Buses Ltd Bayline Group Ltd Go Bus Tranzit Ritches Bethlehem Madge Coachlines Ltd	Barry Reid	\$133,748.00	Chief Executive		Publicly tendered
3	2009 0089	Te Puke to Tauranga	Reesby Buses Ltd Bayline Group Ltd Go Bus Tranzit Bethlehem Madge Coachlines Ltd	Barry Reid	\$90,249.00	Chief Executive		Publicly tendered
4	2009 0136	Katikati and Ōmokoroa to Tauranga	Katikati Bus Company Bayline Group Ltd Go Bus Ritches Madge Coachlines Ltd Reesby Buses Ltd	Barry Reid	\$147,686.00	Chief Executive		Publicly tendered
5	2009 0198	Pest plant control Matea Road East Taupō	Environmental Pest Management Ltd	Richard Mallinson	\$65,545.00	Group Manager	\$80,140.00	Publicly tendered

			Wildlands Consultants Ltd Piriaka Contracting Ltd Moorlands Services Treescape					
6	2009 0236	Waioho Canal Right Bank Stopbank Upgrade Stage 1	Tracks Concrete (2002) Ltd Bay Excavators Ltd Midland Civil Ltd Doug Gerrand Ltd Wilson Brothers Ltd Midamac Earthmoving Ltd Waiotahi Contractors Ltd Advance Civil Ltd R Mahy Contracting Ltd JBT Andrews Ltd	Arch Delahunty	\$103,706.04	Chief Executive	\$133,885.00	Publicly tendered
7	2009 0286	Goethermal Extent and Vegetation Mapping 2009	Landcare Research Ltd Wildlands Consultants Ltd	Nancy Willems	\$30,880.00	Group Manager	\$40,000.00	Selected Tenderers
8	2009 0290	Printing of Regional Newsletter	Webstar King Street APN Print Geon Kale Print	Alex Grenfell	\$54,138.00	Group Manager	\$80,000.00	Selected Tenderers
9	2010 0001	Kawerau, Ōpōtiki and Whakatāne to Tauranga Bus Service	Go Bus Transport Ltd Bayline Group Ltd Madge Coachlines Ltd	Mike Furniss	\$110,261.00	Chief Executive		Publicly Tendered
10	2010 0002	Ōhope and Matatā to Whakatāne Bus Service	Go Bus Transport Ltd Bayline Group Ltd Madge Coachlines Ltd	Mike Furniss	\$117,264.00	Chief Executive		Publicly Tendered
11	2010 0003	ITIL-Compliant Service Desk Tool	Numara Software Delta Software Planwell	Grant Probert	\$122,530.00	Chief Executive	\$120,000.00	Publicly tendered
12	2010 0011	Awarua Drain Stopbank Upgrade Works	Tracks Concrete Limited Midamac Earthmoving Ltd Wilson Bros Earthmoving Ltd Waiotahi Contractors Ltd	Arch Delahunty	\$260,691.90	Chief Executive	\$274,445.00	Publicly tendered

File Reference: 2.00061
Significance of Decision: Receives Only - No Decisions

Report To: Finance and Governance Committee
Meeting Date: 5 August 2010
Report From: Brian Trott, Group Manager Corporate Services

Group Statement of Intent

Executive Summary

Attached for the Committee's information is a copy of the final Group Statement of Intent from Quayside.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

1 Receives the report, Group Statement of Intent.

2 Quayside Group's Statement of Intent

Attached is a copy of the Quayside Group's Statement of Intent with a covering letter from the Chief Executive of Quayside Holdings, A (Sandy) W Lawrie, which outlines the development of the SOI.

As Sandy points out, the final report takes into consideration the feedback given by Council at its meeting on 26 February 2010 as well as the recommendations made in PricewaterhouseCooper's report *Review of the Quayside Group*.

The final Group SOI is provided to Council as shareholder in accordance with the requirements of the Local Government Act 2002.

3 Financial Implications

Current Budget

The cost of reviewing the Quayside Statement of Intent is included in the current Annual Plan.

Future Implications

None outside of Council's Investment Policy and direction.

Ten Year / Annual Plan Implications

There are no Ten Year or Annual Plan financial implications.

Brian Trott
Group Manager Corporate Services

26 July 2010

Appendix

QUAYSIDE HOLDINGS LIMITED QUAYSIDE SECURITIES LIMITED QUAYSIDE PROPERTIES LIMITED

GROUP STATEMENT OF INTENT

1 JULY 2010

NOTE:

- 1 In this document:
 - the term “Group” means the group comprising Quayside Holdings Limited, and its wholly owned subsidiaries
 - the terms “Regional Council” and “Council” mean the Bay of Plenty Regional Council
 - the term “POTL” means the Port of Tauranga Limited Group
 - the term “Investment Fund” means the total amount invested at any time by QHL and its subsidiaries, but not including shares in POTL, and will include any reserves
 - “QHL” means Quayside Holdings Limited “QSL” means Quayside Securities Limited and “QPL” means Quayside Properties Limited
 - the terms “Perpetual Preference Shares” and “PPS” means the 200 million \$1 non-voting shares arising from splitting and re-designating Council owned paid up redeemable preference shares. The shares were the subject of a public offer by Council on 12 March 2008.
- 2 This document has been prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002. It covers the period from 1 July 2010 to 30 June 2011 and the following two financial years.

**QUAYSIDE HOLDINGS LIMITED
QUAYSIDE SECURITIES LIMITED
QUAYSIDE PROPERTIES LIMITED**

GROUP STATEMENT OF INTENT

1 The Objectives of the Group

1.1 The principal objectives of the Group are to:

- 1.1.1 Achieve the objectives of the shareholders as set out in this Statement of Intent;
- 1.1.2 Ensure the best possible management of the Group's investments, including the majority shareholding in POTL. To this end, QHL will either directly or through its subsidiaries advise the Regional Council on the Group's long term investment strategy in respect of the Group's investments, and implement and monitor the results of that strategy and further;
- 1.1.3 In relation specifically to the POTL shareholding the Group will:
 - (a) Fulfil the role of POTL shareholder on behalf of, and in the best interests of the Group's shareholders.
 - (b) Promote the appointment to the board of POTL, of suitably qualified and experienced directors whose objective is to operate POTL as a successful business.
 - (c) Monitor the performance of POTL and its board having regard to the port industry generally and report to the Regional Council accordingly.
 - (d) Take action consistent with the Group's position as the majority shareholder in POTL and, within the confines of the rights attaching to its shareholding, ensure that POTL is aware of the Regional Council's objective for its investment in POTL, through the Group, to generate a commercial rate of return.
 - (e) Ensure the maintenance of a majority shareholding in the POTL unless otherwise instructed by the Regional Council.

2 The Board's approach to Governance of the Group

The board of QHL is appointed by the Regional Council and is a mix of councillors and independent non-council directors. All directors have and apply skills, knowledge and experience in the best interests of the Group and to assist the Group to meet its objectives and the requirements of this Statement of Intent. QHL, in relation to its subsidiaries, has adopted a director appointment policy setting out an objective and transparent process for appointing directors.

3 The Nature and Scope of Activities to be undertaken by the Group

- 3.1 The Group is to act:
- (a) As a holding company which may incorporate subsidiaries as it deems appropriate, and may subscribe for securities in these subsidiaries.
 - (b) As an investment group which through the holding company or through its subsidiaries manages its investments by appropriate risk diversification.
- 3.2 On behalf of the shareholders, the Group will actively monitor the performance of the Group's investments. This will involve:
- 3.2.1 Analysis of any information received pertaining to any investment in relation to the performance of the Group's investments.
 - 3.2.2 The preparation of regular reports, as defined in paragraph 8.1 below, for the Regional Council which enables it to evaluate the performance of the Group's investments.
- 3.3 If the Group has any reason to believe the returns on the shareholding in POTL are, or may fall below, an acceptable risk adjusted commercial return, the Group will take whatever action is necessary and appropriate, within the confines of the Group's role as a shareholder in POTL, to encourage POTL to improve the returns on the shareholding.
- 3.4 QHL will advise the Regional Council of the expectation of dividends from the Group's investments and will provide early warning to the Regional Council if it is likely that dividends to be received from POTL or the Investment Fund or other investments will be materially less than the expectation. Any anticipated significant special dividends or other returns will be advised to the Council.
- 3.5 Having regard to the guidance received from QHL, the Regional Council will advise a target dividend payment which it wishes to achieve each year from its shareholding in QHL. The sources of the dividend payment by QHL to the Regional Council will be the dividend that the Group receives from the POTL, together with returns from other investments held by the Group after payment of the dividends payable to Arawata Finance Limited and the holders of the Perpetual Preference Shares.
- 3.6 Where the Group generates net income in excess of the amount needed to meet the dividends payable to the holders of the Perpetual Preference Shares in QHL and the Regional Council's target for a dividend from QHL, the Group will evaluate investment opportunities for such retained income. Where the Group believes that surplus income can be invested to earn a long run return higher than that which the Council can achieve through tax-free investment in accordance with its current investment policy, ie higher than the "NZX Gross Returns 90 Day Bank Bill Rate", the Group is authorised to invest that retained income through the holding company or its group subsidiaries. Otherwise the surplus may be distributed to the Council. Such investments shall generally avoid cash and fixed interest as asset classes (the Council has sufficient cash investments for the wider group) and may include but are not limited to the purchase or acquisition of shares in any company or organisation, or the direct investment in land and/or buildings, in accordance with a long term capital preservation investment strategy agreed with the Regional Council from time

to time. QHL will monitor the performance of any such investments, including the investment of retentions from prior years, and report to the Regional Council accordingly.

- 3.7 The Board of QHL shall comply with the requirements of the NZX in relation to the listing and quotation of the Perpetual Preference Shares in QHL on the NZDX and in particular will comply with the terms of its listing agreement with NZX.

4 The Ratio of Consolidated Shareholders' Funds to Total Assets and Definition of those Terms

As of 30 June 2009 the consolidated shareholders' funds represented 65.82% of total assets. For this purpose:

Consolidated shareholders' funds means the total of shareholders' capital including share premiums and reserves of the Company and its subsidiaries.

Total assets means the total assets of the Company valued in accordance with paragraph 5 below.

5 Accounting Policies of the Group

The Company will adopt accounting policies that comply with the New Zealand equivalents of International Financial Reporting Standards (NZ IFRS).

6 The Performance Targets and other Measures by which the Performance of the Group may be Judged in Relation to its Objectives

- 6.1 The performance of QHL in undertaking its monitoring and advisory functions will be assessed with respect to:

- 6.1.1 the quality of financial and other analysis
- 6.1.2 the robustness and accuracy of the information relied upon in providing advice
- 6.1.3 the clarity, timeliness and materiality of reporting and other advice
- 6.1.4 compliance with the Regional Council's expectation that there should be "no surprises" arising from the shareholding in POTL
- 6.1.5 compliance with the Regional Council's expectations for long run commercial performance, in accordance with the risk profile decided upon with the Council, from the shareholding in POTL and the Investment Fund as expressed in paragraphs 1.1.3 and 3.6 above.
- 6.1.6 achievement of dividend payments to the Council and PPS holders together at the level of \$ 19.7m in the 2010/11 financial year and, indicatively, at \$21.3m in 2011/12 and \$22.6 m in 2012/13

7 An Estimate of the Amount or Proportion of Accumulated Profits and Capital Reserves that is Intended to be Distributed to the Shareholders

7.1 The directors will determine the level of dividend each year having regard to the Company's Distribution Policy and in particular to:

7.1.1 net positive operating cash flow

7.1.2 the fixed dividends payable to Arawata Finance Limited and the PPS holders

7.1.3 the Council's target dividend payment as set out in 3.5 and 6.1.6

7.1.4 the objective each year to retain earnings to achieve long term capital growth to cover inflation and population growth

7.2 It is not intended to make any distribution out of capital reserves.

8 The Kind of Information to be Provided to the Shareholders by the Group during the course of each Financial Year including the Information to be Included in each Half Yearly Report

8.1 The Group will provide to the Regional Council a budget of income and expenditure and forecast statement of cashflows for each coming year and will advise the Council immediately it is clear that the budgeted figures are being materially departed from. Quayside holdings Limited will provide Half-yearly and Annual reports as required by S 66 and 67 of the Local Government Act. Each six months the Board will provide to the Council a full briefing, based on the Half-year and Annual financial results. At the intervening quarters the Group's Chairman and CE will provide a presentation of the Group's performance to the Council. Reports and briefings, to the extent appropriate at the time, will include a consolidated performance report, and segmented performance reports.

8.2 The Board will provide to the holders of the Perpetual Preference Shares the information that it is required to provide to them pursuant to 3.7.

9 Activities for which the Board seeks Compensation from any Local Authority

9.1 There are no such activities.

10 The Procedures to be Followed before any Member of the Group Subscribes for Purchases or otherwise Acquires Shares in any Company or other Organisation

10.1 No member of the Group, as defined above, shall subscribe for, purchase or otherwise acquire shares in any company or organisation otherwise than in accordance with paragraph 3.6 above.

11 The Board's Estimate of the Commercial Value of the Shareholders' Investment in the Group and the Manner in which, and Times at which, this Value is to be Reassessed

11.1 At any time the value of the Council's investment will be the value of the shares held in POTL, together with the value of any other investments, less the liabilities of the group, less the amount notionally required to re-purchase those Perpetual Preference Shares which it does not own.

11.2 The value at any time of the investment of each Perpetual Preference Shareholder (other than the Council) will be the market value of that shareholder's Perpetual Preference Shares.

12 Other Matters

There are no matters other than those set out above.

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions

Report To: Finance and Governance Committee
Meeting Date: 5 August 2010
Report From: Brian Trott, Group Manager Corporate Services

Financial Policies

Executive Summary

On 1 August 2010, five financial policies came into effect to ensure that Regional Council has good controls and guidance in place so Councillors and staff can exercise sound judgement when public funds are spent. These policies are:

- Sensitive Expenditure Policy – Elected Members
- Sensitive Expenditure Policy – Staff
- Protected Disclosure (Whistleblowers) Policy
- Credit Card Policy
- Fraud Policy.

Copies of these policies are attached for the Committee's information.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Financial Policies.**

2 Background

At its meeting on 15 July 2010, Council's approval was sought for two policies that affect Elected Members (i.e. Councillors):

- Sensitive Expenditure Policy – Elected Members
- Anti-Fraud Policy

In addition, three new policies for staff were reported to Council for its information:

- Sensitive Expenditure Policy – Staff

- Protected Disclosures (Whistleblowers) Policy
- Credit Card Policy

Council was advised that the three 'staff' policies were with the unions for comment but they had been approved in principle by the Chief Executive.

3 Final policies

Attached for the Committee's information are the five financial policies.

3.1 Sensitive Expenditure Policy – Elected Members

This policy was amended and finalised following feedback from Council. The amendments were:

- Two changes to 7.1 (a change of the heading, and a new sentence) to clarify that the eastern seaboard of Australia is considered domestic travel for the purposes of the policy.
- Section 10 was changed from "Approval by the Group Manager, Corporate Services **can only** be given for overnight accommodation when the following criteria have been met:" to "Approval by the Group Manager, Corporate Services **may** be given for overnight accommodation when the following criteria have been met: **it is the most economic option (e.g. it may be more economical to pay for overnight accommodation rather than pay mileage)**". This takes into consideration the comment from Cr Nees that using overnight accommodation may be a more economical option than travelling home from a meeting and driving back the following day.
- Section 10 was changed from "the elected member is required to represent the Council early (before **9.30am**)..." to "the elected member is required to represent the Council early (before **10.00am**)..."

3.2 Fraud Policy

The only change to this policy was a change in title from "Anti-Fraud Policy" to "Fraud Policy". All other policies that referred to this policy were also updated to show the change in title.

3.3 Sensitive Expenditure Policy – Staff

This policy was sent to the staff unions for feedback and a number of changes were made when their comments were received. Most were minor (such as correcting spelling mistakes) but the two key changes were the same as those made to the policy *Sensitive Expenditure Policy – Elected Members*:

- Two changes to 7.1 (a change of the heading, and a new sentence) to clarify that the eastern seaboard of Australia is considered domestic travel for the purposes of the policy.
- Section 10 was changed from "Approval by the Group Manager, Corporate Services **can only** be given for overnight accommodation when the following criteria have been met:" to "Approval by the Group Manager, Corporate Services **may** be given for overnight accommodation when the following criteria have been met: **it is the most economic option (e.g. it may be more economical to pay for overnight accommodation rather than pay mileage)**". This takes into

consideration the comment that using overnight accommodation may be a more economical option than travelling home from a meeting and driving back the following day.

3.4 Protected Disclosures (Whistleblowers) Policy

This policy was sent to unions for comment and no changes were received. This final policy is no different from the version that was tabled at the Council meeting in July.

3.5 Credit Card Policy

This policy was sent to unions for comment and no changes were received. This final policy is no different from the version that was tabled at the Council meeting in July.

4 Financial Implications

Current Budget

There are no current budget implications as a result of implementing these policies.

Future Implications

There are no future budget implications as a result of implementing these policies.

Ten Year / Annual Plan Implications

There are no financial implications to the Ten Year Plan or the Annual Plan in implementing these policies.

Brian Trott
Group Manager Corporate Services

21 July 2010

Appendix



Credit Card Policy

A policy to ensure that the use of Bay of Plenty Regional Council credit cards is limited to Bay of Plenty Regional Council related expenditure, and falls within agreed expenditure limits

Policy owner	Chief Executive
Position administering this policy	Group Manager, Corporate Services
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies	<ul style="list-style-type: none"> • Sensitive Expenditure Policy – Elected Members • Sensitive Expenditure Policy - Staff • Fraud Policy • Protected Disclosures (Whistle-blowers) Policy • Financial Delegations
Policy review date	By 1 July 2012
Policy history	This is a new policy

**Approved: Bill Bayfield
Chief Executive**

Date:

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Credit Card Policy

1 Introduction

This policy sets out the acceptable use of credit cards. It is designed to assist in safeguarding the Council's reputation and credibility, and the interests of the Chief Executive and Group Managers who are issued with corporate credit cards, or who, from time to time, may pay for business related expenditure using a personal credit card.

2 Background

This policy has been drafted to comply with the Office of the Auditor-General's report: "Controlling Sensitive Expenditure: Guidelines for public entities" (February 2007).

"Sensitive expenditure" is expenditure where employees are either perceived to benefit personally, or do in fact directly benefit, from the expenditure Bay of Plenty Regional Council has incurred during the conduct of its business. Credit card use is a common method of payment for such expenditure. Bay of Plenty Regional Council has therefore developed this policy to minimise the risks arising from the issue and use of business credit cards in relation to sensitive expenditure.

Credit card usage must be appropriately controlled, and as such must be, in line with all Bay of Plenty Regional Council expenditure related policies, appropriately authorised, and subject to internal audit review.

3 Application

This is a Council wide policy.

4 Definitions

For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

Unauthorised Use: Usage beyond the terms and conditions set out in the Certificate of Undertaking attached to this policy, including personal expenditure and the practice of giving koha.

5 Policy statement

5.1 Corporate Credit Cards

5.1.1 Administration

The Council's normal purchasing and payments systems are to be used wherever practical.

A corporate credit card may be issued only where Group Managers:

- undertake frequent internal travel or overseas travel on official business, and
- will incur expenses that cannot be paid through normal supplier invoicing, and for which the amount and frequency of transactions makes cash advances impractical or undesirable, or
- can demonstrate a business financial benefit by purchasing goods or services by credit card.

Credit cards remain the property of the issuer and must be surrendered immediately on their request.

Cardholders must surrender their cards when ceasing employment with the Council.

Credit cards are issued in the name of individuals. No Group or Section cards are permitted.

The Chief Executive must approve the issue of a corporate credit card.

The Chief Executive can at any time withdraw the approval to hold a credit card.

Credit card limits are set by the Chief Executive in terms of a recommendation made by the Group Manager Corporate Services. Limits may be increased on a temporary basis for special reasons, such as higher than normal costs while overseas.

Prior to issue, employees must sign the attached Certificate of Undertaking, setting out the terms and conditions of use.

The approval of the Chief Executive's credit card is detailed in section 4.1 of the *Sensitive Expenditure Policy – Staff*.

5.1.2 **Financial**

Expenditure incurred on credit cards is subject to standard financial delegations and budgeting constraints.

The monthly cardholder statement must be reconciled and coded each month. All invoices, receipts and accompanying credit card slips must be attached. All transactions must be verified by the cardholder, authorised by the cardholder's manager and sent to Finance within 5 working days of the end of the month, unless there are exceptional circumstances.

Credit card transactions will be subject to review by the Finance department at any time and will be reported to the Finance and Governance Committee on a six monthly basis.

5.1.3 **Prohibitions**

The use of corporate credit cards for personal expenditure is prohibited.

Unauthorised use may result in disciplinary action. Losses suffered or payments required by the Council as a result of unauthorised use are normally recovered from the cardholder. Recovery may be waived, where, for example, the credit card has been stolen.

Employees are to notify the credit card company and the Finance Manager immediately on becoming aware that their credit card has been lost or stolen.

No corporate credit cards will have a cash withdrawal facility from ATMs or other banking

services.

A current register of cardholders, including the card number, expiry date and expenditure limit is to be maintained by Finance.

6 **Liability of credit card payments**

In the first instance, the employee will be liable for all expenditure that is not approved by Bay of Plenty Regional Council or within delegation of authority limits. Wherever practical, approval for credit card use should be given before the expenditure is incurred.

7 **Use of personal credit cards for business related expenditure**

Personal credit cards should only be used infrequently as the general rule is to use the Departments purchasing system wherever practical and feasible.

In all cases the prior approval of the employee's manager is to be given, who will take into account the business related benefit accruing from the purchase, available funds and the financial delegations in making the decision.

Claims for reimbursement of expenditure must be accompanied by invoices and credit card slips, and sent to the Finance team within 5 working days of the financial commitment being made.

Reimbursement of expenditure may be declined if the requirements in the above two paragraphs are not met.

Use of a personal credit card for business related expenditure is not to result in personal gain for the employee.

8 **Guidance and related documents**

Council Code of Conduct.

Purchasing Policy

Credit Card Register- held and maintained by Finance.

Office of the Auditor General guidance material:

- Controlling sensitive expenditure – guidelines for public entities
- Procurement guidance for public entities

9 **Related policies**

Related policy statements are listed below:

- Financial delegations
- Sensitive Expenditure Policy – Elected Members
- Sensitive Expenditure Policy – Staff
- Fraud Policy
- Protected Disclosures (Whistleblowers) Policy

10 **Relevant legislation and other references**

The Local Government Act 2002.

11 **Authorisation**

The Chief Executive has authorised implementation of this policy.

12 **Policy sponsor**

Group Manager, Corporate Services

13 **Queries or questions**

If you have any questions, please contact the Group Manager, Corporate Services.

Policy approved.

Chief Executive

Date:

Name: Credit Card Policy

Reviewed: July 2010

Next review date: June 2012

Version: 1.0

Objective ID current version: A466919



Certificate of undertaking

TERMS AND CONDITIONS OF USE OF CORPORATE CREDIT CARDS

I (Full Name)

..... (Designation)

..... (Location)

agree to the following terms and conditions of use (which shall be additional to any conditions imposed by the credit card Company.)

1. I shall only use the credit card for payment of actual and reasonable expenses incurred while on official business, and/or the purchase of goods and services, in terms of the Council's Credit Card Policy.
2. I shall not use the card to obtain cash advances directly from the credit card company, ATM or other banking services.
3. I shall not make charges other than those authorised under 1 above, including any personal expenditure, (such actions hereinafter called "unauthorised use").
4. My signature on charge slips will be deemed to be certification that "to the best of my knowledge and belief" the account being paid is true and correct and is a valid charge to the Council.
5. I will ensure that all purchases, (including those via the telephone and internet) are fully accounted for by reconciling the monthly cardholder's statement, attaching all invoices and credit card slips, and verifying the purchases duly authorised by my manager.
6. I shall provide the documentation referred to in 5 above to Finance within 5 working days of the end of the month unless there are exceptional circumstances.
7. I shall immediately surrender my credit card to the Council in the event of any "unauthorised use", upon termination of my employment with the Council, or at the Chief Executive's request.
8. I will keep my card in a secure place at all times. I will advise the Finance Manager, and the credit card company, immediately on becoming aware that my card has been lost or stolen.
9. I acknowledge that should I use my card for unauthorised purposes, or fail to provide sufficient proof of expenditure of its authorised use, disciplinary action may be taken against me.

- 10. I will attach a pin number to the card prior to use.
- 11. I agree that I will fully compensate the Council for any losses suffered or payment required to be made by the Council resulting from any "unauthorised use."

Acceptance of Terms

(To be signed at time of application)

I hereby acknowledge that I have read and fully understand the above terms and conditions and shall abide by them.

Signed:.....Date.....

Application Approved.....Date.....

Acknowledgement of Receipt of Card

(To be signed at time of receipt)

I acknowledge receipt of a National Bank Visa Number:

Signed:..... Date.....

Acknowledgement of Return of Card

I acknowledge return of the credit card.

Signed.....Date.....

Finance Manager

Appendix



Fraud Policy

A policy to ensure that fraud in Bay of Plenty Regional Council is minimised.

Policy owner	Chief Executive
Position administering this policy	Group Manager, Corporate Services
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies	<ul style="list-style-type: none"> • Credit Card Policy • Sensitive Expenditure Policy – Elected Members • Sensitive Expenditure Policy - Staff • Protected Disclosures (Whistleblowers) Policy
Policy review date	By 1 July 2012
Policy history	<p>Reviewed – November 2009</p> <p>Last reviewed – July 2010</p>

Approved: Bill Bayfield
Chief Executive

Date:

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Fraud Policy

1 Context

This policy is developed in accordance with sections 100 and 101 of the Local Government Act 2002 (financial prudence) and, with due regard for Part 8: Fraud – The responsibilities and duties of public entities, Central Government B.29 reports, Central Government Results of the 2003-04 Audits.

Council, including its elected members and its staff or agents, is required to spend public funds subject to the standards of probity and financial prudence, such that all expenditure withstands public scrutiny.

2 Policy

This policy outlines irregularities that may constitute fraud, the responsibilities of Bay of Plenty Regional Council employees and the procedures to be followed in the event fraud is suspected.

This policy applies to all elected members of Council, the Chief Executive Officer, all employees and any person or organisation that has dealings with Bay of Plenty Regional Council, including contractors, sub-contractors, agents, intermediaries and members of the public.

Bay of Plenty Regional Council recognises that all of its assets are owned by the community and there is an expectation and obligation that elected members and staff act efficiently, honestly and with integrity to safeguard public resources. Bay of Plenty Regional Council is committed to protecting its revenue, property, information and other assets from any attempt to gain financial or other benefits from it by deceit.

Bay of Plenty Regional Council staff should always act honestly and with integrity and to safeguard the public resources for which they are responsible.

Bay of Plenty Regional Council does not accept any level of fraud or corruption associated with the organisation. Any suspected case (either an employee or someone external to Bay of Plenty Regional Council) will be investigated and, where appropriate, referred to the Police with a view to prosecution. Recovery of the lost public resources will be pursued whenever possible and practicable.

In addition to this policy, Council staff belong to professional bodies, such as the Institute of Professional Engineers and the Institute of Chartered Accountants of New Zealand, both of which bind their members to their profession's individual code of ethics concerning professional behaviour.

3 Definition of Fraud/Corruption

3.1 **Misuse/Misappropriation**

Unauthorised possession of public resources (money, property or services); either temporarily or permanently depriving Bay of Plenty Regional Council of them.

3.2 **False Accounting**

Dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any Bay of Plenty Regional Council accounting purposes:

- for personal gain or gain for another, or
- with the effect of causing loss to Bay of Plenty Regional Council, or
- furnishing information which is or may be misleading, false or deceptive.

3.3 **Bribery and Corruption**

The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by Bay of Plenty Regional Council. Staff should also refer to Council's Policy on External Prizes or Gifts Received for further guidance.

3.4 **Deception**

Obtaining property or pecuniary advantage, obtaining services, or evading liability by deception.

3.5 **Collusion**

Any Bay of Plenty Regional Council staff who conspire, consent, support, participate, incite or assist someone, either another Bay of Plenty Regional Council staff member or an outsider, to commit any of the action listed above.

4 **Fraud Response Plan**

4.1 **Minimisation of risk**

Internal controls will be maintained and regularly reviewed to provide assurance for the prevention and detection of fraud, misappropriations and other irregularities. Transactions, activities and locations that may be susceptible to fraud will be regularly reviewed. Specific reviews of internal controls will be undertaken by external auditors (via BOPLASS) as part of their internal audit programme, along with ad hoc internal audits, e.g. cash receipting.

4.2 **Statements**

Council will undertake a comprehensive investigation of any suspected acts of fraud, misappropriation or similar irregularity. Investigations will be fully documented.

The Chief Executive has primary responsibility for the investigation of all cases of suspected fraud. Investigation may be delegated at the Chief Executive's discretion.

The Chief Executive will notify the Chairman and the Deputy Chairman of a reported allegation of fraudulent or irregular conduct and commence and investigation. Throughout the investigation these officials will be informed of pertinent findings.

4.3 **Who do I report to if I discover an actual or suspected fraud?**

Any discovery of an actual or suspected fraud must be reported to your Group Manager as soon as practicable.

If you believe your Group Manager is involved in an actual or suspected fraud, then the information must be reported to the Chief Executive.

If you believe the Chief Executive is involved in an actual or suspected fraud, then the information must be reported to the Chairman and the Deputy Chairman.

4.4 **Media**

Any staff or elected official contacted by the media, with respect to an investigation of fraud, shall refer the media to the Chief Executive.

The alleged fraud or investigation shall not be discussed with the media by any person other than through the Chief Executive.

4.5 **What should happen after the information of an actual or a suspected fraud is received?**

1. The Group Manager should, if they believe a fraud has been committed, within 24 hours, request a confidential written statement from the informant(s) detailing the nature of the fraud, the person(s) involved and the amount of cost or impact to the Council if known.
2. The Group Manager should report the information to the Chief Executive immediately after receiving the information requested in 4.4.1.
3. The Chief Executive should then, based on the information given, decide within 48 hours, whether or not to investigate further and/or what course of action to follow.
4. The Chief Executive may seek independent expert investigation or legal advice about what process should be involved.
5. If your Group Manager is involved in an actual or suspected fraud, and the information is reported to the Chief Executive, then the Chief Executive shall then, based on the information given, decide within 48 hours, whether or not to investigate further and what course of action to follow.
6. The Chief Executive may seek independent expert investigation or legal advice as to what process should be involved.
7. If the Chief Executive is involved in an actual or suspected fraud, and the information is reported to the Chairman and the Deputy Chairman, then the Chairman and the Deputy Chairman should then based on the information given decide, within 48 hours, whether or not to investigate further and what appropriate course of action to follow.
8. The Chairman may seek independent expert investigation or legal advice about what process should be involved.
9. The following action may be deemed appropriate by the Chief Executive or the Chairman and the Deputy Chairman.
 - Disciplinary action;
 - Lay a complaint with the Police;

- Refer to an appropriate authority such as The Controller and Auditor General or Ombudsman.

Any actual or suspected fraud shall immediately be reported to the Council's appointed external auditor.

4.6 **Protected Disclosures (Whistle-blowing) Policy shall apply**

The Protected Disclosures Act 2000 states that no employee (or person acting on behalf of an employee who disclosed information) shall:

- Dismiss (or threaten to dismiss) an employee who discloses information
- Discipline or suspend (or threaten to discipline or suspend) an employee who discloses information
- Impose any penalty upon an employee who discloses information
- Intimidate or coerce an employee who discloses information

Where an employee confesses to their own fraud they will be subject to proceedings as if another individual had disclosed the fraud.

Violation of these requirements will result in disciplinary action, up to and including dismissal.

5 **Confidentiality**

All matters related to the case shall remain strictly confidential.

Should any Group Manager or staff member improperly disclose information relating to the case, the Chief Executive shall consider if that person(s) are in breach of confidence and if further action is required in terms of the applicable conditions contained in their contract or employment.

6 **Related policies**

Related policy statements are listed below:

- Credit Card Policy
- Sensitive Expenditure Policy – Elected Members
- Sensitive Expenditure Policy - Staff
- Protected Disclosures (Whistle-blowers) Policy

7 **Relevant legislation and other references**

The Local Government Act 2002.

8 **Authorisation**

The Chief Executive has authorised implementation of this policy.

9 **Policy sponsor**

Group Manager, Corporate Services

10 **Queries or questions**

If you have any questions, please contact the Group Manager, Corporate Services.

Policy approved.

Chief Executive

Date:

Name: Fraud Policy
Reviewed: July 2010
Next review date: July 2012
Version: 1.1
Objective ID current version: A346081

Appendix



Protected Disclosures (Whistleblowers) Policy

A policy to protect employees who expose serious wrongdoing in the manner prescribed in the Protected Disclosures Act 2000 against retaliatory action.

Policy owner	Chief Executive
Position administering this policy	Group Manager, Corporate Services
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies	<ul style="list-style-type: none"> • Credit Card Policy • Fraud Policy • Sensitive Expenditure Policy – Staff • Sensitive Expenditure Policy – Elected Members
Policy review date	By 1 July 2012
Policy history	This is a new policy

Approved: Bill Bayfield
Chief Executive

Date:

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‘Whistle blowing’ - Making a Disclosure of Serious Wrongdoing under the Protected Disclosures Act 2000

1 Introduction

The Protected Disclosures Act 2000 (also known as the ‘Whistleblowers Act’) was enacted to promote disclosure of information that the public has an interest in seeing disclosed, including serious wrongdoing, and to protect those employees who make those disclosures.

2 Empowering Legislation

The Protected Disclosures Act places a responsibility upon Bay of Plenty Regional Council (Council) to provide a reporting environment for employees who wish to report serious wrongdoing within Council. The Act also provides an obligation upon Council to act upon that information.

An employee of Council includes:

- a) Staff employed by Council.
- b) A former employee.
- c) A person seconded to Council.
- d) An individual who is engaged or contracted under a contract for services to do work for the Council.
- e) A person concerned in the management of the organisation.

2.1 *Definition of Serious Wrong Doing*

Serious wrongdoing includes any serious wrongdoing of any of the following types:

- a) An unlawful, corrupt, or irregular use of public funds or public resources; or
- b) An act, omission, or course of conduct that constitutes a serious risk to public health or public safety or the environment; or
- c) An act, omission, or course of conduct that constitutes a serious risk to the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial; or
- d) An act, omission, or course of conduct that constitutes an offence; or

- e) An act, omission, or course of conduct by a public official (including elected members) that is oppressive, improperly discriminatory, or grossly negligent, or that constitutes gross mismanagement, whether the wrongdoing occurs before or after the commencement of this Act.

2.2 ***Disclosures to Which Act Applies***

In accordance with the Protected Disclosures Act 2000, a Council employee may disclose information of serious wrongdoing within the Council (including elected members) if they:

- a) Believe, that on reasonable grounds, the information is true or likely to be true.
- b) Intend, through the disclosure of information, to enable an investigation of serious wrongdoing.
- c) Wish for the disclosure to be protected.

In terms of the Protected Disclosures Act 2000, appropriate authorities include the Commissioner of Police, the Auditor-General, the Inspector-General of Intelligence and Security, an ombudsman, the Parliamentary Commissioner for the Environment, the Police Complaints Authority, the Solicitor-General, the State Services Commissioner, and the Health and Disability Commissioner.

The procedures detailed below for the disclosure of serious wrongdoing are prescribed by the Act and are to be observed when initiating, receiving or dealing with a disclosure.

3 **Protected Disclosures Policy**

3.1 ***Disclosure Procedures***

- a) A disclosure, if by an employee will, in the first instance, be made to the employee's Group Manager in writing. If the disclosure is by other than a current employee then the disclosure is to be directed to the Chief Executive.
- b) The employee may however report the disclosure to the Chief Executive or in their absence the Acting Chief Executive, or to another appropriate authority nominated by the Chief Executive, should the employee believe that the person to whom they are reporting is not appropriate because they are:
 - I. Likely to be involved in the serious wrong doing, or
 - II. By association or relationship, be connected to the person(s) who may be involved in the serious wrongdoing.
- c) An employee or other person as set out in the Act may disclose information to an appropriate authority other than the Chief Executive should they believe:
 - I. That the head of the organisation is or may be involved in the alleged serious wrongdoing, or
 - II. That the immediate reference to an appropriate authority is justified due to the urgency of the matter, or other exceptional circumstances, or

- III. That there has been no action or recommended action on the matter related to the disclosure within 20 working days from the date on which the disclosure was first made.
- d) A disclosure may only be made to an appropriate authority as described under the Act where an employee or other person as specified under the Act has made a disclosure in accordance with those procedures described above and believes on reasonable grounds that:
 - I. The person has decided not to investigate the matter, or
 - II. Has investigated the matter but has not made progress within a reasonable timeframe since the disclosure was made, or
 - III. Has investigated the matter and has either not taken any action nor recommended the taking of any action,
 - IV. And the employee continues to believe that the information disclosed is true or likely to be true.

3.2 Confidentiality

Every person who receives information on the basis of a protected disclosure must ensure that the identity of the person making the disclosure is protected unless:

- a) The person making the disclosure gives their consent in writing to release their identifying information, or
- b) The person receiving the disclosure believes that the identifying information is essential to:
 - I. The effective investigation of the serious wrongdoing
 - II. Preventing serious risk to public health or safety, or the environment, or
 - III. The principles of natural justice.

3.3 Protection of Employees Initiating a Disclosure

An employee who believes that they may have suffered any retaliatory action from their employer as a result of making a protected disclosure under the Act, may initiate a Personal Grievance under the Employment Relations Act 2000.

3.4 Following Disclosure Procedures

Procedures for disclosure have been put into place in accordance with the Act and must be followed by employees who wish to report serious wrongdoing. In the event that an employee fails to follow those procedures disciplinary action will be taken.

4 Action to be taken by person receiving a disclosure

The receipt of a disclosure statement is to be acknowledged in writing including whatever action he/she deems appropriate to investigate and resolve the particular wrong doing.

Within 20 working days from the date the disclosure was made, a report will be made in writing to the disclosing staff member indicating what action he/she has taken or recommended to be taken.

5 **Related policies**

Related policy statements are listed below:

- Credit Card Policy
- Sensitive Expenditure Policy – Staff
- Sensitive Expenditure Policy – Elected Members
- Fraud Policy

6 **Relevant legislation and other references**

The Local Government Act 2002.

7 **Authorisation**

The Chief Executive has authorised implementation of this policy.

8 **Policy sponsor**

Group Manager, Corporate Services

9 **Queries or questions**

If you have any questions, please contact the Group Manager, Corporate Services.

Policy approved.

Chief Executive

Date:

Name: Public Disclosure (Whistleblowers) Policy

Reviewed: July 2010

Next review date: July 2012

Version: 1.0

Objective ID current version: B54054

Appendix



Sensitive Expenditure Policy – Elected Members

A policy to ensure that sensitive expenditure by elected members of the Bay of Plenty Regional Council is appropriate and justifiable.

Policy owner	Chief Executive
Position administering this policy	Group Manager, Corporate Services
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies	<i>Code of Conduct</i> for Elected Members Credit Card Policy <i>Rules for the Refund and Reimbursement of Expenses of Elected Members</i> (this is part of the Local Government Elected Members Determinations and expenses rules issued by the Remuneration Authority) Fraud Policy
Policy review date	By 1 July 2012
Policy history	This is a new policy

**Approved: Bill Bayfield
Chief Executive**

Date:

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Sensitive expenditure policy

1 Introduction

“Sensitive Expenditure” is expenditure by the Bay of Plenty Regional Council where elected members either directly benefit or are perceived to benefit personally from the expenditure they have incurred during the conduct of Council business.

While it is necessary for Bay of Plenty Regional Council to spend public money in order to achieve its objectives, there is heightened public sensitivity when sensitive expenditure is involved. In particular, the public expects that:

- any decisions Bay of Plenty Regional Council commits to, and any goods and services Bay of Plenty Regional Council makes payment for, should be subject to proper authorisation and controls; and
- any such expenditure must meet standards of probity that can withstand parliamentary and public scrutiny.

This policy has been developed with reference to the Office of the Auditor-General’s “Controlling Sensitive Expenditure: Guidelines for public entities” (February 2007).

2 Scope

This policy covers the following areas where sensitive expenditure may occur during the course of Bay of Plenty Regional Council business:

- Entertainment and hospitality;
- Travel and accommodation;
- Goods and services;
- Elected member support and welfare;
- Gifts, donations and koha; and
- Communications technology.

This policy should be read in conjunction with the following documents:

- Code of Conduct for Elected Members
- *Rules for the Refund and Reimbursement of Expenses of Elected Members* (this is part of the Local Government Elected Members Determinations and expenses rules issued by the Remuneration Authority); and
- Fraud Policy

This policy is designed to be consistent with the Determinations. To the extent that this policy and the Determinations may differ, the Determinations take precedence.

3 **Guiding principles**

Bay of Plenty Regional Council requires that all sensitive expenditure decisions must follow these principles:

- they must have a justifiable business purpose;
- the business purpose must be the dominant purpose for the expenditure;
- impartiality must be preserved;
- they must be properly authorised;
- they must be made with integrity;
- the expenditure must be moderate and conservative in the circumstances;
- the decision must be transparent; and
- the expenditure must be both actually and perceived to be appropriate (taking into account both the individual transaction and the total amount of sensitive expenditure in that area).

In accordance with the Remuneration Authority's Determinations and Council policies it should be noted that in general Council business does not include events where the primary focus is on social activities.

4 **Payment for sensitive expenditure**

All transactions involving sensitive expenditure must be as transparent as possible. All receipts, invoices and other relevant original documentation must be retained and the business purpose for the expenditure noted.

4.1 **Chair's credit card**

The Chair may be issued with a credit card. The Chief Executive will determine the credit limit which shall be the minimum amount necessary for the Chair to undertake his/her duties for Bay of Plenty Regional Council.

The Chair's credit card may only be used for a justifiable Bay of Plenty Regional Council business purpose which:

- is moderate and appropriate in the circumstances;
- has acceptable original documentation to explain and corroborate the transaction (credit card statements are not acceptable); and
- is within delegations of authority limits.

Private use of the credit card for expenditure or credit is prohibited. Inadvertent private use of the credit card must be immediately reimbursed to Bay of Plenty Regional Council.

The Chair must keep all original documentation recording the expenditure, including all GST invoices, to explain and corroborate the transaction. Within one week of receiving the

credit card statement, the Chair must complete the Credit Card Statement for payment, attach the credit card statement and receipts matched to invoices, and return this to the Finance section. All credit card expenses must be supported by itemised credit card receipts and GST invoices.

Cash advances on the credit card are prohibited unless, in the rare circumstance, cash is required for an emergency. If the credit card is used for a cash advance in an emergency, the Chair must attach:

- the original receipt or other documentation recording the cash advance;
- a detailed account of what the cash was used for including:
- the date, amount, description, purpose of expenditure; and
- any relevant GST invoices.

The Credit Card Statement must be approved by the Chief Executive and the Group Manager, Corporate Services. It is the responsibility of the approvers to validate that all expenses are in line with Bay of Plenty Regional Council policies relating to the appropriateness of the type of expenditure and relevant dollar limits.

5 Entertainment and hospitality

All sensitive expenditure decisions relating to entertainment and hospitality must, where relevant, be consistent with the guiding principles set out in section 3.

6 Travel and accommodation

Bay of Plenty Regional Council recognises that, from time to time, certain members of its Council may need to incur travel and accommodation costs while conducting its business elsewhere in New Zealand or overseas. Such expenditure must be economical and efficient, having regard to the purpose, distance, time, and urgency for the travel as well as any personal health, security and safety considerations arising from the circumstances of the particular case.

Decisions regarding travel and accommodation expenditure shall be made in accordance with the guiding principles set out in section 3 above, the *Rules for the Refund and Reimbursement of Expenses of Elected Members*, and the policy that follows.

7 Approval process

7.1 Overseas travel (excluding the Eastern Seaboard of Australia)

Participation by an elected member in an overseas event (excluding the eastern seaboard of Australia), involving international travel at Council expense, must be authorised by resolution in a public session of a Council meeting. The report seeking approval must outline:

- the purpose of the event;
- when and where is it being held;
- who is proposed to attend;
- the estimated costs involved (appropriately itemised); and

- the benefits to Bay of Plenty Regional Council.

For the purposes of this policy, the Eastern Seaboard of Australia is counted as “Domestic Travel”.

7.2 Domestic travel

All travel and accommodation within New Zealand and the eastern seaboard of Australia must have written approval, either by way of a Council or Committee resolution, or by the Chair in association with the Chief Executive.

8 Bookings

All business related travel and accommodation should be booked as far in advance as possible through Bay of Plenty Regional Council’s travel agent. Travel arrangements are made by the Governance team.

9 Accommodation (conference and training)

The *Rules for the Refund and Reimbursement of Expenses of Elected Members* outlines provisions relating to accommodation associated with such events.

10 Accommodation (in Bay of Plenty region)

Approval by the Group Manager, Corporate Services may be given for overnight accommodation when the following criteria have been met:

- the elected member is attending a function or conducting business that has a justifiable and dominant Council business purpose; or
- the event or business finishes at an unsociable hour; or
- the elected member is required to represent the Council early (before 10.00am) the next morning in a geographic location near to where the accommodation is located; or
- it is the most economic option (e.g. it may be more economical to pay for overnight accommodation rather than pay mileage); or
- it is unsafe to drive home in the circumstances.

All accommodation must be of a standard that is moderate and conservative, having regard to:

- the geographic location of the accommodation relative to where the elected member will be working;
- the standard of accommodation reasonably available; and
- any safety and security issues.

Bay of Plenty Regional Council will not pay any costs that may be incurred if any of the above criteria have not been met, nor will it pay any costs that may be incurred if the elected member chooses to stay with friends rather than use commercial accommodation.

11 Other Travel

11.1 **Class of travel**

Economy class travel must be booked for all business travel with the following exceptions:

- the elected member agrees to top up the cost for the higher class of travel; or
- the cost of business class air travel for elected members travelling on flights of more than six hours duration was approved in the report submitted for Council consideration.

11.2 **Airports/Airline club membership**

Airline club membership, at the cost of the Council, may only be arranged for the Chair.

The Chair is able to accept airports for Council-related travel but must make his/her best endeavours to utilise those airports for future Council-related travel where possible.

11.3 **Rental cars**

Rental cars shall be of the most economical type and size available given the distance to be travelled and the number of people travelling.

Any rental car shall only be used for the justifiable business purpose intended. Private use is not permitted unless the elected member driver is away from home and undertaking work for Bay of Plenty Regional Council before and after the weekend. If these circumstances exist, reasonable weekend use of the rental car by the elected member may be permitted.

Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by the elected member whilst responsible for the rental car.

All travel within New Zealand and the eastern seaboard of Australia must have written approval, either by way of a Council or Committee resolution, or by the Chair in association with the Chief Executive.

11.4 **Private car use**

Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by the elected member whilst using a private car for Bay of Plenty Regional Council business purposes.

Any travel costs that Bay of Plenty Regional Council will reimburse for the use of a private vehicle for Bay of Plenty Regional Council business purposes shall be in accordance with the mileage rates determined by the Remuneration Authority (referred to in the *Rules for the Refund and Reimbursement of Expenses of Elected Members*) and dependent upon the elected member providing a signed claim form detailing the distance travelled, and the justifiable business purpose requiring the use of the private vehicle.

All travel within New Zealand and the eastern seaboard of Australia must have written approval, either by way of a Council or Committee resolution, or by the Chair in association with the Chief Executive.

11.5 **Chair's vehicle**

The Chair may be provided with a car for their business and private use as part of their remuneration approved by the Remuneration Authority. Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by the Chair whilst using the car.

11.6 Taxis

Taxi chits may be provided to elected members for Bay of Plenty Regional Council business purposes. All taxi use by elected members must be moderate and cost-effective, relative to the other forms of transport available.

Elected members may not use Bay of Plenty Regional Council taxi chits for personal use.

11.7 Private travel linked with official travel

“Private Travel” includes travelling with a partner or spouse, or:

- extending a stopover; or
- extending a stay out of town,

for an additional period of time before, during or at the end of the official travel, including a weekend.

Elected members may combine private travel and accommodation with official travel and accommodation on the following basis:

- the primary reason for the travel is a justifiable business purpose;
- any additional cost for the private travel and accommodation is not incurred by Bay of Plenty Regional Council; and
- the Chair, or Chief Executive if the Chair is the traveller, is advised of the elected members' intention to add private travel and accommodation to their official business.

12 Meals while travelling

Bay of Plenty Regional Council will pay for an elected member's meals and refreshments (including alcohol) whilst travelling on the following basis:

- the travel is for a justifiable business purpose;
- the value of the meals and alcohol is reasonable;
- none of the refreshments or alcohol are sourced from a hotel's mini-bar;
- the meal is not in addition to, or as an alternative to, a meal that was provided as part of another package paid for by Bay of Plenty Regional Council; and
- original documentation and tax invoices are provided for reimbursement.

13 Miscellaneous expenses incurred whilst travelling

13.1 Tipping

Bay of Plenty Regional Council will not refund tipping that may have occurred in New Zealand, but will reimburse tipping during international travel on the following basis:

- tipping is local practice;
- the tip is not extravagant (i.e. does not exceed 10-15% of the total bill);

- the tip is in accordance with local practice;
- where possible, a receipt or tax invoice recording the tip is provided; and
- the tip occurred during the course of the justifiable business purpose for the travel.

13.2 **Optional hotel services**

Bay of Plenty Regional Council may reimburse an elected member's use of the following optional hotel services:

- Laundry (if accommodation is for three nights or more); and
- Communications technology.

If the elected member can demonstrate that the expenses incurred were reasonable and related to a justifiable business purpose and the elected member provides all relevant original documentation detailing the expenditure.

In no circumstances will Bay of Plenty Regional Council reimburse an elected member for use of the optional hotel services such as:

- Mini-bar;
- Valet parking;
- In-Room pay movies; or
- Spa treatments.

14 **Goods and services expenditure**

14.1 **Loyalty reward scheme benefits and prizes**

Elected members are not permitted to purchase goods or services for personal use through a Bay of Plenty Regional Council purchase order. All purchase orders shall be made in the name of Bay of Plenty Regional Council and not an individual elected member.

Any loyalty rewards or prizes accrued by elected members as a result of carrying out their official duties shall, to the greatest extent practicable, be the property of Bay of Plenty Regional Council and/or only be applied for the benefit of Bay of Plenty Regional Council.

15 **Sponsorship of elected members**

Bay of Plenty Regional Council will not provide sponsorship for elected members, their spouses or family relating to their private activities.

16 **Gifts**

16.1 **Giving gifts**

Gifts may be given to promote positive relationships when gift giving is customary; or when the Chair has assessed the specific purpose or occasion warrants gift giving.

The value of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given.

The nature of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given. It must be a tangible object. In this regard, the gift may take the form of alcohol if the Chair is satisfied that the circumstances render it appropriate.

16.2 Receiving gifts

Gifts may be accepted by Bay of Plenty Regional Council as an organisation except when acceptance could be perceived as a means of influencing a Council decision-making process.

All gifts are the property of Bay of Plenty Regional Council, as an organisation, and the Chief Executive must be advised of the gift, except where individual elected members are given infrequent, inexpensive gifts such as pens, badges, or calendars.

Gifts with an estimated value of over \$100 (GST incl.) must be recorded on Bay of Plenty Regional Council's Gift Register and forwarded to the Chief Executive who will determine how they should be used or distributed.

Where it is necessary, in the circumstances, to decline a gift, the following steps should be taken in order to preserve the relevant working relationships of Bay of Plenty Regional Council and the person or organisation involved:

- thank the person or organisation for the gesture of the gift and acknowledge Bay of Plenty Regional Council's appreciation;
- explain that due to Bay of Plenty Regional Council's policy, the gift cannot be accepted; and
- advise that you are not the only person who has had to respectfully decline a gift as a result of this policy. Other colleagues are in the same situation.

In no circumstances should an elected member accept cash, or solicit a gift by virtue of their position.

17 Invitations to a social function or event

From time to time elected members will be invited to social events so that they can build appropriate business relationships. Attendance will be authorised at their discretion, taking account of the Code of Conduct for Elected Members. The decision as to whether to accept the invitation requires consideration of whether attendance would:

- benefit a business relationship of Bay of Plenty Regional Council;
- be consistent with the guiding principles of this policy set out in section 3; or
- could be perceived as a means of influencing a Council decision-making process.

Members must be aware of the line between appropriate relationship building and compromise, and should consult with the Chief Executive in cases of doubt as to whether to accept an invitation to an event.

The invitation, and its acceptance or otherwise, should be recorded in the Bay of Plenty Regional Council Gift Register.

18 Koha

Any decisions concerning koha must be consistent with Bay of Plenty Regional Council's

Koha Policy.

19 **Relevant legislation and other references**

- Office of the Auditor-General's report "*Controlling Sensitive Expenditure: Guidelines for public entities*" (February 2007).
- Code of Conduct for Elected Members
- Rules for the Refund and Reimbursement of Expenses of Elected Members (this is part of the Local Government Elected Members Determinations and expenses rules issued by the Remuneration Authority)
- Fraud Policy

20 **Authorisation**

The Chief Executive has authorised implementation of this policy.

21 **Policy sponsor**

Group Manager, Corporate Services

22 **Queries or questions**

If you have any questions, please contact the Group Manager, Corporate Services.

Policy approved.

Chief Executive

Date:

Name: Sensitive Expenditure Policy
Reviewed: July 2010
Next review date: July 2012
Version: 1.0
Objective ID current version: A467045

Appendix



Sensitive Expenditure Policy – Staff Members

A policy to ensure that sensitive expenditure by staff of the Bay of Plenty Regional Council is appropriate and justifiable.

Policy owner	Chief Executive
Position administering this policy	Group Manager, Corporate Services
Date policy comes into effect	The first working day following the date of approval by the Chief Executive
Related policies	<ul style="list-style-type: none"> • Credit Card Policy • Fraud Policy • Protected Disclosures (Whistle-blowers) Policy • Koha Policy • Staff Purchasing Policy • Staff Delegations Manual • Internal Prizes or Gifts Policy
Policy review date	By 1 July 2012
Policy history	This is a new policy

Approved: **Bill Bayfield**
Chief Executive

Date:

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Sensitive expenditure policy

1. Introduction

“Sensitive Expenditure” is expenditure by the Bay of Plenty Regional Council where staff either directly benefit or are perceived to benefit personally from the expenditure they have incurred during the conduct of Council business.

While it is necessary for Bay of Plenty Regional Council to spend public money in order to achieve its objectives, there is heightened public sensitivity when sensitive expenditure is involved. In particular, the public expects that:

- any decisions Bay of Plenty Regional Council commits to, and any goods and services Bay of Plenty Regional Council makes payment for, should be subject to proper authorisation and controls; and
- any such expenditure must meet standards of probity that can withstand parliamentary and public scrutiny.

This policy has been developed with reference to the Office of the Auditor-General’s “Controlling Sensitive Expenditure: Guidelines for public entities” (February 2007).

2. Scope

This policy covers the following areas where sensitive expenditure may occur during the course of Bay of Plenty Regional Council business:

- Entertainment and hospitality;
- Travel and accommodation;
- Goods and services;
- Support and welfare;
- Gifts, donations and koha; and
- Communications technology.

This policy should be read in conjunction with the following documents:

- Credit Card Policy
- Fraud Policy
- Protected Disclosures (Whistle-blowers) Policy
- Koha Policy

- Staff Purchasing Policy
- Staff Delegations Manual
- Internal Prizes or Gifts Policy

3. Guiding principles

Bay of Plenty Regional Council requires that all sensitive expenditure decisions must follow these principles:

- they must have a justifiable business purpose;
- the business purpose must be the dominant purpose for the expenditure;
- impartiality must be preserved;
- they must be properly authorised;
- they must be made with integrity;
- the expenditure must be moderate and conservative in the circumstances;
- the decision must be transparent; and
- the expenditure must be both actually and perceived to be appropriate (taking into account both the individual transaction and the total amount of sensitive expenditure in that area).

In accordance with Council policies it should be noted that in general Council business does not include events where the primary focus is on social activities.

4. Payment for sensitive expenditure

All transactions involving sensitive expenditure must be as transparent as possible. All receipts, invoices and other relevant original documentation must be retained and the business purpose for the expenditure noted.

4.1. Chief Executive's credit card

The Chief Executive may be issued with a credit card. The Council Chair and the Group Manager, Corporate Services will determine the credit limit which shall be the minimum amount necessary for the Chief Executive to undertake his/her duties for Bay of Plenty Regional Council.

The Chief Executive's credit card may only be used for a justifiable Bay of Plenty Regional Council business purpose which:

- is moderate and appropriate in the circumstances;
- has acceptable original documentation to explain and corroborate the transaction (credit card statements are not acceptable); and
- is within delegations of authority limits.

Private use of the credit card for expenditure or credit is prohibited. Inadvertent private use of the credit card must be immediately reimbursed to Bay of Plenty Regional Council.

The Chief Executive must keep all original documentation recording the expenditure, including all GST invoices, to explain and corroborate the transaction. Within one week of receiving the credit card statement, the Chief Executive must complete the Credit Card Statement for payment, attach the credit card statement and receipts matched to invoices, and send to the Chair and the Group Manager, Corporate Services for approval. All credit card expenses must be supported by itemised credit card receipts and GST invoices.

Cash advances on the credit card are prohibited unless, in the rare circumstance, cash is required for an emergency. If the credit card is used for a cash advance in an emergency, the Chief Executive must attach:

- the original receipt or other documentation recording the cash advance;
- a detailed account of what the cash was used for including:
- the date, amount, description, purpose of expenditure; and
- any relevant GST invoices.

The Credit Card Statement must be approved by the Chair and the Group Manager, Corporate Services. It is the responsibility of the approvers to validate that all expenses are in line with Bay of Plenty Regional Council policies relating to the appropriateness of the type of expenditure and relevant dollar limits.

5. Entertainment and hospitality

All sensitive expenditure decisions relating to entertainment and hospitality must, where relevant, be consistent with the guiding principles set out in section 3.

6. Travel and accommodation

Bay of Plenty Regional Council recognises that, from time to time, certain staff may need to incur travel and accommodation costs while conducting business elsewhere in New Zealand or overseas. Such expenditure must be economical and efficient, having regard to the purpose, distance, time, and urgency for the travel as well as any personal health, security and safety considerations arising from the circumstances of the particular case.

7. Approval process

7.1. Overseas travel (excluding the Eastern Seaboard of Australia)

Participation by a staff member in an overseas event involving international travel at Council expense must be authorised by the relevant Group Manager and the Chief Executive. Where a Group Manager is participating in an overseas event, the Chief Executive and the Chair must authorise the expense. Where the Chief Executive is participating in an overseas event, the Chair and the Group Manager, Corporate Services must authorise the expense.

The written report seeking approval must outline:

- the purpose of the event;
- when and where is it being held;
- who is proposed to attend;
- the estimated costs involved (appropriately itemised); and
- the benefits to Bay of Plenty Regional Council.

For the purposes of this policy, the Eastern Seaboard of Australia is counted as “Domestic Travel”.

7.2. Domestic Travel

All travel and accommodation in New Zealand and the Eastern Seaboard of Australia must have written approval by the staff member’s manager. In the case of the Chief Executive, written approval is given either by the Chair or the Group Manager, Corporate Services.

8. Bookings

All business related travel and accommodation should be booked as far in advance as possible through Bay of Plenty Regional Council’s travel agent. Travel arrangements are made by the Group Manager’s Personal Assistant.

9. Accommodation (outside the Bay of Plenty)

Accommodation bookings outside the Bay of Plenty region must be approved by the staff member’s manager.

Accommodation bookings **must**:

- have a clear business purpose;
- be cost-effective;
- take into account:
 - the geographic location of the accommodation relative to where the staff member’s business purpose is based;
 - the standard of accommodation reasonably available;
 - any safety and security issues; and

Bay of Plenty Regional Council will **not** pay any costs that may be incurred:

- if any of the above criteria have not been met; or
- of accompanying spouses, partners, or other family members (this includes travel costs and any extra accommodation costs).

If a staff member chooses to stay with friends or family rather than use commercial accommodation, he/she may receive an allowance as set out in the *Personnel Policy*.

10. Accommodation (in the Bay of Plenty)

Approval by the staff member’s manager may only be given for overnight accommodation when the following criteria have been met:

- the staff member is attending a function or conducting business that has a justifiable and dominant Council business purpose; or
- the event or business finishes at an unsociable hour; or
- the staff member is required to represent the Council early (before 9am) the next morning in a geographic location near to where the accommodation is located; or
- it is the most economic option (e.g. it may be more economical to pay for overnight

accommodation rather than pay mileage); or

- it is unsafe to drive home in the circumstances.

All accommodation must be of a standard that is moderate and conservative, having regard to:

- the geographic location of the accommodation relative to where the staff member will be working;
- the standard of accommodation reasonably available;
- any safety and security issues.

Bay of Plenty Regional Council will not pay any costs that may be incurred if any of the above criteria have not been met, nor will it pay any costs that may be incurred if the staff member chooses to stay with friends rather than use commercial accommodation.

11. Other Travel

11.1. Class of travel

Economy class travel must be booked for all business travel with the following exceptions:

- the staff member agrees to top up the cost for the higher class of travel; or
- the cost of business class air travel for staff travelling on flights of more than six hours duration was approved in the report submitted (as outlined in section 7.1).

11.2. Airpoints/Airline club membership

Airline club membership, at the cost of the Council, may be arranged for the Chief Executive and Group Managers subject to the Chief Executive's approval.

Staff are able to accept airpoints for Council-related travel but must make their best endeavours to utilise those airpoints for future Council-related travel where possible.

11.3. Rental cars

Rental cars shall be of the most economical type and size available given the distance to be travelled and the number of people travelling.

Any rental car shall only be used for the justifiable business purpose intended. Private use is not permitted unless the staff member driver is away from home and undertaking work for Bay of Plenty Regional Council before and after the weekend. If these circumstances exist, reasonable weekend use of the rental car by the staff member may be permitted.

Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by staff whilst responsible for the rental car.

11.4. Private car use

Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by staff whilst using a private car for Bay of Plenty Regional Council business purposes.

Any travel costs that Bay of Plenty Regional Council will reimburse for the use of a private vehicle for Bay of Plenty Regional Council business purposes shall be in accordance with

the mileage rates set out on the *Expense and Allowance Claim Form* and dependent upon the staff member providing a signed claim form detailing the distance travelled, and the justifiable business purpose requiring the use of the private vehicle.

11.5. Bay of Plenty Regional Council's vehicles

Staff may be provided with a car for business and limited private use as part of their remuneration from the Bay of Plenty Regional Council. Bay of Plenty Regional Council shall not be liable for any parking fines or traffic offences incurred by the staff member whilst using the car.

11.6. Taxis

Taxi chits may be provided to staff members for Bay of Plenty Regional Council business purposes. All taxi use by staff must be moderate and cost-effective, relative to the other forms of transport available.

Staff may not use Bay of Plenty Regional Council taxi chits for personal use.

11.7. Private travel linked with official travel

"Private Travel" includes travelling with a partner or spouse, or:

- extending a stopover; or
- extending a stay out of town,

for an additional period of time before, during or at the end of the official travel, including a weekend.

Staff may combine private travel and accommodation with official travel and accommodation on the following basis:

- the primary reason for the travel is a justifiable business purpose;
- any additional cost for the private travel and accommodation is not incurred by Bay of Plenty Regional Council; and
- the manager is advised of the staff members' intention to add private travel and accommodation to their official business.

12. Meals while travelling

Bay of Plenty Regional Council will pay for a staff member's meals and refreshments (including alcohol) whilst travelling on the following basis:

- the travel is for a justifiable business purpose;
- the value of the meals and alcohol is within the maximum limits set out below;
- none of the refreshments or alcohol are sourced from a hotel's mini-bar;
- the meal is not in addition to, or as an alternative to, a meal that was provided as part of another package paid for by Bay of Plenty Regional Council; and
- original documentation and tax invoices are provided for reimbursement.

The following maximum limits for meals apply:

- Breakfast – must not exceed \$25.00 (incl GST) per staff member per meal. Any costs over this limit are the responsibility of the individual.
- Lunch – must not exceed \$30.00 (incl GST) per staff member per meal (including alcohol). Any costs over this limit are the responsibility of the individual.
- Dinner – must not exceed \$65.00 (incl GST) per staff member per meal (including alcohol). Any costs over this limit are the responsibility of the individual.

Lesser amounts than the maximum allowed will only be reimbursed to the value of the itemised receipt.

When meals are provided as part of a “package”, staff members cannot claim additional meal expenses.

When lunch and dinner do not form part of a “package”, these meals must be paid for by the staff member and must be actual incurred expenses that will only be reimbursed on the presentation of original itemised receipts (e.g. must not be only a credit card statement or a photocopy).

Tipping will not be reimbursed.

13. Miscellaneous expenses incurred whilst travelling

13.1. Tipping

Bay of Plenty Regional Council will not refund tipping that may have occurred in New Zealand, but will reimburse tipping during international travel on the following basis:

- tipping is local practice;
- the tip is not extravagant (i.e. does not exceed 10-15% of the total bill);
- the tip is in accordance with local practice;
- where possible, a receipt or tax invoice recording the tip is provided; and
- the tip occurred during the course of the justifiable business purpose for the travel.

13.2. Optional hotel services

Bay of Plenty Regional Council may reimburse staff members' use of the following optional hotel services:

- Laundry (if accommodation is for three nights or more); and
- Communications technology.

if the staff member can demonstrate that the expenses incurred were reasonable and related to a justifiable business purpose and the staff member provides all relevant original documentation detailing the expenditure.

In no circumstances will Bay of Plenty Regional Council reimburse staff for use of the optional hotel services such as:

- Mini-bar;
- Valet parking

- In-room pay movies; or
- Spa treatments.

14. Goods and services expenditure

14.1. Loyalty reward scheme benefits and prizes

Staff are not permitted to purchase goods or services for personal use through a Bay of Plenty Regional Council purchase order. All purchase orders shall be made in the name of Bay of Plenty Regional Council and not a staff member.

Any loyalty rewards or prizes accrued by staff members as a result of carrying out their official duties shall, to the greatest extent practicable, be the property of Bay of Plenty Regional Council and/or only be applied for the benefit of Bay of Plenty Regional Council.

15. Gifts

15.1. Giving gifts

Gifts may be given to promote good relationships when gift-giving is customary; or when the relevant Group Manager has assessed the specific purpose or occasion warrants gift giving.

The value of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given.

The nature of the proposed gift must not be inappropriate or excessive to the occasion or reason for it being given. It must be a tangible object. In this regard, the gift may take the form of alcohol if the relevant Group Manager is satisfied that the circumstances render it appropriate.

15.2. Receiving gifts

Gifts may be accepted by Bay of Plenty Regional Council as an organisation except when acceptance could be perceived as a means of influencing a Council decision-making process.

All gifts are the property of Bay of Plenty Regional Council, as an organisation, and the Chief Executive must be advised of the gift, except where individual staff members are given infrequent, inexpensive gifts such as pens, badges, or calendars.

Gifts with an estimated value of over \$100 (GST incl.) must be recorded on Bay of Plenty Regional Council's Gift Register and forwarded to the Chief Executive who will determine how they should be used or distributed.

Where it is necessary, in the circumstances, to decline a gift, the following steps should be taken in order to preserve the relevant working relationships of Bay of Plenty Regional Council and the person or organisation involved:

- thank the person or organisation for the gesture of the gift and acknowledge Bay of Plenty Regional Council's appreciation;
- explain that due to Bay of Plenty Regional Council's policy, the gift cannot be accepted; and
- advise that you are not the only person who has had to respectfully decline a gift as a result of this policy. Other colleagues are in the same situation.

In no circumstances should a staff member accept cash, or solicit a gift by virtue of their position.

16. Invitations to a social function or event

From time to time staff will be invited to social events so that they can build appropriate business relationships. Attendance will be authorised at their discretion, taking account of the Code of Conduct. The decision as to whether to accept the invitation requires consideration of whether attendance would:

- benefit a business relationship of Bay of Plenty Regional Council;
- be consistent with the guiding principles of this policy set out in section 3; or
- be perceived as a means of influencing a Council decision-making process.

Staff must be aware of the line between appropriate relationship building and compromise, and should obtain approval from their managers in cases of doubt as to whether to accept an invitation to an event.

The invitation, and its acceptance or otherwise, should be recorded in the Bay of Plenty Regional Council Gift Register.

17. Koha

Any decisions concerning koha must be consistent with Bay of Plenty Regional Council's Koha Policy.

18. Related policies

Related policy statements are listed below:

- Credit Card Policy
- Fraud Policy
- Protected Disclosures (Whistle-blowers) Policy
- Koha Policy
- Staff Purchasing Policy
- Staff Delegations Manual
- Internal Prizes or Gifts Policy

19. Relevant legislation and other references

- The Local Government Act 2002.
- Office of the Auditor-General's report "*Controlling Sensitive Expenditure: Guidelines for public entities*" (February 2007).

20. Authorisation

The Chief Executive has authorised implementation of this policy.

21. Policy sponsor

Group Manager, Corporate Services

22. Queries or questions

If you have any questions, please contact the Group Manager, Corporate Services.

Policy approved.

Chief Executive

Date:

Name: Sensitive Expenditure Policy

Reviewed: July 2010

Next review date: July 2012

Version: 1.0

Objective ID current version: B53856

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions

Report To: Finance and Governance Committee
Meeting Date: 5 August 2010
Report From: Brian Trott, Group Manager Corporate Services

Group Managers' Report

Executive Summary

This report provides Committee members with an update on operational matters of interest

1 Recommendations

That the Committee under its delegated authority:

1 Receives the report, Group Managers' Report.

2 Binding Ruling

On Tuesday 27 July 2010, we received a letter from Inland Revenue approving our application for a binding ruling on the tax arrangements of our preference share transactions.

We are pleased that IRD agreed with most of our proposed changes. Attached is the covering letter of the ruling which sets out how the ruling is applied, when the ruling ceases to apply, and when a ruling will be withdrawn.

The ruling applies from 17 September 2010 and ends on 16 September 2013.

3 Benchmarking Update

Following Council discussion, we have now sought a proposal from Stimpson & Co to advance the benchmarking exercise. It is expected that a report back to Council will occur in the new triennium.

4 Update on Broadband

The government's broadband strategy, Ultra fast Broadband or UFB, is slowly being processed through the crown entity established to implement it, Crown Fibre Holdings Ltd. Rumours are that an announcement will be made before Christmas some twelve months after the intention to participate process closed. Thirty three intentions were received which included both national and regional proposals. In the Bay of Plenty the regional proposal has been put forward by Waikato Energy Limited of WEL and a consortium of other lines companies lead by Unison Ltd.

The Bay of Plenty councils have been asked to support these initiatives which they have done but in doing so have reiterated the desire to have a solution that covers the whole Bay and doesn't split it into, say, two fibre companies.

In addition to this there is the Rural Broadband Initiative, a fund of \$300m aimed at improving broadband infrastructure in those areas not covered by the UFB. The first round of applications for this closed at the end of May and a proposal to link Whakatane to Opotiki with backhaul fibre was put in by Opotiki District Council. No response to this has been received yet. Various companies are vying for opportunities to tap into this fund.

The government is still grappling with what option, or range of options, to employ as a result of receiving the ITP's earlier this year. The dilemma is not helped by the power struggle going on between what the government would like to achieve and what telecom would like to achieve.

The Bay of Plenty does present however a united and broadband development friendly zone. The ITP applications covering the Bay have been put forward in a very professional way and indications are that the Bay may be an earlier participant in any decision coming out of Crown Fibre Holdings.

5 **The Innovation Fund**

The idea of establishing an innovation fund was verbally reported to the committee two meetings ago. The proposal is progressing internally. It has been raised with the third tier management team for feedback and a process for implementing the idea has been drafted for consideration as well. There has been an enthusiastic response, guarded by the need to ensure there is appropriate resourcing both to implement the programme and to support those staff chosen to participate with the business as usual activities.

6 **Financial Implications**

Current Budget

This report has no current budget implications.

Future Implications

This report has no future financial implications.

Ten Year / Annual Plan Implications

This report has no Ten Year or Annual Plan implications.

Brian Trott
Group Manager Corporate Services

29 July 2010

Appendix

27 July 2010

John Shewan and Emma Richards
PricewaterhouseCoopers
PO Box 243
WELLINGTON, 6140

Dear John and Emma

Private ruling - Bay of Plenty Regional Council and Quayside Holdings Limited - Preference Share Transaction
Our Reference – PRI01654

We attach the private ruling on the Bay of Plenty Regional Council Preference Share Transaction that you applied for in your application dated 31 March 2010.

This letter provides some information about the ruling of which you should be aware.

Application of the ruling

A private ruling only applies in respect of the taxation laws expressly referred to in the ruling and only for the period specified in the ruling.

The Commissioner is bound to follow a private ruling if the person to whom the ruling applies, applies the taxation laws in the way stated in the ruling. A private ruling does not apply if:

- The arrangement is materially different from the arrangement identified in the ruling; or
- There was a material omission or misrepresentation in, or in connection with, the application for the ruling; or
- Any assumption of the Commissioner about a future event or another matter that is material to the application of the ruling proves to be incorrect; or
- Any condition stipulated by the Commissioner is not satisfied.

Change in the law

A ruling ceases to apply to the extent of, and from the effective date of:

- The repeal of any taxation law that is the subject of or affects the ruling; or
- The amendment or partial repeal, in a manner that alters the way in which the taxation law applies, of any taxation law that is the subject of the ruling.

Withdrawal of the ruling

The Commissioner may at any time withdraw a private ruling by notifying the person to whom the ruling applies in writing that the ruling has been withdrawn.

If the Commissioner withdraws a private ruling:

- The ruling will not apply to an arrangement entered into after the date of the withdrawal; but
- The ruling will continue to apply, for the remainder of the period specified in the ruling, if the arrangement was entered into before the date of withdrawal.

Obligations not affected

The fact that you have applied for this ruling does not affect your obligation to provide any return, make any payment, or to do any other act, or the Commissioner's power to make or amend any assessment.

Customer survey

We would appreciate your completion of the enclosed evaluation form. The response you give could assist us to improve the services we offer our customers. For your convenience a prepaid envelope is enclosed.

If you have any queries, please contact Fiona Wellgreen on 04 890 3122 or by fax on 04 978 1628 or William Whitfield on 09 984 1540 or by fax on 09 984 3081.

Yours sincerely



Fiona Wellgreen
Manager (Taxpayer Rulings)

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions

Report To: Finance and Governance Committee
Meeting Date: 5 August 2010
Report From: Brian Trott, Group Manager Corporate Services

Finance and Governance Committee Work Schedule

Executive Summary

This report provides the Finance and Governance Committee with a list of papers that will be tabled at future Committee meetings.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Finance and Governance Committee Work Schedule.**

2 Future Reports and Workshops

Below is the list of reports and workshops that are planned for the Finance and Governance Committee in the coming months. These reports are in addition to the routine reports such as monthly financial statements or investment updates.

Date of meeting	Report title	Purpose	Writer
16 and 17 August 2010	Finance and Governance Workshop in Rotorua	Follow-up workshop to consider the rating review	Stimpson & Co
14 September 2010	Organisational efficiency project - Water User Data Management System	To identify a suitable solution to improve information for water allocation management.	Glenn Ellery
14 September 2010	Councillor Expenditure	Report on councillor sensitive expenditure such as travel, accommodation, mileage, training and development.	Cindy Butt

December 2010	Contracting quarterly report – 1 August to 30 November 2010	A summary of Bay of Plenty Regional Council's contracts awarded during this period.	Kristy Brown
February 2011	Credit card expenditure – 1 July to 31 December 2010	A bi-annual report on Council's credit card expenditure	Brian Trott

3 **Financial Implications**

Current Budget

This report has no financial implications for the current budget.

Future Implications

This report has no future financial implications.

Ten Year / Annual Plan Implications

This report has no Ten Year Plan or Annual Plan implications.

Brian Trott
Group Manager Corporate Services

27 July 2010

