



*395th MEETING OF THE
MACKENZIE DISTRICT COUNCIL*

**TO THE MAYOR AND COUNCILLORS OF THE
MACKENZIE DISTRICT COUNCIL**

MEMBERSHIP OF THE COUNCIL

Claire Barlow (Mayor)

John Bishop

Peter Maxwell

Annette Money

Graeme Page

Graham Smith

Evan Williams

*Notice is given of the meeting of the Mackenzie District Council
to be held on Tuesday 28 June 2011 at 9.30 am*

VENUE:

Council Chambers, Fairlie

BUSINESS:

As per Agenda Attached

GLEN INNES

CHIEF EXECUTIVE OFFICER

23 June 2011



AGENDA FOR TUESDAY 28 JUNE 2011 AT 9.30 AM

I. OPENING

II. APOLOGIES

III. DECLARATIONS OF INTEREST

IV. REPORTS REQUIRING COUNCIL DECISION

1. Adopt Final Annual Plan 2011/2012
2. Boffa Miskell – Unbudgeted Expenditure Preliminary Subdivision Exercise Tekapo
3. Fraud Report/Policy

V. PUBLIC EXCLUDED:

That the public be excluded from the following part of the proceedings of this meeting namely:

1. Tourism Trust Loan Offer (to be forwarded with separate cover)
2. Appointment RHD Ltd

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Tourism Trust Loan Offer	Commercial Sensitivity	48(1)(a)(i)
Appointment RHD Ltd	Commercial Sensitivity	48(1)(a)(i)

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Tourism Trust Loan Offer 48(1)(a)(i), Appointment RHD Ltd 48(1)(a)(i).*

IX CONFIRMATION OF RESOLUTIONS TAKEN WITH THE PUBLIC EXCLUDED

X ADJOURNMENTS

10.30 am Morning Tea

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: UNBUDGETED EXPENDITURE PRELIMINARY SUBDIVISION
EXERCISE TEKAPO

MEETING DATE: 28 JUNE 2011

REF: LAN 3/3

FROM: MANAGER – FINANCE AND ADMINISTRATION

ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

For Council to decide whether to approve unbudgeted expenditure of up to \$32,718.16 plus GST and disbursements to undertake a proposed preliminary subdivision exercise for Tekapo land.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council approve unbudgeted expenditure of up to \$32,718.16 plus GST and disbursements to undertake a proposed preliminary subdivision exercise for Tekapo land.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

GLEN INNES
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

None

BACKGROUND:

Council has a significant land holding in Tekapo that it wishes to develop or make available for development. This is the area of land commonly referred to as VC1 and VC2 land. VC1 land encompasses the area on the lakeside of the existing Tekapo township while the VC2 land incorporates the area currently occupied by the Squash Courts, the YHA and the old tenanted sites.

An informal group has been established to push forward development ideas for Tekapo. This group, the Tekapo Property Group, has developed a staged approach to move development forward for Council.

The proposed steps forward are detailed as follows:

Step	Action Taken to Date
Agree to support Boffa Miskell concept	The Council agreed to fund an initial fee to engage Boffa Miskell to undertake a high level concept design. This has been completed.
Communication with key existing and potential stakeholders	The Council continues to discuss options with purchases/tenants as to the best way forward that fits a sustained development at Tekapo.
Undertake preliminary services infrastructure, scoping, design and budget.	
Complete high level project feasibility.	
Advance discussions with existing and potential stakeholders.	
Ascertain appetite for new tenants/developers via press release.	
Revisit/update project feasibility.	
Consider investment and funding options.	
Proposals to Council for consideration and decision.	

The property group has completed the first two stages. To undertake the next stage in the process an estimated \$25,018 to \$32,718.16 plus GST plus disbursements is required. This has not been budgeted in either the 2011 year or the budget for 2012.

Appendix 1 provides the detail of the work proposed to be undertaken.

SIGNIFICANCE OF THE DECISION REQUIRED:

The decision is considered to be a routine decision.

CONCLUSION:

To continue the progress made to date regarding developing Council's land at Tekapo, Council should approve the unbudgeted expenditure for Boffa Miskell's proposal for Tekapo subdivision fee.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: FRAUD POLICY
MEETING DATE: 28 JUNE 2011
REF: FIN 1/2/4
FROM: MANAGER – FINANCE AND ADMINISTRATION
ENDORSED BY: CHIEF EXECUTIVE OFFICER

PURPOSE OF REPORT:

To consider and adopt the attached Fraud Policy.

STAFF RECOMMENDATIONS:

1. That the report be received.
2. That Council adopt the attached Fraud Policy.

PAUL MORRIS
MANAGER – FINANCE & ADMINISTRATION

GLEN INNES
CHIEF EXECUTIVE OFFICER

ATTACHMENTS:

Appendix 1 – Fraud Policy

BACKGROUND:

It is good practice for Council to have a Fraud Policy. The audit for the past two years have commented on our lack of such a Policy.

SIGNIFICANCE OF THE DECISION REQUIRED:

The decision required is not significant.

CONCLUSION:

Council should adopt as good practice the attached Fraud Policy.

MACKENZIE DISTRICT COUNCIL

POLICY ON OCCUPATIONAL FRAUD AND ABUSE

BACKGROUND

The Council's Policy on Occupational Fraud and Occupational Abuse has been established to facilitate the development of controls which will aid in the detection and prevention of fraud and occupational abuse against the Council. It is the intent of the Mackenzie District Council to promote consistent organisational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations into allegations of Occupational Fraud and Abuse.

SCOPE OF POLICY

This policy applies to any irregularity, or suspected irregularity, involving employees as well as elected members, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Mackenzie District Council.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Mackenzie District Council.

POLICY

Management is responsible for the detection and prevention of occupational fraud and abuse, misappropriations, and other irregularities.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

Abuse is defined as the misuse or maltreatment of any responsibility or trust held by a particular person in respect of the Council (including its assets, employee, customers and business relationships).

Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the Manager – Finance and Administration who will co-ordinate all investigations with the Council's legal advisers and other affected areas, both internal and external.

Management will determine a system for undertaking regular reviews of transactions, activities, or locations that may be susceptible to fraud.

ACTIONS CONSTITUTING FRAUD

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Council
- Forgery or alteration of a cheque, bank statement, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of the Council's activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the Council.
- Accepting or seeking anything of material value from contractors vendors or persons providing services/materials to the Council
Exception: Gifts less than \$50 in value.
- Destruction, removal or inappropriate use of books, files, records, furniture, fixtures, equipment or any other assets of the Council.
- Any physical or mental abuse of any person including any discrimination on the basis of colour, ethnic race, age or sexual orientation.
- Any failure or breach of Council policy which places the Council at risk of, or causes loss, cost or action being taken by any party or a regulatory agency against the Council.
- Any similar or related irregularity

OTHER IRREGULARITIES

Irregularities concerning an employee's moral, ethical, or behavioral conduct, should be resolved by departmental management.

If there is any question as to whether an action constitutes occupational fraud and abuse, contact the Manager – Finance and Administration for guidance.

INVESTIGATION RESPONSIBILITIES

The Manager – Finance and Administration has the primary responsibility for the investigation of all suspected occupational fraud and abuse acts as defined in the policy. If the investigation substantiates that occupational fraud and abuse activities have occurred, the Manager – Finance and Administration will issue reports to appropriate department management and the Chief Executive Officer, and, if appropriate, to the Finance Committee of the Council and the Council's auditors.

Decisions to prosecute or refer the examination results to the police and/or regulatory agencies for independent investigation will be made in conjunction with the Council's legal advisors, and senior management, as will final decisions on taking the matter to court.

CONFIDENTIALITY

The Manager – Finance and Administration treats all information received confidentially. Any employee who suspects dishonest, fraudulent or abusive activity should notify the Manager – Finance and Administration immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected occupational fraud and abuse.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Council from potential personal grievance claims.

AUTHORISATION FOR INVESTIGATING SUSPECTED OCCUPATIONAL FRAUD AND ABUSE

The Manager – Finance and Administration will have free and unrestricted access to all Council records and premises, whether owned or rented; and the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspect occupational fraud and abuse should contact the Manager – Finance and Administration immediately. The employee or other complainant may remain anonymous. All enquires concerning the activity under investigation from the suspected individual, his or her legal counsel or representative or any other enquirer should be directed to the Manager – Finance and Administration. No information concerning the status of an investigation will be given out.

Any reporting individual (who chooses to be identified) should be informed of the following:

- Do not contact the suspected individual in an effort to determine the facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegation with anyone unless specifically asked to do so by the Manager – Finance and Administration.

REPORTING OUTCOME

Recovery of lost money or other property will be pursued wherever possible and practicable.

APPROVAL

Glen Innes
Chief Executive Officer

Date