

Protocol for the development of group-wide finance policies

April 2017

The policies to be developed for the group are set out with reference to Mayor Phil Goff's letters of expectations addressed to the council-controlled organisations (CCOs), dated 21 December 2016. These policies should include:

1. business cases (covering content, processes, decision-making thresholds)
2. group procurement
3. treasury
4. insurance
5. sensitive spending (including travel, hospitality and gifts).

Other policies of this nature may be developed over time.

Purpose

This protocol is to set out the process to be undertaken in the development and approval for each of the above-listed group-wide policies. The intention is that it enables relevant parties to act in a collaborative manner to develop policies that are appropriate at a group level, but also considerate of individual needs of CCOs and respectful of governance obligations of councillors, CCO boards and executive management teams.

Protocol

1. Identification of a council officer as the policy sponsor. Given the nature of the policies this will be either the Group Chief Financial Officer or a delegate.
2. The policy sponsor will oversee the creation of a policy development team, including members from CCO management as appropriate, to carry out the development of each policy and ensure that this protocol is adhered to.
3. The policy development team will define the policy purpose and scope. Feedback from affected CCOs should be obtained and incorporated.
4. Obtain and document an understanding of current related policies in place at council parent and each CCO.
5. Develop a group policy based on the agreed purpose and scope and with consideration of needs based on the understanding of current policies. The policy may contain sub-policy documents relevant only to a specific CCO.
6. The policy team must obtain feedback on the draft group policy from the council parent executive team and CCO executive teams as relevant to ensure it is fit for purpose. This should be performed within a reasonable timeframe (being within 10 working days) to avoid unnecessary delay in policy establishment.
7. The draft group policy is to be presented for discussion to each CCO board jointly by a CCO executive team member and the policy sponsor (or their delegate from council parent). This should be performed within a reasonable timeframe at the next scheduled board meeting.

Note that for CCOs that already adopt council parent policies an agreement to vary this step of the protocol may be approved by the policy sponsor.

CCO board members are to be cognisant of the expectation to promote value for money in respect of the council group, including collaborating with group shared services and procurement activity.

8. The results of the above discussions, including how any points raised have been addressed, should be documented in the report accompanying the policy when it is put to the Finance and Performance Committee for approval. This provides a record of the considerations and how they have been addressed.
9. The final draft policy is to be presented by the policy sponsor (or their delegate from council parent) for approval by the Finance and Performance Committee.

Policy document contents

Auckland Council group policies should include the following content:

1. policy summary
2. purpose of the policy
3. who the policy covers
4. policy principles
5. guidance for applying the policy
6. responsibility for monitoring and ensuring compliance with the policy
7. any CCO-specific policy content
8. reference to supporting documents
9. definitions
10. policy implementation process.

Dispute resolution

While the protocol encourages a collaborative approach to policy development, it is possible that not all of the concerns of stakeholders can be addressed to their satisfaction in the final policy. In the event of a significant disagreement in the policy, the Mayor of Auckland will act to mediate a solution between the parties.

Amendments

The Chair and Deputy Chair of the Finance and Performance Committee may approve amendments to the protocol, which do not change its intent, scope and purpose.

Version	1.2
Status	Draft for approval
Owner	Nicola Berghaus – Senior Advisor Finance
Revision History	Version 1.2 incorporates feedback obtained from council parent and the CCO executive teams.