

6. COUNCIL ORGANISATIONS

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The purpose of this report is to:

- (a) provide the Council with a schedule of all Council organisations;
- (b) propose a procedure for putting in place statements of intent for Council-controlled organisations.

COUNCIL ORGANISATIONS

The attached schedule outlines the provisions of the Local Government Act 2002 which establish a three-tier system of organisations.

The Council requested (resolution via Strategy and Finance Committee meeting of 17 February) a schedule of Council organisations other than those which have been identified as Council-controlled organisations.

Benefit is seen in having a comprehensive list of organisations so the schedule lists, under three separate headings, the three categories of Council organisations, ie also including Council-controlled and Council-controlled trading organisations.

At its May meeting the Council adopted a policy on the appointment and remuneration of directors. This policy includes "Council organisations".

COUNCIL CONTROLLED ORGANISATIONS

There is a range of statutory requirements related to Council-controlled organisations. For example Section 64 of the Local Government Act 2002 contains a requirement for statements of intent for Council-controlled organisations, except where the Council-controlled organisation is listed on the stock exchange. The statement of intent requirements are generally the same as the present statement of corporate intent requirements. Transitional provisions under the Act require that the organisations to which these provisions apply for the first time (ie, organisations that were not LATEs) must have statements of intent in place by 1 July 2004.

Organisations identified as Council-controlled organisations are listed in clause 2 of the attached schedule.

The Local Government Act provisions impose a number of monitoring and reporting requirements on Council-controlled organisations and within specific timeframes. Also the Auditor General is the auditor of Council-controlled organisations [Section 70].

The legislation is quite specific as to the process involved. Each year by:

- 1 March A Council-controlled organisation must deliver a draft statement of intent to its shareholders;
- 1 May A Council-controlled organisation must consider any shareholders' comments on the draft;
- 30 June A Council-controlled organisation must deliver its completed statement of intent to the shareholders.

The key factor in this process is seen as ensuring that the management and boards of Council-controlled organisations are fully aware of the requirements of the Local Government Act so that they comply.

Council staff will hold discussions with the Executive Officers of the Council-controlled organisations over the coming months to ensure that they are aware of their obligations in this regard. Staff will also be defining a process for review and approval of the Statements of Intent.

Staff

Recommendation: That the information be received.

Chair's

Recommendation: That the Executive Officers of the Council-controlled organisations listed in the schedule be advised of their obligations relating to the monitoring and reporting requirements imposed by the Local Government Act 2002.