



2017-18 Funding Agreement

between

Auckland Council

and

The Independent Māori Statutory Board

1.0 Signatories and Period of Agreement

The Funding Agreement covers the period from 1 July 2017 to 30 June 2018

Agreement for any subsequent annual periods needs to be reached "within a time that enables the Board to continue to carry out its purpose without interruption." This means prior to 30 June in any year but every attempt will be made to align with the Council's annual planning cycles.

Signatories to the agreement:

On behalf of: Independent Māori Statutory Board:	
Name: David Taipari	Name: Brandi Hudson
Title: Chairman	Title: Chief Executive Officer
Date:	Date:

On behalf of: Auckland Council:	
Name: Phil Goff	Name: Stephen Town
Title: Mayor	Title: Chief Executive Officer
Date:	Date:

2.0 Summary

The purpose of the Board is as follows:

Assist the Auckland Council to make decisions, perform functions and exercise powers by:

- (a) Promoting cultural, economic, environmental and social issues of significance for Mana Whenua groups and Mataawaka of Tāmaki Makaurau; and
- (b) Ensuring the Council acts in accordance with statutory provisions referring to the Treaty of Waitangi.

The general and specific functions include:

- (a) to sit as members on each of the Auckland Council's committees that deal with the management and stewardship of natural and physical resources;
- (b) to keep the Schedule of Issues of Significance to Mana Whenua and Mataawaka of Tāmaki Makaurau up to date;
- (c) to advise the Auckland Council on matters affecting Mana Whenua groups and Mataawaka of Tāmaki Makaurau;
- (d) to work with the Auckland Council on the design and execution of documents and processes to implement the Council's statutory responsibilities towards Mana Whenua groups and Mataawaka of Tāmaki Makaurau; and
- (e) to meet with the Council to discuss the Board's performance of its functions.

3.0 Overview of Work Plan

The key tasks to ensure that the Board is able to fulfil its statutory obligations (outlined above) for this period includes the following:

- Annual review of the Board's remuneration as required by the legislation;
- Engaging and reporting to Mana Whenua and Mataawaka;
- Reviewing and refining processes by which the Secretariat will support the Board and providing information and support to Board members to effectively participate on Council Committees;
- Engaging specialist resources to provide expert advice on the prioritisation and implementation of the Te Tiriti o Waitangi Audit recommendations and the Issues of Significance/Māori Plan;
- Embedding an understanding and use of the Schedule of Issues of Significance/Māori Plan and the Māori Report;
- Providing reports on progress of the Māori Plan's headline outcome indicators with the support of an expert Data Strategy Expert Panel;
- Engaging specialist resources to provide expert advice on the:

- Advising on the implementation, use and monitoring of the Māori provisions in the Auckland Unitary Plan and any subsidiary plans;
 - the Auckland Unitary Plan appeal process including future plan changes ;
 - Monitoring and advising on any review of the Auckland Plan
 - Monitoring the review and implementation of the Long -term Plan;
 - Monitoring other key Council Plans, policies and processes to ensure there are provisions and resourcing to achieve Māori outcomes
- Monitoring and reviewing Māori outcomes across all key Council policies and plans;
 - Monitoring and advising on council's Māori responsiveness as expressed through Council's Te Tiriti Audit Response programme 2015-2018 and the Te Toa Takitini portfolio of work;
 - Monitoring the development and implementation of the council's Māori Economic Development Strategy that is a key work stream of Te Toa Takitini;
 - Monitoring and reporting on council's programme of scheduling sites of significance, cultural landscapes and sites of value;
 - Monitoring of the CCO's respective Statements of Intent, plans and their Māori Responsiveness Plans, specifically their obligations with respect to statutory provisions referring to the Treaty of Waitangi and achieving Māori outcomes;
 - The maintenance of relationships with Mana Whenua, Mataawaka, the Mayor and his officials, Council Executive and Senior Leadership, CCOs, Local Boards and Central Government Agencies;
 - Developing and producing key communication and education resources and tools to assist with effective communication of the Board's purpose and function;
 - Review of the Board's annual Strategic Work Priorities; and
 - Providing corporate and administrative services to the Board and Secretariat.

4.0 Details on the Work Plan

The Auckland Plan, Long-term Plan and Auckland Unitary Plan have high aspirations for achieving Māori outcomes and it is crucial that the Auckland Council family build up the capability and capacity to deliver on *"A Māori identity that is Auckland's point of difference in the world providing opportunities for all."*

The Auckland Council continues to implement an organisational transformational program. The Board has a pragmatic and focused interest in Council's implementation of this programme via Te Toa Takitini including the Te Tiriti Response Programme. It is important that its organisational systems and culture embed good practice in Treaty partnership and adequate resourcing to achieve Māori outcomes that benefit all Aucklanders as a matter of priority.

The Act is specific in requiring the Board to appoint a maximum of two members to each Council Committee that deals with the management and stewardship of natural and physical resources. The Board may appoint members to other Committees as requested by the Council.

The Board, with the Council's agreement, has appointed members of the Board to participate fully on Council's 3 committees of the whole and 4 other committees. The Chair of the Board is an ex officio member of the Audit and Risk committee and will participate for matters relevant to the IMSB.

Effective participation by Board members on Council Committees is essential to advance the interests of Māori.

The Board requires advice from both a Māori worldview and mainstream perspective independent of council officials to enable them to make informed decisions on Council committees. The Secretariat's main role is to support and assist the Board, to provide:

- an overview of the committee's existing and future work programme and alert the Board members to pending agenda items and issues of interest;
- alert the Board members to critical workshops and provide briefings;
- review specific committee papers and provide a written and or verbal brief on issues of importance to the Board members (referring to the Issues of Significance, Te Tiriti o Waitangi Audit and Māori Plan);
- advice on an issue and drafting of alternative positions and recommendations where there is some disagreement with a council position and recommendation;
- seek further information and clarification from Council officers on behalf of the Board member(s);
- follow-up with Council to ensure that resolutions and actions agreed with Council are implemented; and
- attend committee meetings and panels for specific items as required.

The level and type of resource required will be assessed and monitored through the Board's ongoing strategic planning process including consultation with its constituency and through an assessment of how the Council is performing against Māori outcomes, implementation of the Te Tiriti o Waitangi Audit recommendations and Schedule of Issues of Significance/ Māori Plan. Where this resource cannot be sourced internally, or independence is required, then it will be sourced externally.

Engagement and Reporting to Māori Communities

This part of the work plan covers both the means by which the Council will communicate and engage with Māori and also the way that the Board will engage and report to Māori.

Maintaining direct relationships with the large number of marae, community groups and organisations is a significant task and one that must be done well. This also includes the management of a website, the production of education and training tools explaining the Board's purpose and functions and regular newsletters.

Maintenance of Key Relationships

To be effective, the Board has established a range of relationships. This includes relationships with the Mayor, Councillors, Local Boards, CCOs and central government departments. Meetings with CCOs, Local Board chairs and central government personnel is an on-going priority.

Specialist Advisors

The Board will utilise the input of skilled advisors and will include not only the usual governance and prudential control responsibilities, but also specialist advice that is needed to support the Board in carrying out its purpose and performing its functions, including its membership of Council Committees.

Three Yearly Audit of Council's Performance with respect to the Treaty of Waitangi and Council's statutory obligations to Māori

One part of the Board's purpose is to assist the Council by ensuring that the Council acts in accordance with statutory provisions referring to the Treaty. The Board sees this role as one of active monitoring. The Board is also charged with working with the Council on its documents and processes to implement the Council's statutory responsibilities to Māori.

The next Te Tiriti o Waitangi Audit is scheduled to commence in February 2018. This will be the 3rd audit of the council since 2011.

The continued lack of understanding of legislative responsibilities by a large majority of council staff in respect of the Treaty of Waitangi, Māori outcomes has resulted in inconsistency of policy and processes across the council and inadequate resourcing to achieve Māori outcomes in the LTP. This continues to raise many concerns for the Board.

The work, which will be undertaken with respect to the treaty framework and legislative framework, as recommended in the 2011/12 audit is comprehensive and extensive. In response to the 2011/12 audit, a monitoring and reporting regime was developed to allow the council and IMSB to monitor compliance and progress.

The Treaty Audit Recommendations Implementation programme 2012 guided the Council to make changes to its policies and processes so it can meet its statutory obligations to Māori. However this programme struggled to produce tangible results across many departments of the council and CCOs. The Board recommended that it prioritise this issue by reviewing the implementation programme and making adjustments so that investment into this work programme is effective.

The Council underwent a second comprehensive audit in 2014/15. Its findings continue to be of concern to both the Board and council as only a few of the 42 recommendations from 2012 were closed. A new approach to the monitoring of the Te Tiriti Audit Response Programme has been agreed and its progress has been delayed in 2016 due to a restructure of Te Waka Angamua.

The key steps to be taken by the Council in implementing the recommendations of the Audit in the 2017-18 year that continue to be monitored by the board are:

- the transformational approach to addressing the Treaty of Waitangi Audit findings across the council with the leadership of the CEO and Executive Leadership Team of Auckland Council;
- the implementation of the agreed actions to address significant and high-risk ratings in collaboration with the Board;
- using a register to track closed actions/groups of actions linked to the Treaty Audit recommendations that is monitored by a Waharoa Group (includes the Board secretariat and council's Head of Internal Audit);
- the priorities for policies and processes that relate to Council's statutory obligations to Māori;
- the improvement targets and measurement of performance against these targets;
- the reports to account for progress against the actions; and recommendations at governance and management levels.

Council will continue to prepare quarterly reports to the Finance and Performance Committee that outlines performance results, level of expenditure toward Māori outcomes and any improvement opportunities for the Council. There will also be progress reports to the quarterly meetings of the Governing Body and the Board.

The Board will continue to collaborate with the Council in reviewing and agreeing a programme of action to achieve these improvements. As a necessary continuation of the best practice approach to this auditing exercise, the Board will monitor the recommendations that have been agreed by both parties.

The Board reached an agreement with council in the first term that a Treaty Audit will be conducted every 3 years rather than annually. In late 2017 the Board will release a RFP to conduct the next Treaty Audit, aiming to secure the contractor by November to commence the Audit in February 2018 with the report release due for August 2018. The Board will seek further funding in the 2018/19 funding agreement to finalise this report as it will have a better understanding then of the cost.

Independent assessment of Te Toa Takitini projects

The Board intends to complete an independent assessment of Te Toa Takitini projects delivered by ATEED, Auckland Transport and Panuku to achieve Māori outcomes for their respective Financial Year 2015/16; and to assess the quality of their systems, their prioritisation process of projects, project management that includes budgets to meet their respective milestones, statement of intent objectives and KPIs for Māori outcomes.

By way of background, in December 2013, the Board contracted KPMG to conduct an independent assessment of expenditure incurred Auckland Council to achieve Māori outcomes in their Financial Year 2012/13 accounts.

This independent assessment resulted from the Board's concern that the council had a limited approach to allocate resources to Māori outcomes projects. Furthermore, the consistency of resource allocation and level of reporting at that time made it difficult to measure and report on the projects and activities being undertaken by the council.

The board released the **Independent assessment of expenditure incurred Auckland Council to achieve Māori outcomes** report by KPMG in May 2014. The objectives of the review were as follows:

- Identify plans and related activities, initiatives, projects and related expenditure directed toward achieving Māori outcomes that are included in the Council's Long Term Plan 'LTP' 2012/2022 with greater focus on the 2012/2013 end of year results.
- Assess whether Council's processes and expenditure incurred supported the activities, initiatives and projects identified and communicated.
- Report on the expenditure gaps identified and areas where process and systems could be improved generally and more particularly for the 2015/2025 LTP process.

A follow-up independent assessment from the 2014 report will provide the Board with constructive recommendations to advocate to council and CCOs to improve their systems and processes for identifying transformational interventions to deliver, measure and report on their projects resulting in quality Māori outcomes and prudent use of rate payers funds.

Advocating for Council to Implement the Issues of Significance/ Māori Plan in Tāmaki Makaurau

The focus of this work-stream for 2017-18 is for the Board to continue to use the Schedule/Māori Plan and the **Māori Report** as an advocating tool at Council committee level and as a 'terms of reference' to measure whether positive change actually occurs for Māori via council programmes and projects.

The successful launch of the Māori Report in November 2016 has provided the Board with an excellent platform to continue to analyse statistics and data that generate the truth about Māori in Tamaki Makaurau. This information is invaluable and essential to inform council and central government agencies' planning, processes and practices to ensure that rates and tax payers contributions are used prudently to achieve Māori outcomes at an optimal level and are sustainable. The Māori Report has created national and international attention due to the leadership and collaborative approach from the Board, Maori, council and central government agencies.

The high level steps are as follows:

- The Board and the Council will work to align the Issues of Significance /Māori Plan actions with the Council policies and action plans within the Council; and
- The Board and the Council will work on improving the monitoring and reporting processes for the Council and other agencies on Māori outcomes and actions.
- A budget for specialist advice has been provided to enable the Board to work with council to include a Māori perspective, outcomes and actions into plans, policies and projects.
- The council will ensure through the review and implementation of the Long -term Plan and business as usual that relevant managers continue to identify within their project budgets sufficient capacity to enable appropriate expertise to be engaged to ensure this to happen. This appropriately recognises that implementation is primarily the council's role.

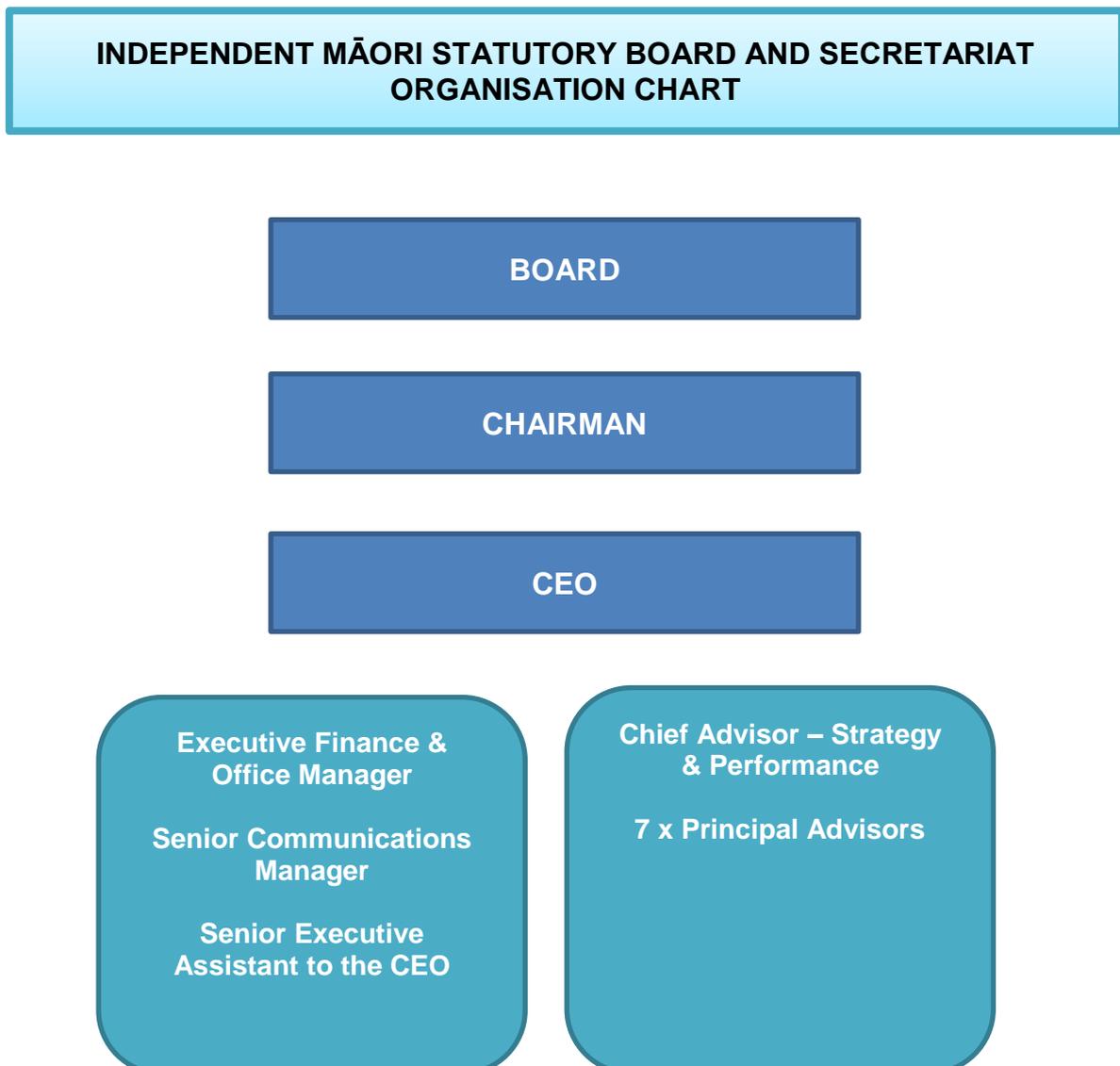
5.0 Work Plan Resourcing by the Secretariat

Based on a functional breakdown, the Board Secretariat is deployed as follows:

Function	Description	Resourcing
Monitoring and Reporting	To monitor and report on the Council's performance in meeting its obligations under the Treaty and relevant legislation; Māori outcomes and actions addressing Issues of Significance/Māori Plan actions	Part of policy team internal resource and external consultancy resources as and when required
Monitoring and Evaluation of Māori Wellbeing (Māori Plan)	To monitor and report on headline wellbeing indicators from the Māori Plan	Part of an internal resource, although will involve external parties to populate with initial baseline information to assist in producing initial reports. This work will be supported by an Data Strategy Expert Panel
Support to the Board in Committees	To prepare advice and briefing; and liaise with council officers as required	Part of Policy team internal resource
Strategic Plans	To provide input to review of key strategic plans of the Council including Auckland Plan, Long- term Plan, and CCO SOIs	Policy team for these key documents and strategic plans. It is beneficial to get involved at an early stage of their review and implementation and stay involved to ensure knowledge is retained by the council
Policies	To provide input to key policies of the Council including policies covering infrastructure, public services and regulatory and bylaws.	Dedicated policy team internal resources
Submissions	To provide information to Mana Whenua and Mataawaka in respect of submissions made and/or to be made by the Council to central government, proposed legislation, boards of enquiry and reviews	Utilise one of the dedicated resources noted above where area of expertise overlaps, otherwise contract in external expertise as and when required
Relationships and public Relations	To develop and maintain relationships with Mana Whenua and Mataawaka, Governing Body, CCOs, Local Boards,	Part of the internal project management resources including the Senior Communications Manager, the Chief Executive Officer supplemented by advisors for specific areas of expertise

Function	Description	Resourcing
	and Central Government including state sector	
Promotion and Engagement	To promote issues of significance for Māori to the Council and to external agencies	Key part of senior communications manager's role and supplemented by advisors for specific areas of expertise

6.0 This translates into the following organisation chart for the 2017/18 period:



BUDGET 2017/18

		2017/2018	2016/2017	Refer Paragrap h
Governance*	Board remuneration and expenses (Note 1)	824,000	832,000	
Secretariat	Salaries	1,338,000	1,321,000	
	Expenses (including audit fees)	119,000	119,000	
Professional Services	Legal, contractors, professional advice	110,000	130,000	
Engagement and Reporting to Māori & Stakeholders	Communications includes website, newsletters, brochures, translations, engagement and reporting to Māori and stakeholders	140,000	141,000	
Engage Māori Expertise for Council Projects/Plans Work Program		110,000	125,000	
	Te Tiriti o Waitangi Audit	160,000	30,000	
	Research, managing and monitoring Māori Plan outcomes	55,000	105,000	
Monitoring and informing the council's Māori Economic Development Strategy and implementation programme across the council including CCOs, advocacy and partnerships with central govt agencies		100,000	100,000	
TOTAL DIRECT OPEX FUNDING		2,956,000	2,898,000	
	Expertise for independent assessment of Te Toa Takitini projects by selected CCOs in 2015/16	\$130,000	\$130,000	

Note: 1

Board remuneration and expenses are subject to remuneration review by Strategic Pay and the Remuneration Authority and travel needs of board members appointed to IMSB for the current three year term.