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Report 01.336

21 May 2001

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Report to the Policy and Finance Committee
from Stuart Macaskill, Chairman

Controller and Auditor-General's Report on Governance

1. Purpose

To report back to the Committee on the results of the follow-up undertaken with the Office of the Controller and Auditor-General in relation to the General Manager also being a director of CentrePort Ltd.

2. Background

On 19 April 2001 the Committee considered report 01.245 dealing with the Controller and Auditor-General's report on governance (refer **Attachment 1**).

As a result of the Committee's resolution I wrote to the Deputy Auditor-General (Mr Brady) to seek clarification in relation to the Council's General Manager also being a director of CentrePort (refer **Attachment 2**). Mr Brady's reply, dated 30 April 2001, is also attached (refer to **Attachment 3**).

3. Comment

The Deputy Auditor-General, in his reply, notes the steps the Council has taken in relation to the potential conflict of interest situation and, more importantly, the Deputy Auditor-General states "that it is not our intention to pursue the issue any further".

Therefore, while the Audit Office have expressed a view of what they see as best practice the Council is clearly able to form its own view and act accordingly. As I stated at the Policy and Finance Committee meeting on 19 April 2001, the Council is not legally bound to follow all views expressed by the Controller and Auditor-General.

I therefore propose that we take no further action in relation to this matter.

4. **Recommendations**

(1) *That the Committee recommend to Council that it:*

(a) *receive the report and note its contents.*

(b) *confirm its existing policy with regard to governance and reporting arrangements for CentrePort Ltd and take no further action in relation to the General Manager also being a director of CentrePort Ltd.*

STUART MACASKILL
Chairman

Attachment 1: Report 01.245

Attachment 2: Letter from Stuart Macaskill to the Deputy Auditor-General, dated 19 April 2001

Attachment 3: Letter from the Deputy Auditor-General to Stuart Macaskill, dated 30 April 2001