



Far North District Council



AGENDA

Audit, Risk, and Finance Committee Meeting

Thursday, 25 July 2019

Time: 12:45 PM
Location: Council Chamber
Memorial Avenue
Kaikohe

Membership:

Cr John Vujcich - Chairperson
Mayor John Carter
Cr Tania McInnes
Cr Ann Court
Cr Felicity Foy
Cr Colin (Toss) Kitchen
Cr Sally Macauley
Cr Kelly Stratford
Member Bruce Robertson
Member Adele Gardner
Member Mike Edmonds
Member Terry Greening

AUDIT, RISK AND FINANCE COMMITTEE - MEMBERS REGISTER OF INTERESTS

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Hon John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
Felicity Foy	Director - Northland Planning & Development	I am the director of a planning and development consultancy that is based in the Far North and have two employees. Property owner of Commerce Street, Kaitaia		I will abstain from any debate and voting on proposed plan change items for the Far North District Plan. I will declare a conflict of interest with any planning matters that relate to resource consent processing, and the management of the resource consents planning team. I will not enter into any contracts with Council for over \$25,000 per year. I have previously contracted to Council to process resource consents as consultant planner.
	Flick Trustee Ltd	I am the director of this company that is the company trustee of Flick Family Trust that owns properties on Weber Place, Seaview Road, and Allen Bell Drive.		
	Elbury Holdings Limited	This company is directed by my parents Fiona and Kevin King.	This company owns several dairy and beef farms, and also dwellings on these farms. The Farms and dwellings are located in the Far North at Kaimaumau, Bird Road/Sandhills Rd, Wireless Road/ Puckey Road/Bell Road, the Awanui Straight and Allen Bell Drive.	
	Foy Farms partnership	Owner and partner in Foy Farms - a farm in three titles on Church		

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		Road, Kaingaroa		
	Foy Farms Rentals	Owner and rental manager of Foy Farms Rentals for 6 dwellings on Church Road, Kaingaroa and 2 dwelling on Allen Bell Drive, Kaitaia, and 1 property on North Road, Kaitaia		
	King Family Trust	This trust owns several titles/properties at Cable Bay, Seaview Rd/State Highway 10 and Ahipara - Panorama Lane.	These trusts own properties in the Far North.	
	Previous employment at FNDC 2007-16	I consider the staff members at FNDC to be my friends		
Partner Felicity Foy	Employed by Justaplumber Taipa			
	Friends with some FNDC employees			
Colin Kitchen	No form received			
Tania McInnes	Director – GBT Ventures Ltd	Company not currently operational		Will notify Council if company becomes operational.
	Member of Northland Conservation Board		Conservation matters not aligned with Council policy.	Will notify Council should a perceived conflict arise.
	Trustee – Northland Youth Education Trust		No perceived conflicts	Will notify Council should a perceived conflict arise.
	Founder – Bay of Islands Women's Nexus	No perceived conflicts. An informal organisation		
	Own a section on Seaview Road, Paihia 0200			
	Having worked within the organisation in the early 2000's, I know a number of staff, none of which I am close with.			
John Vujcich	Board Member	Ngati Hine Health Trust	Matters pertaining to property or decisions that may impact of their health services	Declare interest and abstain
	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company services	Declare interest and abstain
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest
	Member	Kaikohe Business Association	Possible funding provider	Declare a Conflict of Interest
Ann Court	Waipapa Business Association	Member		
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	No FNDC Controls
	Kerikeri Irrigation	Supplies my water		No EM intervention in disputes
	Top Energy	Supplies my power		No other interest greater than the public's
	District Licensing	N/A	N/A	N/A
	Top Energy Consumer Trust	Trustee	Crossover in regulatory functions, consenting economic development and contracts such as street lighting.	Declare interest and abstain from voting.
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Property on Daroux Dr, Waipapa	Financial interest		
	Flowers (I get flowers occasionally)	Ratepayer 'Thankyou'	Bias/ determination? Pre-	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Consider all staff my friends	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the evidence. Be thorough, thoughtful, considered impartial and balanced. Be fair.
		My husband is a builder and may do work for Council staff		
Warren Pattinson (Husband)	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	shareholder	None	None
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Kurbside Rod and Custom Club (unlikely)	President NZ Hot Rod Association	Potential to be linked to a funding applicant and my wife is on the decision making committee.	unlikely to materialise but would absent myself from any process as would Ann.
	Property on Onekura Road, Waipapa	Owner	Any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
Sally Macauley	Chairman	Northland District Health Board	Matters pertaining to health issues re Fluoride and freshwater as an example.	Declare a perceived conflict.
	Chairman	Oranga Tamaraki - Ministry of Vulnerable Children- Northland Community Response Forum	Matters pertaining to this ministry	Declare a perceived conflict.
	Judicial Justice of the Peace	Visitations to Ngawha Prison	Matters pertaining to Judicial Issues re Ngawha Prison	Declare a perceived Interest
	The Turner Centre	FNDC Representative	Observer, acknowledging FNDC	Note FNDC partnership

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			financial contribution.	
	Trustee	Kaikohe Education Trust	Providing students laptops - possible request for written support to funders	Declare a conflict
	Executive member	Kaikohe Business Association	Matters pertaining to request for written support to funders.	
	Chairman	Bay of Islands Arts Festival Trust	Issues pertaining to the application of support funds	Declare a conflict of interests
	Trustee	Bay of Islands Radio Marine	Issues pertaining to the application of support funds	Declare a conflict of interests
	Secretary/Trustee	Kerikeri International Piano Competition	Issues pertaining to the application of support funds	Declare a conflict of interests
	Trustee/Director	Kaikohe Community and Youth Trust	Possible application of support funding	Declare a conflict of interests
	Commercial	Palmer Macauley Offices- Kerikeri and Kaikohe	Infrastructural matters with FNDC	Declare a conflict
	Private property of which there would not be any conflict.			
	Paihia, Kerikeri, Kaikohe			
Peter Macauley (Husband)	Senior Partner	Palmer Macauley		
	Peter Macauley	Barristers and Solicitors- Kerikeri, Kaikohe and Mangonui	Legal matters with FNDC	
	Director/Trustee			
	St John NZ Priory Chapter	St John Priory Chapter	Legal matters with FNDC	Declare a conflict
	Senior Partner	Peter Macauley- Palmer Macauley Barristers and Solicitors Kaikohe, Kerikeri AND Mangonui	Legal matters with FNDC	Declare a conflict
	St John NZ	Priory Trust Board	Writing of policies and legal matters as an example	Note Interests
	Lions Club of Kaikohe	Director	Legal matters etc	Note Interests
	Kaikohe Rugby Club	Patron	Legal Matters	
	Viking Rugby Club, Whangarei	Life Member	Legal Matters	
	Private Property			
	Kerikeri, Paihia - no			

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	contents.			
Bruce Robertson	No interests to declare			
Mike Edmonds	Chair	Kaikohe Mechanical and Historic Trust	Council Funding	Decide at the time
	Committee member	Kaikohe Rugby Football and Sports Club	Council Funding	Withdraw and abstain
Adele Gardner	N/A - FNDC Honorarium			
	The Far North 20/20, ICT Trust	Trustee		
	Te Ahu Charitable Trust	Trustee		
	ST Johns Kaitia Branch	Trustee/ Committee Member		
	I know many FNDC staff members as I was an FNDC staff member from 1994-2008.			
Partner of Adele Gardner	N/A as Retired			
Terry Greening	Greening Family Trust	Beneficiary		Highly unlikely to interface with FNDC
	Bay of Islands Walking Weekend Trust		Potential of seeking funds	Step aside from any requests or decisions regarding requests
	Russell 2000 Trust (Chairman)			Trust is about to wind up.
	Russell Centennial Trust (Chairman)	Manages Russell Museum	Seeks funds from council	Step aside from any requests or decisions regarding requests
	Residence at Kaha Place, Russell	Nil	Nil	N/A
Terry Greening (Wife)	Greening Family Trust	Beneficiary	N/A	N/A
	Residence at Kaha Place, Russell			
Cr Kelly Stratford	Office manager at Kinghans.			
	Denture assistant at Kawakawa denture Services self-employed as book keeper Kelly@ksbookkeeing.net	None	None	
	KS Bookkeeping and	Business owner,	None perceived	I'd step aside from

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Administration	bookkeeping and development of environment management plans for clients.		decisions that arise, that may have conflicts.
	Kinghans Accounting	Office Administration	None perceived	Step aside from decisions that arise, that may have conflicts.
	Waikare Marae Trustees	Trustee	May be perceived conflicts	Case by case basis
	Kawakawa Business & Community Association	Committee member/newsletter editor and printer	None perceived	If there was a perceived conflict, I will step aside from decision making
	Bay of Islands College	Parent elected trustee	None perceived	If there was a perceived conflict, I will step aside from decision making
	Karetu School Bay Cosmos Soccer	Parent elected trustee. Committee member and coach	None perceived	If there was a perceived conflict, I will step aside from decision making
	Property in Waikare and Moerewa			If there was a perceived conflict, I will step aside from decision making
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
Kelly Stratford (Husband)	Property in Moerewa		N/A	N/A

Far North District Council
Audit, Risk, and Finance Committee Meeting
will be held in the Council Chamber, Memorial Avenue, Kaikohe on:
Thursday 25 July 2019 at 12:45 PM

Order Of Business

1	Apologies and Declarations of Interest.....	13
2	Deputation.....	13
3	Confirmation of Previous Minutes.....	14
3.1	Confirmation of Previous Minutes.....	14
4	Strategic Planning and Policy Group	22
4.1	Risk Management Policy.....	22
5	Corporate Service Group	
5.1	Audit, Risk and Finance Sub Committee Terms of Reference	
	Supplementary Agenda	
6	Information Reports.....	28
6.1	Revenue Recovery Report - June 2019	28
6.2	Risk Management Report.....	33
6.3	Internal Audit and Assurance	53
6.4	Update on Risk Treatment Plan - Maintaining Building Consent Authority IANZ Accreditation in October 2019.	56
6.5	Level of Service KPI Quarter 4 Performance Report	Supplementary Agenda
7	Public Excluded	64
7.1	Confirmation of Previous Minutes (Public Excluded)	64
7.2	FNDC Current Legal Action Potential Liability Claims.....	64
7.3	FNHL - Re-appointment of Directors	64
8	Meeting Close	66

1 APOLOGIES AND DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Committee and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Team Leader Governance Support (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

2 DEPUTATION

No requests for deputations were received at the time of the Agenda going to print.

3 CONFIRMATION OF PREVIOUS MINUTES

3.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A2497689

Author: Melissa Wood, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Governance Support

PURPOSE OF THE REPORT

The minutes of the previous Audit, Risk, and Finance Committee meeting are attached to allow the Committee to confirm that the minutes are a true and correct record

RECOMMENDATION

That the Audit, Risk, and Finance Committee confirm that the minutes of the meeting of the Committee held 30 May 2019 are a true and correct record.

1) BACKGROUND

Local Government Act 2002 Schedule 7 clause 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) DISCUSSION AND OPTIONS

The minutes of the meeting are attached. Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

Reason for the recommendation

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meeting

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

- 1. Audit, Risk, and Finance Committee Unconfirmed Minutes - 30 May 2019 - A2491687** [↓](#)



Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of low significance
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no implications on Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences.	This report is asking for the minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

**MINUTES OF FAR NORTH DISTRICT COUNCIL
AUDIT, RISK, AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON THURSDAY, 30 MAY 2019 AT 12:45 PM**

PRESENT: Cr John Vujcich, Mayor John Carter (HWTM), Cr Tania McInnes (Deputy Mayor), Cr Felicity Foy (video conference), Cr Colin (Toss) Kitchen, Cr Sally Macauley, Cr Kelly Stratford, Member Bruce Robertson, Member Adele Gardner, Member Mike Edmonds, Member Terry Greening

IN ATTENDANCE: Cr Dave Hookway

STAFF PRESENT: Shaun Clarke - Chief Executive Officer, Janice Smith - General Manager Corporate Services (Acting), Dean Myburgh - General Manager District Services, Jaime Dyhrberg - Executive Officer, David Clamp - Manager Infrastructure Project Delivery, Darren Edwards - Manager Environmental Services, Sheryl Gavin - Manager Corporate Planning & Engagement, Matt Bell - Manager Risk & Improvement, Glenn Rainham - Manager Infrastructure Operations, Roger Ackers - Manager Strategy Development, George Swanepoel - In House Counsel, Angie Thomas - Chief Financial Officer (Acting), Ken Lewis - Senior Communications Advisor

1 APOLOGY

COMMITTEE RESOLUTION 2019/6

Moved: Mayor John Carter

Seconded: Member Terry Greening

That the apology received from Cr Court be accepted and leave of absence granted.

CARRIED

2 DEPUTATION

There were no deputations

3 DEPUTATION

3.1 MAJOR ITEM NOT ON THE AGENDA

COMMITTEE RESOLUTION 2019/7

Moved: Cr Kelly Stratford

Seconded: Cr John Vujcich

That the matter of 'Rating Relief Policy Consultation – Hearings Panel' be considered by the Audit, Risk and Finance Committee as a matter for urgent consideration as provided for in Section 46A(7) of the Local Government Official Information and Meetings Act 1987 on the grounds that consultation on the matter concluded the day before this meeting. Two submitters have asked to speak to their submissions and cannot be delayed until a later date because the latest opportunity to adopt the amendments is at the next Council meeting scheduled for 27 June 2019.

CARRIED

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 3.1 document number A2422994, pages 12 - 13 refers

COMMITTEE RESOLUTION 2019/8

Moved: Member Adele Gardner

Seconded: Cr Colin (Toss) Kitchen

That the Audit, Risk, and Finance Committee confirm that the minutes of the meeting of the Committee held 28 March 2019 are a true and correct record.

CARRIED

5 CORPORATE SERVICES GROUP

5.1 FAR NORTH DISTRICT COUNCIL DATA GOVERNANCE

Agenda item 4.1 document number A2478655, pages 19 - 21 refers

COMMITTEE RESOLUTION 2019/9

Moved: Member Mike Edmonds

Seconded: Cr John Vujcich

That the Committee form a subcommittee of the Audit, Risk, and Finance Committee with staff, including setting the terms of reference and any other recommendations with respect to data governance, the elected members to be on the subcommittee are Cr John Vujcich, Cr Dave Hookway, Member Mike Edmonds and Member Bruce Robertson.

CARRIED

5.2 RATING RELIEF POLICY CONSULTATION - HEARINGS PANEL

COMMITTEE RESOLUTION 2019/10

Moved: Cr Kelly Stratford

Seconded: Cr John Vujcich

That the Audit, Risk and Finance Committee establish a panel to hear submissions on the 2019 amendments to the Rating Relief Policies.

CARRIED

5.3 RISK MANAGEMENT REPORT - APRIL / MAY 2019

Agenda item 4.2 document number A2457349, pages 22 - 24 refers

COMMITTEE RESOLUTION 2019/11

Moved: Cr Tania McInnes

Seconded: Member Terry Greening

That the Audit, Risk, and Finance Committee receive and approve the Organisational Top 12 Risks Dashboard.

CARRIED

6 INFORMATION REPORTS

6.1 AUDIT MANAGEMENT REPORT FOR JUNE 2018

Agenda item 5.2 document number A2479614, pages 35 - 35 refers

COMMITTEE RESOLUTION 2019/12

Moved: Cr Kelly Stratford

Seconded: Member Bruce Robertson

That the Audit, Risk, and Finance Committee receive the report “Audit Management Report for June 2018”.

CARRIED

6.2 EXTERNAL AUDIT ARRANGEMENTS FOR 2018-2019

Agenda item 5.3 document number A2473423, pages 72 - 73 refers

COMMITTEE RESOLUTION 2019/13

Moved: Cr Tania McInnes

Seconded: Cr Sally Macauley

That the Audit, Risk, and Finance Committee receive the report External Audit arrangements for 2018-2019.

CARRIED

6.3 LEVEL OF SERVICE KPI QUARTER 3 PERFORMANCE REPORT

Agenda item 5.4 document number A2476462, pages 110 - 110 refers

COMMITTEE RESOLUTION 2019/14

Moved: Cr Felicity Foy

Seconded: Cr Kelly Stratford

That the Audit, Risk, and Finance Committee receive the report “Level of Service KPI Quarter 3 Performance Report .

CARRIED

At 2:22 pm, Member Terry Greening left the meeting. At 2:24 pm, Member Terry Greening returned to the meeting.

6.4 REVENUE RECOVERY REPORT - MARCH 2019

Agenda item 5.5 document number A2479959, pages 135 - 136 refers

COMMITTEE RESOLUTION 2019/15

Moved: Cr Tania McInnes

Seconded: Cr Kelly Stratford

That the Audit, Risk, and Finance Committee receive the report “Revenue Recovery Report - March 2019”.

CARRIED

6.5 COUNCIL FINANCIAL REPORT AS AT 30 APRIL 2019

Agenda item 5.6 document number A2480294, pages 140 - 140 refers

COMMITTEE RESOLUTION 2019/16

Moved: Cr Kelly Stratford

Seconded: Cr John Vujcich

That the Audit, Risk, and Finance Committee receive the report “Council Financial Report as at 30 April 2019”.

CARRIED

6.6 CAPITAL PROGRAMME 2018/2019

Agenda item 5.7 document number A2480371, pages 158 - 159 refers

COMMITTEE RESOLUTION 2019/17

Moved: Mayor John Carter

Seconded: Cr Felicity Foy

That the Audit, Risk, and Finance Committee receive the report Capital Programme 2018/2019.

CARRIED

6.7 UPDATE ON RISK TREATMENT PLAN FOR RISK RELATED TO MAINTAINING BUILDING CONSENT AUTHORITY IANZ ACCREDITATION IN OCTOBER 2019.

Agenda item 5.1 document number A2473943, pages 29 - 31 refers

COMMITTEE RESOLUTION 2019/18

Moved: Cr Kelly Stratford

Seconded: Mayor John Carter

That the Audit, Risk, and Finance Committee receive the report “Update on Risk Treatment Plan for risk related to maintaining Building Consent Authority IANZ Accreditation in October 2019.

CARRIED

At 2:44 pm, Cr Tania McInnes left the meeting.

At 3:01 pm, Mayor John Carter left the meeting. At 3:05 pm, Mayor John Carter returned to the meeting.

7 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2019/19**

Moved: Cr Colin (Toss) Kitchen

Seconded: Cr Kelly Stratford

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Confirmation of Previous Minutes (Public Excluded)	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Abandoned Land Legal Proceedings	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - FNDC Current Legal Action and Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.4 - Internal Audit and Assurance Report	s7(2)(h) - the withholding of the information is necessary to enable Council to carry out,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would

	without prejudice or disadvantage, commercial activities s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

7 CONFIRMATION OF INFORMATION AND DECISIONS IN OPEN MEETING.

COMMITTEE RESOLUTION 2019/20

Moved: Cr John Vujcich

Seconded: Member Terry Greening

That the Audit, Risk, and Finance Committee confirms that the information and decisions contained in the part of the meeting held with the public excluded are not to be restated in public meeting.

CARRIED

8 MEETING CLOSE

The Meeting closed at 3:35 pm.

The minutes of this meeting were confirmed at the Audit, Risk, and Finance Committee Meeting held on 25 July 2019.

.....
CHAIRPERSON

4 STRATEGIC PLANNING AND POLICY GROUP

4.1 RISK MANAGEMENT POLICY

File Number: A2541869

Author: Manawa Johnson, Strategic Planner

Authoriser: Sheryl Gavin, General Manager - Strategic Planning and Policy (Acting)

PURPOSE OF THE REPORT

To seek approval for the Risk Management Policy 2019.

EXECUTIVE SUMMARY

- The Council's Risk Management Policy was developed and implemented in 2014 and was due to be reviewed in 2017. Council has not had the capacity to review the policy until 2019.
- The Risk Management Policy has been reviewed and updated in accordance with the Council's commitment to improve its performance and responsiveness to the community. Council is aiming for excellence and updating the risk management policy supports a cohesive approach to improve in the area of financial decision making and transparency.
- This report provides the Committee with three options to consider including adopt the recent review; maintain the status quo; or defer the review until a later date. Council recommends endorsing the review to enable implementation of the policy.

RECOMMENDATION

That the Audit, Risk, and Finance Committee recommend that Council adopt the 2019 Risk Management Policy.

1) BACKGROUND

Council has statutory obligations to deliver services to the community. These services are required to be efficient, effective and appropriate to current and future circumstances. The Council risk management policy has been developed to meet demanding requirements and aid organisational resilience.

The Council risk management policy was originally developed and implemented in 2014 and was due to be reviewed in 2017. The 2014 policy was circular in nature, educational and included operational procedures and processes. The risk management policy has been reviewed to be a core policy document to guide management and staff on risk management expectations.

The risk management policy 2019 addresses the following issues identified in the 2014 policy;

- the readability and circular referencing causing confusion
- lack of acknowledgement of risks as opportunities
- ensuring monitoring and compliance can be applied in practice

2) DISCUSSION AND OPTIONS

Option One: do nothing

Under Option One the 2014 policy will remain in force to manage risk and guide staff on risk management expectations. While the 2014 policy represents good practice, the policy does not acknowledge recent developments within the organisation since the policies implementation and adoption in 2014.

If this option is adopted then Council loses the opportunity to support staff and management to improve performance in the areas of financial decision making and transparency through an updated and reviewed risk management policy.

Option Two: Adopt the 2019 Risk Management Policy (recommended option)

Option two proposes an approach to support recent developments by the Council to improve its risk management processes while maintaining good practice expectations. Approving the 2019 policy and allowing for a period of implementation provides Council with an opportunity for a further review in three years to determine its level of compliance and recognise other developments in the risk management area.

If this option is adopted Council will have an updated risk management policy that reflects the current climate.

Option Three: Address the policy review once the new Council is formed

Option three proposes reviewing the policy once the new Council has been formed post the elections in October 2019. Option three would see the risk management policy being considered at the first Committee meeting.

If this option is adopted then reviewing the policy will be delayed. The 2014 risk management policy was due to be reviewed in 2017. The review date has already been missed and Council runs the risk of continuing with a pattern of missing review dates in coming years. This option is therefore not recommended.

Reason for the recommendation

Option two is recommended for the following reasons:

1. it addresses the issue of the 2017 review date lapse;
2. it adopts a best practice approach to risk management;
3. it supports the move towards a cohesive approach to improve financial decision making and transparency.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The financial implications of the recommended option can be accommodated in the current budgets.

ATTACHMENTS

1. Risk Management Policy - A2538315 [!\[\]\(9da458a1342ddd2d17cdea2d16a59b4a_img.jpg\)](#) 

Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	The recommendation in itself contained in this report does not meet the thresholds as set in the Council's Significance and Engagement Policy.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The recommendation in this report is aimed at complying with Part 6 – Planning, Decision Making and Accountability of the Local Government Act.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Reviewing a policy has District wide relevance and therefore does not require involvement from the Community Boards.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	The recommendation in this report has no direct impact on Maori.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences.	The recommendation has no direct impact on any particular interested party or individual.
State the financial implications and where budgetary provisions have been made to support this decision.	There is no requirement for additional capital of operational budget to be requested beyond what is already budgeted for.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

Risk Management Policy

Adopted:

Reviewed:

1. Objective

Far North District Council (FNDC) is committed to improving decision making through effective risk management. FNDC will ensure so far as reasonably practicable, an effective integrated process for managing risk is implemented to guide management and staff on risk management expectations.

2. Policy Statement

FNDC is committed to ensuring sustainable and effective management of risks at all levels:

Communication

- Develop a risk communication strategy to encourage accountability and ownership of risk
- Ensure regular discussion on risk management in staff forums to ensure appropriate awareness and understanding of risk
- Communicate with the community on risks and build confidence in the activities of Council.

Reporting

- Actively encourage ownership of risk through regular risk reports
- Identify emerging, changing and decreasing risks of potential impact to the achievement of Council objectives
- Updating relevant agencies on compliance with regulatory requirements.

Monitoring

- Systematic assessment of the key risks for Council
- Measure risk treatment and reporting frequency
- Monitor the application and effectiveness of risk management to ensure relevance and alignment with Council expectations.

Compliance

- Measure the treatment and frequency of risk
- Design improvements where the risk treatment is not operating effectively or efficiently
- Identify the controls for treating the risk and ensure the control is implemented.

Consultation

- Encourage consultation and participation of staff in all matters relating to risk, risk issues and treatment of risk
- Support managers and staff on the controls and activities for treating risk in general and the specific risks that are their responsibility to manage
- Actively encourage continuous improvement of sustainable and effective risk management.

Responsibilities

FNDC requires active participation from all staff to ensure sustainable and effective risk management. FNDC shall where reasonably practicable, take responsibility as follows:

- be actively involved in promoting a positive risk management culture
- have an understanding of the risks relevant to the area of responsibility
- develop and maintain a level of risk management competency
- take responsibility and accountability for treating and controlling risk
- identify risk, assess inherent and residual risk, and determine treatment of risk
- share relevant risk management information at team meetings
- engage in risk management discussions
- ensure access to the right information on effective risk management
- escalate in a timely manner any risk management issues or concerns when they arise
- follow all policies, procedures and processes that are applicable
- report all risks in a timely manner in the Councils risk management reporting system

3. Relevant Policies and Procedures

AS/NZS ISO 31000:2009	Risk Management – Principles and Guidelines
Council Policies and Procedures	All FNDC policies and processes serve to manage risk by specifying and forming the controls that manage specific risks

4. Definitions

Term	Definition
AS/NZS ISO 31000:2009	Joint Australian New Zealand International Standard which provides principles and generic guidelines on risk management; and can be applied to any type of risk. FNDC Risk Management Policy embraces the principles and guidelines articulated in this document.
Compliance	Managing adherence to laws, regulations, guidelines and specifications relevant to FNDC.
Control	Measure that modifies effect of uncertainty on objectives.
Inherent	Impact of risk prior to treatment.
Monitor	Continual review of status of risk to identify change from the performance level required or expected.
Review	Activity, such as internal audit, taken to determine suitability, adequacy and effectiveness of control(s) to achieve objective.
Risk	Effect of uncertainty on objectives.

Term	Definition
Risk management	Co-ordinated activities to direct and control FNDC with regard to risk.
Risk Assessment	A systematic and disciplined process of evaluating the uncertainty that may be involved in an activity.
Risk Management Policy	FNDC statement of overall intentions and direction related to risk management; captures good practice expectations.
Reporting system	Currently the system FNDC use is IDEATE, a tool which provides a disciplined approach to identifying, analysing and treating uncertainties.
Residual	Risk remaining after risk treatment.
Treat	<p>Risk treatment creates a control (in descending order of preference):</p> <ul style="list-style-type: none"> • Avoid the risk by deciding not to start or continue the activity that gives rise to the risk • Taking or increasing the risk in order to pursue an opportunity • Removing the source • Changing the probability/likelihood • Changing the impact/consequence • Sharing the risk with another party(s) • Retaining the risk by informed decision

1.

2.

5. Approval

3.

4. This policy has been approved and will be reviewed every three years.

5.

6. Signed by Far North District Council – Chief Executive Officer

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6 INFORMATION REPORTS

6.1 REVENUE RECOVERY REPORT - JUNE 2019

File Number: A2550617

Author: Margriet Veenstra, Manager - Transaction Services

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

The purpose of this report is to provide quarterly reporting to the Far North District Council Audit, Risk, and Finance Committee.

EXECUTIVE SUMMARY

This is the fourth report for the financial year 2018/19 and provides information on action taken to collect the current and arrears balances for rates, water and Sundry Debt, and to provide information on how collection is tracking against targets.

RECOMMENDATION

That the Audit, Risk, and Finance Committee receive the report “Revenue Recovery Report - June 2019”.

BACKGROUND

This document has been prepared to outline current and arrears balances for rates, water and Sundry as at 30 June 2019 and the actions taken by the Debt Management Team for the collection of the General Title rates and Water and Sundry Debt.

This information is part of the standing items reported to the Committee on a regular basis.

DISCUSSION AND NEXT STEPS

The information has been identified for General Title rates and water accounts as well as Maori Freehold Land rates and water accounts. Sundry debtors, which are other fee generating areas of council, are shown in a separate table.

The General Title rates arrears balance has been reduced by \$567k quarter on quarter and water arrears by \$124k. Statute Barred Write-off for General Title rates was processed this quarter for \$6.3k.

Maori Freehold Land rates arrears balance has been reduced by \$39k quarter on quarter and water arrears by \$10k. Statute Barred Write-off for Maori Freehold Land rates and water was processed this quarter for \$49k.

Below were the actions and focus areas for the fourth quarter for the Debt Management Team for the collection of the General Title rates and water and Sundry Debt.

- Instructions to initiate legal action for the recovery of rates have been submitted with external law firm and letters have been sent to all property owners.
 - Files for Group 1 Residential Single Units - Single Ownership (14 properties) have been submitted to the courts.
 - One property owner has paid the full balance of \$33,000. One other property owner has cleared \$3,000 and is due to sign a Deed of Settlement to pay the remainder.
 - Files for Group 2 Residential Single Units - Multiple Owners (16 properties) are in the process of being prepared to be submitted to the courts.

- One property owner has paid the full balance of \$11,289 and two others have paid a total of \$8,000 and are due to sign a Deed of Settlement to pay the remainder
- The first tranche of properties to commence Abandoned Land procedures were approved at last Committee meeting.
 - Step one of the process to commence in the first quarter of the new rating year.
- 100% external collection agency accounts have been taken back to Council.
 - First and second letters have been sent as part of the Urgent Demand process.
 - These will be passed to Law Firm if no contact is received in the first quarter of the new rating year
- Balance to be collected by other means has been reduced by \$549k quarter on quarter. Of the balance remaining, the following actions have been commenced:
 - \$193k with external law firm, letters sent and legal proceedings imminent.
 - \$905k with external law firm to proceed once first group completed
 - \$690k at Stage 2 of Final Demand process
- Continuous audit of existing Arrangements to Pay to ensure the agreements are being met.
 - Focussed on changing customers from an Arrangement to Pay to a variable Direct Debit to reduce workload.
- The ongoing promotion of the Internal Affairs Rates Rebates Scheme in day to day communications with customers and regular meetings with relevant community organisations is another key focus.

Additional focus areas quarter four:

- Sundry Debtors review
 - Small Bad Debt and Credit Write-off journals prepared and approved
 - Monthly meetings with Environmental Services commenced.
 - Environmental Services audit of all aged debt in progress.
 - Collaboration with Legal team to ensure the Law is interpreted correctly and communicated to customers.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Provision is made annually for doubtful debts in relation to the arrears owed to council. A higher provision for Maori Freehold land rates and water is made in comparison to General Title rates and water due to the difference in collection options available to Council.

ATTACHMENTS

1. **2019-07-25 ARF Revenue recovery Report attachment - A2550566**  

General Title rates and water rates analysis by age at 30 June 2019

General Title Rates and Water Arrears 2018-19							
General Title Rates June 2019	2017-18	2016-17	2015-16	2014-15	2013+	Total	# accounts
Abandoned Land	62,369	60,964	58,295	55,414	103,022	340,064	44
Payment Arrangement	84,777	36,360	25,186	17,484	12,816	176,625	166
Deceased Rate Payer	81,462	67,934	60,553	54,143	88,439	352,532	57
External Collection Agency	-	-	-	-	-	-	-
2017-18 Mortgage Run	496,410	111,312	61,003	12,364	16,080	697,169	344
Legal Action Commenced	53,605	50,747	49,766	50,516	76,664	281,297	30
Liquidation	3,845	3,958	3,725	3,278	7,834	22,641	3
Direct Debit - no REP	23,265	13,723	9,086	6,999	9,246	62,319	80
Direct Debit - REP	53,616	17,303	7,305	4,559	2,162	84,945	309
Balance collected by other means	1,219,389	723,881	493,636	370,100	489,071	3,296,077	2,410
Rates Total	2,078,738	1,086,183	768,556	574,857	805,334	5,313,669	3,443
General Title Water June 2019	2017-18	2016-17	2015-16	2014-15	2013+	Total	# accounts
Abandoned Land	313	296	263	337	371	1,579	1
Payment Arrangement	6,071	666	1,380	985	-	9,103	31
Deceased Rate Payer	16,025	13,416	5,142	3,943	7,989	46,514	15
External Collection Agency	-	-	-	-	-	-	-
2017-18 Mortgage Run	56,779	10,706	4,851	493	3,850	76,679	98
Legal Action Commenced	4,187	5,548	5,876	5,941	7,529	29,082	11
Liquidation	-	-	-	-	-	-	-
Direct Debit - no REP	18,836	2,173	2,063	3,769	-	26,841	61
Direct Debit - REP	10,627	4,834	1,087	980	378	17,905	236
Balance collected by other means	235,141	76,433	50,093	26,833	54,390	442,890	1,365
Water Total	347,980	114,072	70,755	43,280	74,507	650,594	1,818

Maori Freehold Land rates and water analysis by age at 30 June 2019.**MFL Rates and Water Arrears 2018-19**

MFL rates June 2019	2017-18	2016-17	2015-16	2014-15	2013+	Total	# accounts
Payment Arrangement	2,949	1,565	1,296	1,240	2,162	9,212	9
Deceased ratepayer, recovery to be investigated	19,081	16,328	14,087	12,164	18,189	79,850	14
External Collection Agency	-	-	-	-	-	-	-
2017-18 Mortgage Run	1,506	-	-	-	-	1,506	1
Paying via direct debit	31,674	26,294	20,847	15,433	6,688	100,936	27
Rates Easy Pay	367	211	-	-	-	578	20
Abandoned Land	3,648	3,513	3,389	3,285	5,887	19,723	2
Balance collected by other means	3,655,057	3,550,875	3,552,348	2,939,992	4,425,253	18,123,525	2,344
Rates Total	3,714,283	3,598,785	3,591,968	2,972,115	4,458,179	18,335,330	2,417

MFL water June 2019	2017-18	2016-17	2015-16	2014-15	2013+	Total	# accounts
Payment Arrangement	2,453	266	283	10	-	3,011	3
External Collection Agency	-	-	-	-	-	-	-
Rates Easy Pay	910	46	1,054	46	1,851	3,906	4
Balance collected by other means	53,977	34,905	17,513	24,759	41,325	172,479	50
Water Total	57,340	35,217	18,850	24,814	43,176	179,396	57

Sundry Debtors by age for 30 June 2019.

Sundry Debtors Aged Period Report as at 30 June 2019					
Category	30 Days	60 Days	90 Days	90 Days +	Total
Sundry	75,232	1,057,458	608	218,758	1,352,056
Bookings	572	-	2,738	120	3,430
Septage	2,335	963	952	-	4,250
Refuse	870	640	363	7,818	9,692
Building	43,196	23,686	7,201	91,867	165,951
Resource	18,317	5,343	3,927	106,823	134,410
Liquor	5,348	1,024	1,000	840	8,211
Health	3,115	2,755	2,438	25,966	34,274
Total	148,985	1,091,869	19,227	452,192	1,712,273

90+ days debt has been reduced by \$132,252 quarter. Although the overall aged debt increased by \$700,944, this was driven by Sundry where we have an unpaid \$1M invoice for the Ministry of Health for the Rawene-Omanaia project. Payment is to be received by the end of July.

6.2 RISK MANAGEMENT REPORT

File Number: A2543239

Author: Matt Bell, Manager - Risk and Improvement

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

The purpose of this report is to provide an update to the Audit, Risk, and Finance Committee on the progress of the development of treatment plans for the Organisation's Top 12 Risks.

EXECUTIVE SUMMARY

The Audit, Risk, and Finance Committee approved FNDC's Organisation Top 12 Risk Dashboard at their May 2019 meeting. This report provides an update to the Committee on progress of the development of the treatment plans for these risks. Treatment plans have been started for eight of these top 12 risks, as attached.

RECOMMENDATION

That the Audit, Risk, and Finance Committee receive the report "Risk Management Report".

BACKGROUND

The Audit, Risk, and Finance Committee have completed a series of three risk management workshops. In May 2019 the FNDC's Organisational Top 12 Risk Dashboard was presented to and approved by the Committee. The Risk and Improvement Team are facilitating the next step being the development of treatment plans for the top 12 risks.

DISCUSSION AND NEXT STEPS

For Committee information please see attached, FNDC Organisational Top 12 Risk's Dashboard and risk status progress reports (which includes treatment plans) for nine of these risks. The final three treatment plans are being finalised with the respective responsible individuals.

Moving forward the risk management report will continue to provide risk status progress reports. If additional assurance is required it is asked of the Committee to request this in advance to allow this information to be sourced and provided.

The date for the next risk workshop involving a deep dive on number five risk (as requested by the Committee) being the "Delivery of Services (Affordability) Risk", is still in the process of being confirmed.











The Risk and Improvement Team are facilitating risk workshops with General Managers and their respective Tier Three Managers. These risk workshops will identify the top risks for each group and associated treatment plans. These top risks will include any risks that the Group has on the FNDC Organisational Top 12 Risk Dashboard.

These risks are going to be deemed 'Group Risks' and the intention is that the General Manager and respective Tier Three Managers will actively monitor and treat these. This will include regular, structured discussions, including a member from the Risk and Improvement team, to support effective risk management being embedded in the organisation.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

To be confirmed as the detailed treatment plans are created for each of the 12 risks and whether additional budgetary provision is required.

ATTACHMENTS

1. **Top 12 Organisational Risks July 2019 - A2559688** [↓](#) 
2. **Health Safety and Wellbeing Vulnerabilities - A2549812** [↓](#) 
3. **Asset Management Risk - A2549814** [↓](#) 
4. **Delivery of Service Risk - A2549817** [↓](#) 
5. **Projects / Priorities Delivery Delays - A2549821** [↓](#) 
6. **Compliance NRC Abatements - A2549852** [↓](#) 
7. **Data Governance Risk - A2549858** [↓](#) 
8. **Organisational Cohesion Risks - A2549860** [↓](#) 
9. **Customer Service Delivery - A2550304** [↓](#) 
10. **BCA Status Risk - A2550308** [↓](#) 

Top 12 Organisational Risks

July 2019

	Total Score by impact, probability & multiplier
High	60+
Medium	20-59
Low	<20

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)responsible
ARF 001	63	Climate Change & Natural Disasters <ul style="list-style-type: none"> Major flooding frequency Insurance losses & assets Frequent weather events Effect on Infrastructure 	<ul style="list-style-type: none"> Large / long term financial exposure & investment Political pressure Public pressure / impacts Negative press and PR High demand on specialist resource / contractors 	<ul style="list-style-type: none"> Robust district climate change plan developed and integrated into district & annual plans Investment plan linked to plans Long term expense factored into all planning and budgeting processes Regional and national support options explored (financial) 	30	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM SP&P (R)
ARF 002	51	Building Consents – BCA status <ul style="list-style-type: none"> BC Accreditation at risk November IANZ assessment Remediation actions tight timeframes before assessment 	<ul style="list-style-type: none"> Political pressure Reputational impact Remediation Overheads Impact on culture and staff morale Customer costs / delays IANZ manager appointed to oversee remediation 	<ul style="list-style-type: none"> Building Consent action plan & remediation actions Management support for BCA action plan Outsourced surge capacity options for processing Administration process changes and automation 	18	Identified Jan, 2019 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM DS (R)
ARF 003	46	Health & Safety Vulnerabilities <ul style="list-style-type: none"> Legal complexity Long term ramifications Executive accountability 	<ul style="list-style-type: none"> Legal and fine exposure (\$300K-\$3m) Reputational / media exposure Remediation activity cost, delay impacts Political pressure on management 	<ul style="list-style-type: none"> Robust H&S planning, monitoring and reporting Ownership & sponsorship from Council / SLT (reviews) H&S Culture strategy / constant vigilance Accountability of contractors for compliance 	34	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) Mgr. P&C (R)
ARF 004	45	Asset Management Risks <ul style="list-style-type: none"> Asset management framework & Asset Management system Allocation of resources Large asset business cases 	<ul style="list-style-type: none"> Replacement & remediation costs Risk of unbudgeted spend Problem exacerbates if systems or processes don't change Rating implications 	<ul style="list-style-type: none"> Policy, Framework, Methodology, process & system approach Review effectiveness of AMP's Review financial processes and depreciation models Asset condition and clean, quality data should drive processes All projects require business case 	18	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM IAM (R)
ARF 005	45	Delivery of Services Risk (Affordability) <ul style="list-style-type: none"> Economic development Economic delivery (affordability) Alignment of financial & regional strategies Current and future cost picture 	<ul style="list-style-type: none"> Financial and remediation costs (large assets / services) Future cost forecasting including climate change modelling Rating implications Affordability pressures Political & reputational pressure 	<ul style="list-style-type: none"> Cost Blueprinting – big picture Revenue Review Cost and revenue forecasting (in addition to LTP budgeting) Review financial processes and models (eg. depreciation) Existing & additional revenue streams investigated Scale back discretionary projects / focus on priorities 	26	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP endorsed 8 April, 2019	CEO (A) GM SP&P (R)

	Total Score by impact, probability & multiplier
High	60+
Medium	20-59
Low	<20

ID#	Score	Risk description	Impacts	Treatments	Probability X3 Risk Score	Probability X2 Risk Score	Probability X1 Governance (A) accountable (R) responsible
ARF 006	45	Projects / Priorities Delivery Delays <ul style="list-style-type: none"> Large infrastructure projects Capital asset delivery Priority initiatives Staff & Skills capacity & turnover Project management & project governance capacity / skills 	<ul style="list-style-type: none"> Project benefits affected Increased project costs Delayed services may affect ability to apply targeted rates Eroded public trust Unstaffed roles have impacts on the team Obsolescence bow wave from Capex underspend 	<ul style="list-style-type: none"> Project Framework, methodology, processes, reporting and project governance needs implementing Review project resourcing level and contract for critical resource Complete Project prioritisation process and rationalise or freeze non critical projects Robust planning and business casing to support projects / quality data Avoid Capex underspend issues 	14	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP 8 April, 2019	CEO (A) GM IAM (R)
ARF 007	45	Compliance – NRC Abatements <ul style="list-style-type: none"> 10 active abatement notices Paihia waste water treatment plant environmental court ruling NRC relationship strained regarding our compliance history 	<ul style="list-style-type: none"> Political pressure Reputational impact Remediation costs may need to be brought forward Legal costs and overhead Relationship with NRC 	<ul style="list-style-type: none"> Sustainable plan to remedy all abatement notices Relationship plan with NRC – map stakeholders (ops to management) Paihia Plan now endorsed by NRC Executive relationships positive Any additional funding requirements brought to Council Reduce future outstanding abatement timeframes to remedy 	18	Identified Jan, 2019 CEO Endorsed 8 April, 2019	CEO (A) GM IAM (R)
ARF 008	42	Civil Defence <ul style="list-style-type: none"> The risk to Financial Capability and Public Health and Safety - if repeat of 2007 storm severity repeats Response staffing levels 	<ul style="list-style-type: none"> Potential loss of life Public health risks Property damage Human and animal welfare Restoration capability and times of services, infrastructure 	<ul style="list-style-type: none"> Set of fully trained staff for EOC Ongoing training pipeline Recovery funding options explored Regional CDEM support options and model understanding and operationalisation IAM Resilience programme established for known vulnerabilities 	38	Identified 29 Nov, 2018 SLT 1 April, 2019 HLTP, 8 April	CEO (A) GM IAM (R)
ARF 009	39	Customer Service Delivery <ul style="list-style-type: none"> RFS process issues Inadequate timely communication with customer More online options for customers 	<ul style="list-style-type: none"> Lower customer service ratings in some functions Political pressure Overheads to return to positive perception Impact on culture and staff morale Customer costs / delays 	<ul style="list-style-type: none"> Customer Experience programme enhanced RFS Process redesign project needs implementing RFS Redesign project addresses process flows and regular communication with customer Council culture of customer first Enhanced communication & online capability 	22	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) Mgr. P&C (R)
ARF 010	39	Decision Quality – Information Risks <ul style="list-style-type: none"> Genesis in poor data /poor information Critical Information Assets Data governance and technical assurance 	<ul style="list-style-type: none"> Increased risk of legal exposure Reputational damage Erosion of trust and confidence between elected members, public and staff Staff churn in key roles Financial implications 	<ul style="list-style-type: none"> Business intelligence – “Data Driven Council” Key metrics dashboard Robust, peer reviewed business cases and papers Staff SME's to talk to papers with committees / council Additional layer of diligence & verification for larger items 	14	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) CEO (R) GM CS technical supporting

	Total Score by impact, probability & multiplier
High	60+
Medium	20-59
Low	<20

 Probability
 <12 Probability
 1-3 Probability

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)esponsible
ARF 011	39	Organisational Cohesion risks <ul style="list-style-type: none"> Governance / management relationship optimisation / trust enhancement Culture of communication – internal and external 	<ul style="list-style-type: none"> Governance & decision quality & integrity impacts Trust and confidence / morale between EM's, staff & public Negative media & political pressure Delays in decisions – papers left on the table 	<ul style="list-style-type: none"> EM & Management relationship & comms charter, code of conduct & culture programme Friction items to be worked through and agreed in advance of formal meetings Deliver on priorities (trust) Staff integrated to Council & committee meetings – not tasked directly Quality data & reporting Governance diagnostics work plan 	14	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) CEO (R)
ARF 012	39	Contract Management risks <ul style="list-style-type: none"> Contract wording Contract breeches Contract, performance & relationship management deficiencies 	<ul style="list-style-type: none"> Commercial impacts Service delivery / disruption impacts Commercial resource demand Reputational impacts Long term consequences 	<ul style="list-style-type: none"> Hire dedicated contract specialists for large contracts Contract management system and processes optimised Asset management system implemented Enhanced reporting 	14	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP 8 April	CEO (A) GM IAM (R)

2018 Organisational Risk Appetite, Impact and Probability Scoring



Risk Category	Financial	FNDC Customer (ratepayer, resident or contractor)		Reputation	Compliance / Legal	Health & Safety																					
Impact Statement	Impact on FNDC Budget, Department or Team; and /or Impact on annual Council budget in \$	Financial impact to customers	Customer impact due to loss of a provision of essential service, or essential piece of infrastructure	The impact on FNDC's reputation	The legal impact on FNDC's legal adherence / regulatory compliance	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable																					
High to Intolerable Impact	<ul style="list-style-type: none">• >10% of project or departmental budget;• >\$100,000 OPEX pa impact to Council budget; and/or• ≥ 0.3% rates increase	>\$10K	<table><tr><td rowspan="4">People (Far North population)</td><td>> 1000</td><td></td><td></td><td></td><td></td></tr><tr><td>6 to 1000</td><td></td><td></td><td></td><td></td></tr><tr><td><6</td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5"></td></tr></table>	People (Far North population)	> 1000					6 to 1000					<6										<ul style="list-style-type: none">• External reputation severely damaged, considerable effort and expense required to recover e.g.<ul style="list-style-type: none">◦ 2-5 years to re-establish confidence;• Loss of national trust & confidence including government such as:<ul style="list-style-type: none">◦ Trending presence in national and international media; and/or• > 15% staff turnover pa and/or turnover of organisational critical roles	<ul style="list-style-type: none">• FNDC get challenged and are found to be non-compliant with :<ul style="list-style-type: none">◦ criminal conviction and/or fines, penalties; or◦ legal exposure in excess of \$500,000; and/or• Contract: termination of contract (breach / default etc)	Any loss of life Serious injury / disability (as defined by the Act) to one or more lives and/or Public Health outcome
			People (Far North population)		> 1000																						
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<table><tr><td></td><td><12</td><td>12-24</td><td>>24</td></tr><tr><td colspan="4">Hours (delay)</td></tr></table> <table><tr><td colspan="2">Key to impact</td></tr><tr><td>Intolerable</td><td></td></tr><tr><td>Medium</td><td></td></tr><tr><td>Low to None</td><td></td></tr></table>		<12	12-24	>24	Hours (delay)				Key to impact		Intolerable		Medium		Low to None												
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Hours (delay)																											
Key to impact																											
Intolerable																											
Medium																											
Low to None																											
Medium Impact	<ul style="list-style-type: none">• 1% - 10% of project or departmental budget; and/or• \$50,000 to \$100,000 OPEX pa impact to Council budget and/or• 0.1 to 0.3% rates increase	\$5K-10K		<ul style="list-style-type: none">• External reputation damaged, effort and expense is required to recover; and/or• Loss of regional trust & confidence including iwi, funding partners and elected members such as:<ul style="list-style-type: none">◦ Presence in regional / local media only; and/or◦ 1-2 years to re-establish confidence.• 10- 15% staff turnover pa with "normal" turnover of organisational critical roles	<ul style="list-style-type: none">• FNDC get challenged and are found to be non-compliant with<ul style="list-style-type: none">◦ fines, penalties or legal exposure <\$500,000• Contract: receive written notice form the contractor threatening termination if not rectified	Minor harm and/or isolated recoverable illness																					
Low to None Impact	<ul style="list-style-type: none">• < 1% of project or departmental budget; and/or• <\$50,000 OPEX pa impact to Council budget and/or• <0.1 rates increase	<\$5k		<ul style="list-style-type: none">• External reputation minimally affected, little effort or expense required to recover; and/or• Loss of stakeholder trust & confidence at local level<ul style="list-style-type: none">◦ Presence in local media only; and/or◦ <1 year to re-establish confidence.• <10% staff turnover pa	<ul style="list-style-type: none">• Might be challenged or threat of litigation:<ul style="list-style-type: none">◦ but are compliant; or◦ have the appetite to tolerate non-compliance cost (treating exceeds legal penalty we could receive.)• Contract: receive verbal advice that, if breaches continue a default notice may be issued; or results in meeting between two parties in which contractor expresses concern																						

Category Impact Score	
High to Intolerable	5
Medium	3
Low to None	1

Probability Multiplier	
Risk expected to occur in Next 12 Months	X3
Risk expected to occur every 1-3 years	X2
Risk Expected to occur > 3+ years	X1

Scoring Process	
INHERENT RISK - Assign Impact Score to each of the 5 categories as it exists today (untreated)	
RESIDUAL RISK - Assign Impact Score to each of the 5 Categories after applying treatments	
Add category scores (5) for INHERENT to get a single cumulative INHERENT RISK score	
Add category scores (5) for RESIDUAL to get a single cumulative RESIDUAL RISK score	
PROBABILITY – For both INHERENT & RESIDUAL RISK scores, multiply by the Probability	
This will provide a total INHERENT RISK & RESIDUAL SCORE for each Risk Assessed	
Populate both scores on the Risk Dashboard in the respective Risk Scoring Cells	

INHERENT Risk Category	Score
FINANCIAL	5
CUSTOMER	3
REPUTATION	3
COMPLIANCE / LEGAL	1
HEALTH & SAFETY	1
TOTAL	13

Example Scoring table

Probability	Final Score
X2	26

Total Score by impact, probability & multiplier	
High	60+
Medium	20-59
Low	<20

Description of risk and impact

- Health and Safety Vulnerabilities are those elements defined in the Health and Safety at Work (2015).
- Far North District Council (FNDC) has a duty to ensure, so far as is reasonably practicable, that the workplace is without risks to the health and safety of any person and has controls in place to eliminate or minimize those risks.
- Vulnerabilities:
 - Lone Worker safety
 - Health Monitoring for high risk staff
 - Non-compliance against Asbestos regulations across our assets
 - Quarry safety deficiencies are a WorkSafe focus
 - Contractor Management
 - Wellbeing programs to address our changing workforce
 - Threatening behavior from members of the public

What has been done so far?

- 5 Year strategic plan has developed and approved, including a regular yearly calendar of core HS&W activities including training, policy development, volunteer engagement plans, wellbeing initiatives and emergency management across the sites.

Existing Treatments

- High level treatment plan:
 - CouncilMark Improvement #6. Health and Safety Improvement
 - Health and Safety Committee
 - Health and Safety focused KPI for all staff
 - Horizon 2 of 5 year strategy

Where are the gaps? / what more could we be doing?

- Reporting to Audit, Risk and Finance (ARF) to reviewed and re-scoped
- Worker engagement is developing
- Meeting legislative requirements (e.g. HSNO, Asbestos, Lone Worker)

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	Mgr. P&C	Date accepted:	30/05/19	

Description of risk and impact

- Full Asset Life Cycle Asset Management requires a “system thinking” integrated approach to optimizing the whole life cycle of our assets. This ensures fit for purpose, cost effective assets are designed, constructed, maintained and disposed of in a sustainable manner, to the benefit of our communities, ensuring kaitiakangā and enduring resilience.
- FNDC asset management processes are currently compromised by:
 - No current Asset Management Information System
 - Resulting in Piecemeal asset information (including number of assets)
 - Incomplete condition assessment information
 - Informal Asset Management Plans
 - Under resourced in asset management and project scoping / business casing.
 - Resulting in poor forecasting, business casing, project planning for critical assets
 - A financial model based on a depreciation schedule, reporting on total value of spend
 - The current renewals programme is typically based on age rather than condition.
 - Affordability challenges with increasing maintenance costs
 - Lack of integrated performance and reliability data from operations
 - Operating run to failure of assets rather than programmed maintenance based on:
 - Asset class
 - Failure mode
 - Life cycle cost modelling
 - Predictive, preventative, risk based maintenance
 - The lack of integration of asset growth impacts when considering asset renewal. (we need to operate in a “systems” approach.
 - Lack of a robust project management frame work covering:
 - Long term plan
 - Project Concept
 - Project Initiation
 - Project planning and design
 - Delivery and monitoring
 - Handover and closeout

Existing Treatments

- High level treatment plan:
 - Implementation of a New Asset Management Information System (Infor IPS) – in progress
 - Asset condition assessment program - planned
 - Integration of operational performance and reliability data from operations – being developed

- Establishing a project management frame work – in progress
- Creating Asset Management Plans for all asset classes, (LAMP) – being developed
- Projects identified within CouncilMark Improvements:
 - 18. Asset Management Improvement
 - 19. Three Waters Alliance Improvement
 - 34. Process Management Framework Improvement
 - 29. Capital Project Life Report Improvement

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Where are the gaps? / what more could we be doing?

Thorough planning, analysis and timely execution to allow appropriate data-driven decision-making to occur and enable life cycle asset management to deliver:

- Optimised operating and maintenance strategies
- Organisational structure and Staffing requirements
- Reliability engineering processes
- Work control/planning and scheduling processes
- Equipment criticality and hierarchy (in the Asset Management Information System)
- Obsolescence and decommissioning plans
- Long term program of identified sustaining capital Projects and consents renewals life cycle allowing for the full project lifecycle to be completed (including consents, consultation, Iwi liaison, district growth impacts, new technologies and innovation) pulling from and informing the LAMP and ultimately the LTP.
- Robust Long Term Plans, funding and rating impacts trajectory .

EM information and data visibility: IAM need to be able to clearly articulate the tranche of projects into the future complete with costs, risks, controls, contingencies, mitigation and consequences of inaction. This will enable informed discussions and robust prioritization when finalizing financial commitments within the LTP.

Consultation:

Our open and transparent policy for consultation with all stakeholder particularly Iwi, impacts the time it takes to renew consents and implement projects. This risk needs to be reflected in all project timelines particularly within our LTP commitments. In the past this time and resource commitment has been significantly underestimated.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	Six monthly

Description of risk and impact

- Economic delivery is the financial ability to deliver Council services, strategies and initiatives to the community at affordable levels.
- Affordability of services is acknowledged as one of FN's key challenges. With a small rating base, diverse socio-economic factors and large distributed infrastructure base and service requirement, this will get worse over time without intervention.
- Ageing infrastructure and the forecast impacts of climate change and natural hazards present further delivery challenges. We do not fully understand our assets – location, condition, capacity, long-range requirements. Unbudgeted costs emerge frequently as a result of under-estimation and poor understanding of requirements.
- The affordability of delivery relates predominantly to core infrastructure assets, although services such as enforcement cannot be excluded as an area of risk.
- Central government's productivity commission enquiry acknowledges affordability as an issue for many councils, particularly for those without funding sources beyond rates and charges.

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Existing Treatments

- FNDC has a traditional financial model of budgeting for endorsed plans and strategies such as the Long Term Plan, infrastructure and district plans including Council resource and capability to deliver on these plans and core service base.
- These plans and services are funded by mainly rating revenue, complemented by a small return on some assets such as pensioner housing, and Councils CCO, Far North Holdings Ltd, who provides a shareholder dividend back to council.
- A revenue and rating review is underway looking at aspects such as Land value vs. Capital value to see if additional revenue can be derived from a more equitable rating system for the district.
- This review is also planned in the near term to look at sources of revenue and investigate new opportunities to grow and improve the funding base and potential.
- Planned enhancements such as; planning quality, business casing, project support, asset condition and management and contract management will all assist with managing costs, however it will take time for the cumulative benefits from these initiatives to flow down to accurate budgeting and forecasting processes.
- FNDC has joined regional alliances such as the Northern Transport Alliance to share costs and opportunities and the regional shared services model is one that will be utilized more frequently.
- Longer term strategy work such as the "Far North 2100" initiative is underway to assist with forecasting future services and costs.
- High level treatment plan:
 1. CouncilMark:
 18. Asset Management Improvement
 29. Capital Project Life Report Improvement
 16. Long Term Asset Funding Improvement
 2. Knowing where new assets will be required and when, including:
 - Location, timing and quantum of potential growth/decline
 - Current capacity of assets and likely future demand

- The future/agreed strategy for the asset class
 - Where change (unforeseen and/or uncontrollable) may force action.
3. Accurate and process-driven options assessment, with realistic budgets and timelines (taking the guess-work out of corporate planning (LTP and Annual Plans)).
 4. Ensuring that work practices across Council are free of waste, keeping the rates requirement as low as possible.
 5. Building a rating system that is as fair and equitable as possible.
-

Where are the gaps? / what more could we be doing?

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM SPP	Date accepted:	30/05/19	Six monthly

Description of risk and impact

- Project / Priority delivery risks start with the elements of the project life-cycle (conception and business casing through delivery and ongoing management / maintenance) and involve having robust capabilities to support each stage of this life-cycle. Deficiencies in any one of these stages have flow on effects including costs, quality and delays.
 - The PMO's Project Management framework, policy, methodology and guidelines is currently being rolled out. The framework will be fully developed with the assistance of PM Team and Championed by a member of the Team.
 - Robust business casing and expertise has been sub optimal.
 - A review of the Asset Management frameworks is also under review. This review will help to identify current short comings in the Asset Framework so that it can be further developed to produce better quality business cases and scopes.
 - Project governance and project role training is needed for those involved in projects to effectively perform their duties.
 - Council and business units have a tendency to initiate lots of new projects – often reactively - but resourcing and changing priorities affect the completion rates.
 - Project resourcing challenges affect quality – another symptom of doing too many projects / juggling BAU responsibilities.

Existing Treatments

- High level treatment plan:
 - A business case specialist role has been approved to support project business case owners
 - SLT involved in a project prioritization process
 - CouncilMark improvements:
 - 18. Asset Management Improvement
 - 20. Compliance Framework Improvement
 - 34. Process Management Framework Improvement
 - 29. Capital Project Life Report Improvement
 - 12. Contract Management Improvement
 - 10. Annual Report Improvement
 - 3. LTP Improvement
-

Where are the gaps? / what more could we be doing?

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	Two monthly

Description of risk and impact

- FNDC has 9 abatement notices due to non-compliance with resource consent conditions for district infrastructure issued by Northland Regional Council.
- Many of these notices are over two years old, and six involve expensive wastewater assets. NRC lodged an Enforcement Order application with the Environment Court for ongoing non-compliance at the Paihia Wastewater Treatment Plant (ammonia levels), and FNDC are now under suspended orders requiring delivery of solid remedial action to avoid further litigation.
-

Existing Treatments

- High level treatment plan:
 - Establishment of new role solely focused on compliance (Infrastructure Compliance Planner)
 - Creation of an Infrastructure Compliance Strategy – two year strategy with goals and deliverables to actively increase the level of compliance. This strategy directly informs the work programme of the Infrastructure Compliance Planner.
 - Relationship building with NRC – monthly activity level compliance meetings are held between FNDC / NRC as well as six monthly group level compliance meetings to provide an update on the Infrastructure Compliance Strategy.
- CouncilMark Improvements:
 - 18. Asset Management Improvement
 - 19. Three Waters Alliance Improvement
 - 29. Capital Project Life Report Improvement
 - 34. Process Management Framework Improvement
-

As detailed in the Infrastructure Compliance Strategy, a plan is now in place with timeframes to reduce the risk to FNDC associated with infrastructure non-compliance. Over the next 2 years significant focus will be placed on identifying what is needed for FNDC's wastewater schemes to not only achieve compliance but to stay there in future. Affordability and the issue of how to fund an increase in the quality of wastewater treatment will be a challenge. Staff will work to obtain all information, options and costings associated with the required upgrades so effective decisions can be made.

Where are the gaps? / what more could we be doing?

Far North Waters Alliance is responsible for operational compliance with water and wastewater resource consents and FNDC must rely on Far North Waters to take ownership of this area. This includes having sound processes, systems and quality management in place, as well as having the technical capability to provide informed, cost effective and viable recommendations on improvements / upgrades needed to our water and wastewater assets to become and remain compliant.

Lastly, while NRC will not rule out future enforcement action, in a recent meeting early June they appeared satisfied with the actions being undertaken and the plan presented to them. They have indicated that they see their role as regulatory body to sometimes issue enforcement action in order to escalate the funding requirement for particular assets. Staff will endeavour to actively increase FNDC's level of infrastructure compliance without further enforcement action; however in some instances where funding and affordability are an issue, enforcement action may be unavoidable.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	↓		Responsible:	GM IAMs	Date accepted:	30/05/19	Six monthly

Description of risk and impact

- Data governance is the overarching framework that outlines the creation, maintenance, disposal and protection of data.
 - Data is used to inform decisions, creation of strategy, policy
 - Data is used for the extraction of information, the creation of reports and dashboards
 - Data governance ensures compliance with internal policies and external legislation
- The current state of Data Governance at FNDC is in its infancy. It is critical that Data Governance has a solid base of governance policies and Data Management as the foundation to build on. For the data governance policies to be successful an organisational mandate is required to ensure these are followed and embedded. Data must be seen as an asset to have the best data possible that is used and analysed appropriately. This calls for an organisational cultural adoption of Data as an asset. This starts with education and 'marketing' of the concept of data as an assets and analysis as a driver for the delivery of value. A number of sessions have to be held across all levels of the organisation to create an awareness of what Data Governance and Management are.
- Currently Data Governance only exists at FNDC because I.S. is forced by technical constraints (E.G. Database technical requirements) to enable or enforce (at a technical level) some standards.
- Data Security, with the exception of the standard security measures supplied by the IS infrastructure, is lacking. An example of this is actual customer records being used for testing.

Existing Treatments

- High level treatment plans:
 - Creation of ARF Data Governance Sub-committee
 - Creation of data governance internal policies and procedures
 - Policies for – Data (Security, Privacy, Ethics, Retention, Sourcing)
 - Monitoring performance
 - Full reporting on raw data (meta-data)
 - Legislative & Audit compliance including Internal data audit

Where are the gaps? / what more could we be doing?

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	Mgr. Programme Delivery and BI	Date accepted:	30/05/19	Six monthly

Description of risk and impact

- Organisational Cohesion is the ability of the parts of the organisation to work together in a collaborative and productive manner to deliver on its strategies, plans and objectives.
- Local Government organisations work on complex, costly and often politically and socially sensitively multi-faceted issues requiring multiple parts of the organisation to work together effectively.
- Breakdowns in cohesion can lead to costly delays and additional impacts such as communication overheads, lower morale, trust and churn.

Existing Treatments

- High level treatment plan:
 - Governance Diagnostic 14 point recommendation suite implementation, particularly:
 - 2. FNDC Governance work with the CE to support FNDC Governance to have strategic input to current Annual Plan process.
 - 3. FNDC adopt a clear visual representation and organisational understanding of Vision, Strategies, Committee Priorities, Goal setting and regular Performance Monitoring
 - 4(i) Agree on an operational response mechanism such as a dashboard and the technology to share data
 - 5. Vision to prioritising portfolios or equivalent to drive governance management engagement.
 - 6. Committee Structures revisited as discussed to reflect the outcomes desired.
 - 7. Look at shaping agendas to full Council
 - 10. Re-consider and affirm Council's approach to regulatory functions
 - 13. Consider organisational and governance work with iwi and hapu
 - 14. Prepare an induction process for the 2019 elections
 - CouncilMark improvements:
 - 2. Governance Management Relationship Development Improvement
 - 3. LTP Improvement
 - 4. Publish Vision and Goals Improvement
 - 7. Driving Excellence in Reporting Improvement
 - 10. Annual Report Improvement
 - 15. Te Hono Improvement
 - 30. Communications Strategy Improvement
 - 31. Engagement Strategy Improvement
 - 34. Process Management Framework Improvement

Where are the gaps? / what more could we be doing?

- Governance Diagnostic and association recommendations suite is scheduled to be formally adopted by the Council at its August meeting. This will be the trigger to formally activate this treatment plan. The Governance Diagnostic recommendations suite is a robust set of treatments; there are no gaps currently identified.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
39	—	14	Responsible:	CEO	Date accepted:	30/05/19	Six monthly

Description of risk and impact

- Customer Service Delivery is the efficient and cost effective delivery of required District Council services to residents, ratepayers and the community. This includes timely processing and communication with the public around services.
- Inefficiencies with other council service processing and information flows – including the RFS process – which causes delays in processing requests and affects timely communication with customers.
- Frustrated customers often call elected members who need to escalate or facilitate information back to the individual.
- Customer satisfaction is linked to CEO KPI 6.2
-

Existing Treatments

- High level treatment plan:
 - Customer Experience Lead appointed to P&C team June 2019
 - Customer Experience programme
 - CouncilMark improvements:
 - 21. Customer Experience Programme Improvement
 - 24. Online Services Improvement;
 - 27. BCA Accreditation Improvement;
 - 28. Resource Consents Renovation Improvement;
 - 34. Process Management Framework Improvement;
 - 30. Communications Strategy Improvement;
 - 31. Engagement Strategy Improvement.
 - CouncilMark improvement Customer Service Delivery Synergies:
 - 5. Targeted Onboarding Programme Improvement;
 - 8. Organisational Culture Improvement;
 - 23. Strategic Workforce Planning Improvement.

Where are the gaps? / what more could we be doing?

- RFS Redesign Project

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	Mgr P&C	Date accepted:	30/05/19	Two monthly

Description of risk and impact

- Under the requirements of the Building (Accreditation of Building Consent Authorities) Regulations 2006 the BCA must have a system for ensuring that it has enough employees and contractors to perform its building control functions, this includes having both the capability and capacity to ensure that its performance levels such as meeting 20 day statutory timeframes are met and all activities required under the Regulations are carried out in a timely manner. Failure to do so by the time of the next assessment will likely affect the IANZ accreditation status of the BCA.
- A summary of the areas of non-compliance is provided within the IANZ Building Consent Authority accreditation assessment Report 28-30 May 2019. The three greatest areas of concern were:
 - The BCA did not have an effective reporting system. It was unable to actively monitor and provide feedback on the performance of its critical functions.
 - The BCA was not meeting the requirements of the Building Act. The BCA was not consistently issuing building consents within 20 working days. The BCA's records for compliance with the statutory clock did not include building consents where a decision whether to issue a CCC at 24 months was required. Note that the BCA was reported to have a large number of these consents over 20 working days. The BCA was not actively monitoring the amount of time between booking an inspection and the availability of the next available inspection slot (in that area).
 - The Technical and Management Manuals did not fully reflect the requirements of the MBIE guidance and checklists.

Existing Treatments

- On the ARF agenda is a separate treatment progress report.
- High level treatment plan:
 - Comprehensive action plan by regulation with milestone dates to achieve compliance
 - Additional support to achieve compliance being provided by organisation
 - CouncilMark #27. BCA Accreditation Improvement
 - Outsourced technical and quality systems support
 - A proportion of building consent processing and inspections are outsourced to provide capacity and capability
 - Appointment acting Quality Manager until permanent appointment made
 - Actively recruiting building officers

Where are the gaps? / what more could we be doing?

Future proof to manage this risk following Sept/Oct audit

- Resource modelling

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	Jan 19	Report frequency:
	—		Responsible:	GM DS	Date accepted:	30/05/19	Monthly SLT/ARF/Council

6.3 INTERNAL AUDIT AND ASSURANCE

File Number: A2542003

Author: Lisa Huria, Audit and Assurance Specialist

Authoriser: William J Taylor MBE, General Manager - Corporate Services

PURPOSE OF THE REPORT

The purpose of this report is to provide the Audit, Risk, and Finance Committee an update on work completed within the FNDC Assurance Programme 2019.

EXECUTIVE SUMMARY

- The Audit, Risk, and Finance Committee approved the FNDC Assurance Programme 2019 at its March 2019 meeting.
- This report provides an update to the Audit, Risk, and Finance Committee on work completed within the FNDC Assurance Programme 2019.
- The Assurance Programme included the development and implementation of a Legislative Compliance Framework.

RECOMMENDATION

That the Audit, Risk, and Finance Committee receive the report “Internal Audit and Assurance”.

1) BACKGROUND

At the Audit, Risk, and Finance Committee March 2019 meeting the Committee approved the FNDC Assurance Programme 2019. This programme consisted of a number of areas requiring assurance such as Legislative Compliance, Conflict of Interest Management and a review of our Three Waters Interim Alliance Agreement with Broadspectrum Ltd. The Three Waters Interim Alliance Review Agreement report was provided to the committee at its May 2019 meeting.

Our newly appointed Audit and Assurance Specialist is now in the process of developing a Legislative Compliance Framework.

2) DISCUSSION AND OPTIONS

The following report is for information only and provides an update to the Audit, Risk, and Finance Committee on the development of a Legislative Compliance Framework. It also explains what a Legislative Compliance Framework is and the importance of this operating effectively within Council.

Legislative Compliance Framework

The June 2018 report from Audit New Zealand made the following recommendation with a priority rating of ‘necessary’:

Legislative Compliance System:

We recommend that a mechanism for monitoring compliance with legislative requirements is put in place as part of the Council’s overall risk management strategies.

Audit New Zealand did not specifically provide any guidance on how they would like FNDC to undertake this recommendation, but the current practice of factoring legislative compliance into risk assessments and audits is not enough to satisfy their requirements.

What is a Legislative Compliance Framework?

A Legislative Compliance Framework is an essential part of managing risk in any organisation. It enables Council to carry out its statutory functions and duties by establishing and maintaining a system for monitoring and reporting on compliance with key legislation.

The community, Elected Members and staff have an expectation that Council will comply with applicable legislation and will take all appropriate measures to ensure that expectation is met. The ability to comply with legal requirements supports our organisation in achieving its vision, strategies and goals.

Why do we need a Legislative Compliance Framework?

Council has an obligation to ensure that we are fully compliant with our legislative requirements. Currently each individual business group is aware of their own legislative requirements and it is their responsibility to meet these. Management have no single view across the whole organisation as to what legislation we need to adhere to, and which roles are responsible for compliance.

A Legislative Compliance Framework will prevent, and where necessary, identify and respond to breaches of laws, regulations, codes or standards occurring in the organisation. It will promote a culture of compliance within the organisation and assist Council in achieving the highest standards of governance.

Its purpose is also to protect staff from inadvertent or accidental breaches of the law. Council and its staff could face severe penalties for failing to comply with legislation with consequences that may include:

- Negative publicity and damage to reputation
- Loss of trust and reduced public regard
- Loss of accreditation
- Loss of revenue
- Financial penalties
- Legal action arising from non-compliance
- Personal liabilities of staff.

How will we develop a Legislative Compliance Framework?

The Legislative Compliance Framework will be implemented in a phased approach with the first step being the planning and design phase.

The next step will be to develop and implement the framework. This will include identifying the relevant legislation that applies to Council's activities using a 'Legislative Compliance Register'. The register will include details of the key acts and other legal obligations or requirements, and will specify the assigned roles and responsibilities to ensure legislative and regulatory obligations are met.

We will then provide training and guidance for the relevant staff on their role, responsibilities and legislative requirements.

Once the Legislative Compliance Framework is implemented, we will need to provide the resources to remain current with new or amended legislation, conduct audits to ensure there is continued compliance and establish a mechanism for reporting non-compliance. We will also review accidents, incidents, complaints and other situations where there may have been non-compliance to assess how the systems of compliance can be improved.

Reason for the recommendation

This report is for Information only

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

This report is for information only.

ATTACHMENTS

Nil

6.4 UPDATE ON RISK TREATMENT PLAN - MAINTAINING BUILDING CONSENT AUTHORITY IANZ ACCREDITATION IN OCTOBER 2019.**File Number: A2551082****Author: Trent Blakeman, Manager - Building Services****Authoriser: Dean Myburgh, General Manager - District Services****PURPOSE OF THE REPORT**

To update the Audit, Risk and Finance Committee on steps being taken to address the risk associated with the Building Consent Authority (BCA) Accreditation identified as part of the Top 12 Council risks.

EXECUTIVE SUMMARY

This report is part of a series of proposed regular updates to the Audit, Risk and Finance Committee on progress against achieving compliance with the Building (Accreditation of Building Consent Authorities) Regulations 2006.

Following an out-of-audit-cycle visit by IANZ at the end of May 2019, a report was received detailing a number of non-compliance areas that require further attention prior to the scheduled IANZ audit (30 September to 4 October 2019). These non-compliance areas were included in the preliminary Work Schedule to establish a consolidated Work Schedule (refer to **Attachment 1**).

The consolidated Work Schedule forms the basis upon which the risk associated with not maintaining Far North District Council's (FNDC's) BCA Accreditation is being addressed. It is Regulations-driven, incorporating and addressing all of the non-compliances with the Regulations. The Work Schedule also addresses the minimum policies, procedures and systems a BCA must have and consistently and effectively implement to gain accreditation.

Mitigation of the risk involves addressing each of the Regulations and sub-categories in the Schedule. Detail regarding the extent of compliance with and adherence to the 20 working day timeframe is covered in the body of the report.

RECOMMENDATION

That the Audit, Risk, and Finance Committee receive the report "Update on Risk Treatment Plan - Maintaining Building Consent Authority IANZ Accreditation in October 2019."

BACKGROUND

For some time Building Consent Authorities (BCAs) within Councils throughout New Zealand have experienced the pressures of high volumes of consent applications that have arisen due to the building boom. The Ministry of Building Innovation and Employment (MBIE) and BRANZ reports indicate that the high volumes of building consents may continue until 2023, depending upon economic cycles. The BCA has addressed a number of process improvements during the July 2018 to April 2019 period that have brought their own pressures to bear on the Department.

An update on progress in preparation for the October IANZ audit is included below and in Attachments 1 and 2. These attachments are up to date at the time of writing this report, but a copy of the updated Work Schedule will be provided at the Committee Meeting.

DISCUSSION AND NEXT STEPS

1. FNDC's preparation for the IANZ audit in September / October 2019

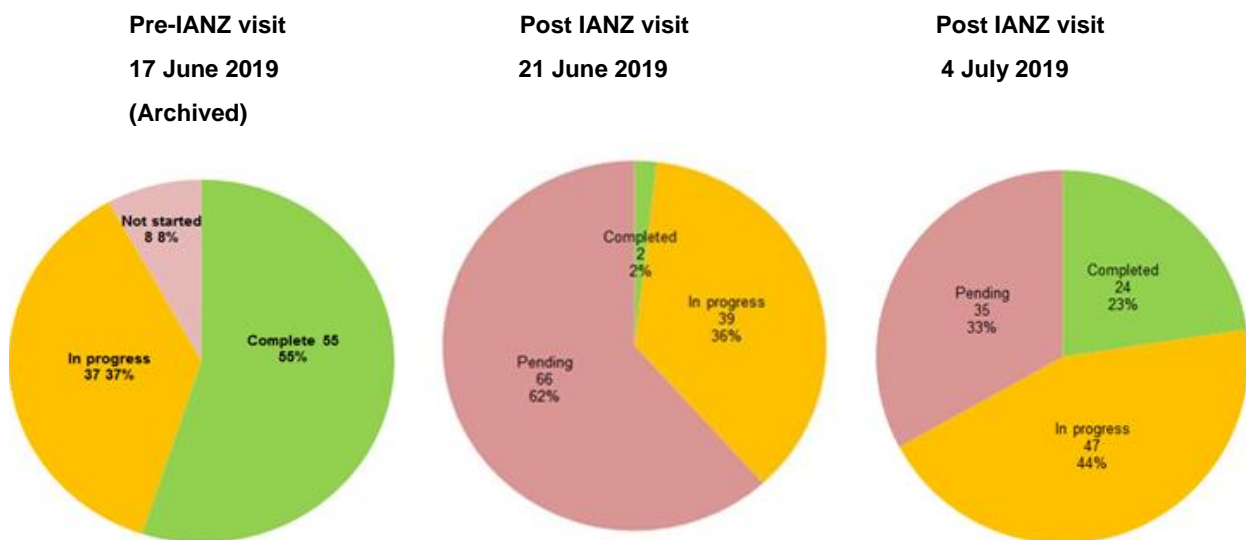
Further work has been completed with the assistance of two experienced independent assessors (and members of the IANZ BCA Professional Advisory Committee) to advise on the level of compliance and any areas of non-compliance.

Rose McLaughlan (NZ Building Inspections and Training Ltd) will undertake a last independent audit in mid-August, six weeks prior to the IANZ audit to ensure that any final preparations are completed in good time.

During July, additional inspectors are being sourced from elsewhere in New Zealand to assist with a backlog of inspections that is being experienced.

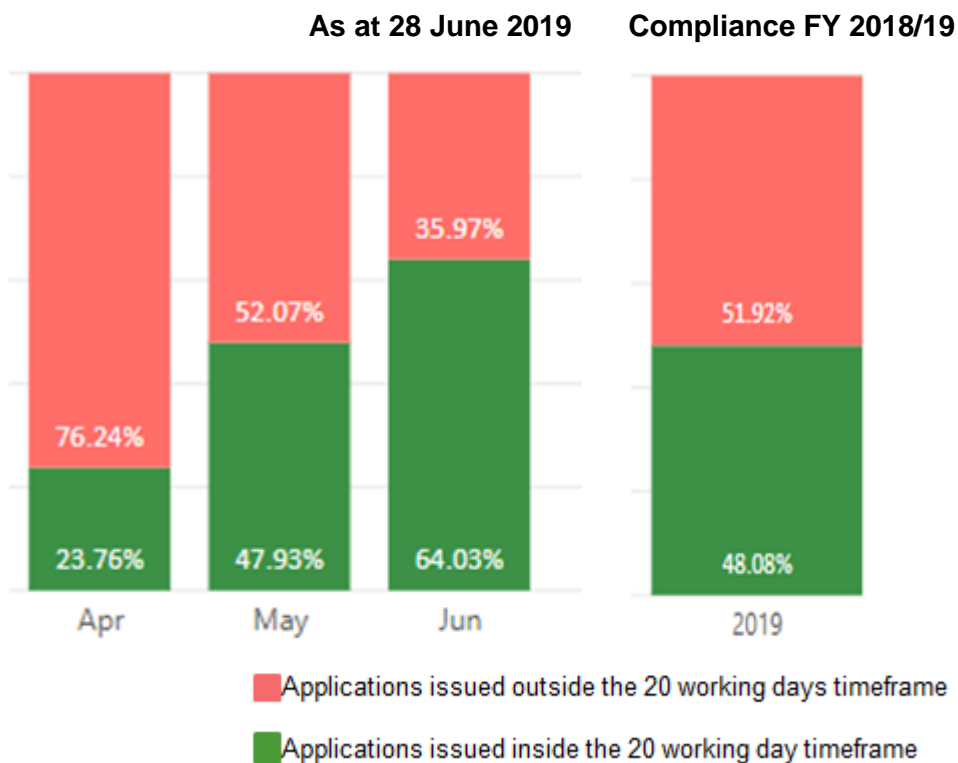
Council officers are reviewing progress on a weekly basis and providing fortnightly updates on progress to the Chief Executive. These updates, together with further reporting to Elected Members on progress (as part of the CEO Report to Council, reports to the Audit, Risk, and Finance Committee and any other (more frequent) progress updates that may be required) will ensure that the Far North District Council BCA can have confidence in the preparation and measures being taken to mitigate the risk.

2. Progress against the Consolidated Work Schedule

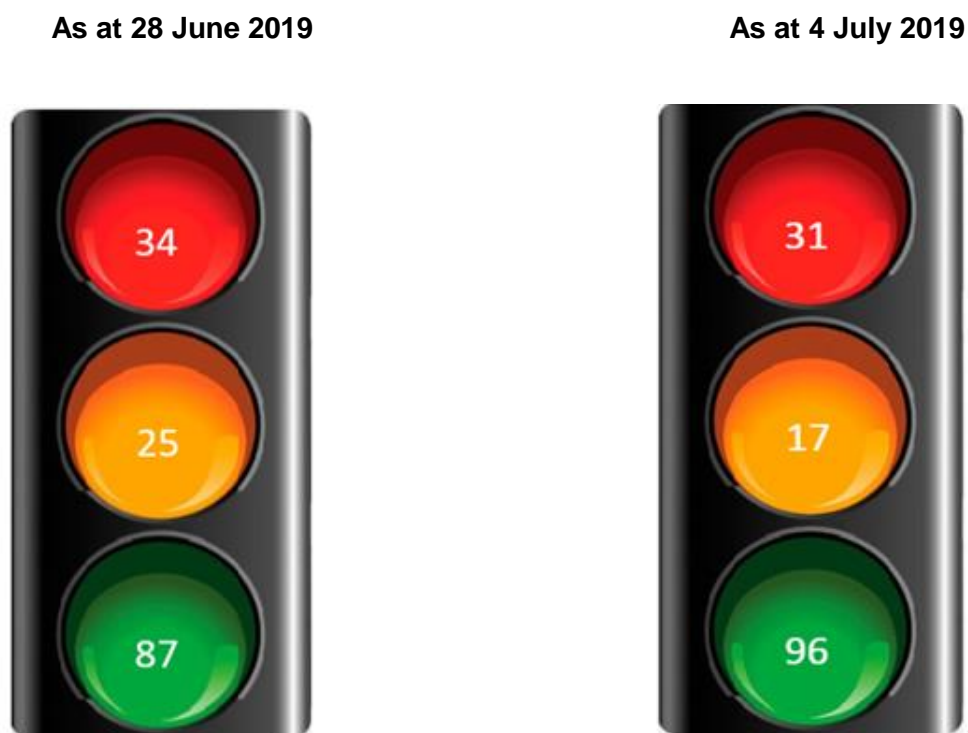


* **Note:** The remaining 45 incomplete tasks from the Pre-IANZ work schedule have been inserted into the Post - IANZ work schedule which accounts for 42% of the overall scheduled items

3. 20-day compliance: applications issued within 20 days



4. Current unissued building consents (20-day compliance)



Clearing backlogs of consents (red traffic light) is being addressed and will significantly impact compliance percentages in the coming weeks.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

All initiatives undertaken to address identified non-compliances will be undertaken within existing budgets or within CEO delegations.

In the event that any financial decisions are required by Elected Members, reports will be prepared for the appropriate Committees or Council.

ATTACHMENTS

1. **Accreditation Work Schedule 2019_090719 - A2558137** [!\[\]\(cd96a29cfa54a475d38d3788a69684bd_img.jpg\)](#) 

KEY CODE:

- status of tasks that are in progress, completed or pending a start date
- tasks that are progressing
- the expected completion date
- the timing of a pre-IANZ audit internal review to assess any gaps

Regulation	Regulation Sub-Category	Title	Problem	Requirements	Reporting requirements	Who	Comments	Needs audit	Status	21/06	28/06	05/07	12/07	19/07	26/07	02/08	09/08	16/08	23/08	30/08	06/09	13/09	20/09	27/09	IANZ Audit 30/09 -04/10
6	6b, c & d	Decisions	Does not meet requirements	All reasons for decisions to be recorded appropriately against all processes. 1. Building consent issue 2. 12 Months lapse of consent 3. CCC form 6 issue of 4. CCC refuse 24 month 5. Inspections 6. Multiuse (10 days) 7. FEU 8. PIM decision (Process to be lodged for each item and assign within BCA file system) (Note/memo field to be used in pathways to record decision)		All staff	All reasons for decisions to be recorded appropriately against all processes. 1. Building consent issue processing sheet OK 2. 12 Months lapse of consent OK 3. CCC form 6 issue of T33 ok 4. CCC refuse 24 month ok 5. Inspections ok 6. Multiuse (10 days) 7. FEU should admin. or Bent do this? 8. PIM decision ok (Process to be lodged for each item and assign within BCA file system)	y	In progress																
7	7.2.d	12 month consents - lapsing - backlog		Report has been done kelvin to provide a plan to show IANZ on how we are clearing the back log.		Kelvin	kelvin need to product a work schedule for how we are addressing the 100 that are over due. Time frame. Process map has been completed kelvin to add to BCA file system.		In progress																
7	7.2.e	24 month consents - decision - backlog		Report has been done kelvin to provide a plan to show IANZ on how we are clearing the back log.		Kelvin	Report has been completed, and is being actioned. Kelvin needs to produce a work schedule for how we are addressing the 900 that are over due. Time frame. Process map has been completed. Kelvin to add to BCA file system.		In progress			x													
7		Number of RFIs on hold		Work flow task to be added to the RFI letter to ping Building support inbox when 20 ans 10 letters are due. This is an interim fix Currently 52 applications on hold awaiting BC info tph		Marion	Process map for RFI reminders. Adjust work flow to suit and notify BSG. TPH.		In progress																
7	7.2.d	Granting consent - payment issue		How many consents on hold pending payment? (2) Implications with lapsing and levies if left on shelf. Item 7 from previous list		John	ask marion about this? Are we lapsing after 20 days? Can we lapse. Or do we look at getting payment up front.		In progress																
7	7.2.d	Form 4		Being used for purposes other than advising RC is required.		John	Form 4 only for RC all else on guidance form. Talk to aroha to complete and marion to enter in to the system.		In progress																
7	7.2.d	Stopping the clock for planning issues		Inappropriate use of		John	Identify planning issue and pass to planing team. RC requied carry on.		In progress																
7	7.2.c	Vetting - tech vet		No resource to carry out this task at present.		Brent	Brent has been instructed to provide note for processing check list, the tech vet for Res 1-2 and Com 1 is to be conducted by processing officer. not more than half an hour, if they are not happy, say more than 20 RFI points they send application back to the admin team for refusal. For Res 3 and Com 2-3 a tech vet is to take no longer than an hour with exception of a Com 3 which is at the decision of the processing officer, again if not happy and RFI exceed say 30 application is to be returned to admin for refusal. Brent has forwarded draft to be added, check against reg and final with Audit from rose.	y	In progress																
7	7.2.a, b, c	Update website - consumer information		Check website to see if issues identified in Nov 18 have been corrected. Also refer to audit results for gaps in information		John			In progress																
7	7.2.e	CS need to be prepared at time of consent and specified systems identified as part of form 5		Information will be collected in the form 2 simpli form to be used by the processing officer to draft the compliance schedule as currently used in the processing check list. all information must be available at this stage for the issue of the compliance statement. for the final a question needs to be asked if the compliance schedule has changed for the consented documents? if so the applicant needs to supply an up date schedule for the inspector to take to inspection. the information required for the issue of the compliance schedule at ccc should be available for the admin time to simply inter in to the system		John	to be confirmed with marion to process map. Ensure vetting team/ tech vetting cover this off.		In progress																
7	7.2.e	Ensure compliance with 20-day clock - CCCs				Trent	Need to have a standard report to check this. The Bi team are working on this. I have the report from Gazelle which should be sufficient once marion and the team have made adjustment to the status of the CCC. Most likely the compliance percentage will drop but be accurate. crystal report curntly states a . Marion is going to draw process map for ccc wrok flow to be approved by rose before going any further.tphb		In progress																
7	7.2.d and 7.2.f	Solid fuel heating		Issues with information coming in for consent and inspections not being called (refer lapsed consent report). Work with Home Heating folk to improve quality of information and notification. Investigate whether PS3 can be utilised		John	We have had a discussion about the use of a PS3 for the installation of a fire place, and desided that an inspection is required. If inspection is not being called for this will be picked up in the 12 month lapse reminders. We could look at sending a reminder 3 months after issue of the consent as well as a way of managing this? talk will marion.		In progress																

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7	7.2.b	Form 2	All relevant information on Form 2 is completed by the applicant	Forms must be completed in full if not need to reject		Admin Team	John has spoken to the lodgement team about the completeness of the form two and refusing it of it is not complete. Spoke to Marion, Admin team is to ready both the MBIE guidance and the QM to understand what is required. TPH	Y	In progress																
7	7.2.b	Vetting	Does not meet requirements	Do not accept incomplete or poor applications		All staff			In progress																
7	7.2.d.v	Granting	Processing of consents	Ensure all consents are processed within 20 working days Ensure all National Multi-Use consents processed within 10 working days	Y	Brent	Brent is mangaeing this with the traffic light, we look to be processing under the 20 day time frams currently but there are a num ber og consent on hold that are over thye 20 day time frame already and these will effect our compliance. Trent to get report from g to show how many that are on hold are over the 20 day time frame.		In progress																
7	7.2.d.v	Granting	Processing of consents	Need to record the reasons why an application goes over time in every instance	Y	Brent	(Process required) Sheet that has report form BI team list application progress thruht pathways system and comment form processing team leader. Trent to forward to reprot from BI . Process map to be made by Trent		In progress																
7	7.2.d.v	Granting	Processing of consents	Need to audit staff on regular basis		Brent	Brent to adjust form and get training off John . Also make location for the audits in objective. All attachements to be part of the audit sheet/file.		In progress																
7	7.2.d.v	Lapsed consents current	Does not meet requirements	Come up with a plan for backlog and stick to it	Y	Kelvin	Processing map complete, Has work start, is this a fire place? Make sure process map and or policy in placed in the bca file system.		In progress																
7	7.2.e	Inspections	Inspection wait times	Need live information about wait times	Y	Greg	Input from guy to see if bi can give us a live picture of this. For now inspection waiting times will be assessed each week and given the the CSO team. Greg to email CSO team to explain that these total will be used for the whole week.		In progress																
7	7.2.e	Inspections	Monitoring	Need to audit staff on regular basis		Greg	Talk to john to get training on how to complete an audit and Rose will be completing an audit schedule.		In progress																
7	7.2.f	CCCs	Application	Need to acknowledge the receipt / refusal of the CCC application form		Marion	Process required. CIP submitted for consideration and approval before implementation.discussed with marion three options 1. form 6 received ok and consent iussed. 2. form 6 received ok rfi issued with ackwonldgement of form 6 okand stat clock started . 3. form 6 received not ok rfi sent with acknowledgemet		In progress																
7	7.2.f	CCCs	Issue / refuse	Need an RFI report on all CCCs	Y	Marion	run report under 2yr and over 30 days and refuse all.		In progress																
7	7.2.f	CCCs	Issue / refuse - 2 year	Continue with process of notifying applicants that their consent is approaching 2 year timeframe		Marion	Process has been mappped and with be added as a CI. Process is on going.		In progress																
7	7.2.f	CCCs current	Issue / refuse - 2 year	Come up with a plan for backlog	Y	Kelvin	Process map completed BSG is completing the letters and Kelvin is following up. Is the consent for a com or swimming pool etc. Make sure process map and or policy in placed in the bca file system.		In progress																
7	7.2.g and 7.2.h	Complaints	Update QM	Policy to reflect actual process		Trent / Dean	Draft Complaints Policy and Procedure completed. BCA Complaints about Professionals and Practitioners Policy and Procedure completed. Process maps of these complaints processes to be added to Quality Manual.		In progress																
7	7.2.d and 10	PIM process - s.72 and 75		Check with Aroha		John	Aroha is to only do the paper work where require the decesion to place a section 72 on a property is at the decertion of the building control officer processing the consent. Where is this to messaged and how. On brents return have a seccion with the team. tphb		In progress																
8	8	Productivity reports		Currently unable to provide instant reports for the following: * 20 day timeframe * customer working days * vetting/lodging applications * live consents * workload for PIM officers * workloads for internal/external staff * inspections per month * four year trend for building inspections and consents		Trent	I have already spoken to Gazelle, I will meet again with a full report requirement to be loaded in to Q&A		In progress																
8	8	Ensure enough resource in Building				Trent	I need to use the reg 8 calculator and report on it.		In progress																
8	8	Resourcing	Reporting requirements	Need to be able to report on volume of work processed, inspected and approved over the last two years (need to be able to identify peaks and troughs, seasonal or other fluctuations	Y	Trent	BI can do this as well as a Q&A report.		In progress																
8	8	Resourcing	Reporting requirements	Need to be able to report on volume of work being processed by staff and contractors	Y	Trent	Brent is going to look at report for this I will also add to my list to see what Q&A can produce.bi team is looking at this.		In progress																
9	9	Resourcing	Reporting requirements	Need to report on consent categories and who processed by (allocation)	Y	Brent	Report on how many of each competence level each officer is processing to enable forecasting model and run the business.		In progress																

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10	10	Competency Assessments	Does not meet requirements	Need to be completed annually for each person undertaking a technical role Need to record reasons for decisions (i.e. if training is identified, why) Need to have evidence attached (cannot refer to discussions without providing the evidence of what was discussed) Need to use appropriate templates Need to refer to revised guidance published in 2017		Bill	IANZ have provided comment on the current assessments for Bill to rewrite and pass back for reassessment, Bill will then rewrite all on the week of the 22-7		In progress																
10	10	Skills matrix	Does not meet requirements	Does not meet NCAS system - for example: Staff competent to do RES 3 but then limited to one storey Staff competent to COM 1 but then limited and can't do specified systems		Bill	With the completion of the assessments this will be looked at and check for compliance.		In progress																
10	10	Skills matrix		Need updating and simplifying		Trent	This has been done and is in TK2 if this is the one we are using we need to control it. And hold version control in the BCA system.check with Rose that this is ok. May need to also keep national system in the BCA file system as the master.		In progress																
11	11.2.e	Supervision of staff (not yet competent to perform				Greg	Need to speak to greg to see how this is being done current and document it.Greg and sibby to supervise all inspectors		In progress																
11	11	Training	Does not meet requirements	Need individual training plans for each employee specifying the outcomes required Need to programme that training and make sure it happens Need to monitor the effectiveness of that training Need to record reasons if training does not proceed		P&C	Bill and brent are to help with this.		In progress																
11	11	Provide records of training - individual assessment records, attendance lists, results for tests, etc and evidence to justify decisions				Trent	Most of this is in the system already just need to check for gaps.		In progress																
11	7.2.e and 11	Provide training on compliance schedules		Plug gaps		Trent	First training session has been completed. Next session is to be completed on the standards required for installation and monitoring of the specified system.arrange a training time with bill and john . Marion and I will process map and ensure end to end process which is loaded into the QM.		In progress																
12	12	Audits on work performed by contractors		Need to do audits on contractors work and monitor their performance		Brent	Brent has asked national processing for their Audits of their staff. Audit will be complete as part of quality system.		In progress																
12	12	Contractors	Does not meet requirements	Need to annually (or sooner) review the performance of contractors (timeliness, complaints, record keeping, etc)	Y	Brent	Contracts are being rewritten check that there is sufficient performance detail in them. We have already been doing this with national processing as we are relieving complaint about cost and time to complete the consent.		In progress																
13	13	Contractors	Does not meet requirements Some of this information is there but need further measures to be put in place. For example, explain your expectations about the time they have to react	Contracts are a bit light on performance requirements - consider adding addendum Record keeping Regulation 6 b,c,d Scope of services Expected standards Quality performance indicators Powers and authorities Requirement for annual competency assessments / skills matrix		Dean	Input from Dean /maggie draft to be approved by Myself and Rose		In progress																
13	13	Technical Leadership	Does not meet requirements	Need to replace previous technical leader and provide appropriate documentation for replacement matrix needs updating. Are decisions for leadership robust?	Skills	Trent	John Tait to be tech lead for all. Sibby for NZS3604, Brendan for Plumbing and drainage. To be confirmed Alan moeld for C docs.provide record s to show decesion why these persons are being used to be techical leads.		In progress																
14	14	Resources	Equipment	Need to complete equipment audit		Greg	Greg is 50% done		In progress																
16	16	Record keeping	Does not meet requirements	Waiting on IANZ report		Trent	We need to understand where all items required for audit are kept in our system to allow fast recovery for IANZ and to show confidence that we know what we are doing. Need to do test with rose to see what we done know.		In progress																
17	17.2.h	Undertake audits on staff - inspections				john / greg	Greg to complete.		In progress																
17	17	Locate all forms and letters; need to do version control on all documents		No document control or version numbers; forms missing		Shaylah	Shayla to check with rose		In progress																
17	17.2.h	Locate audit sheets and review				Rose			In progress																
17	17.2.e	CI register		Review and close out CIs; start new register once these issues ratified		Rose			In progress																
17	17.2.h	Update audit schedule				Rose			In progress																
17	17	Quality Manual	Does not meet requirements	Write new manual to reflect requirements of the regulations incorporate technical manual into this document		Rose			In progress																

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17	17	Induction	Does not meet requirements	Create an induction checklist for all new starts Bill has this ask him.		Trent	On boarding from P&C and introduction training from bill. Both to be loaded into system or Process map for new employee .contact both and ask for material to add.		In progress																
18	18	Qualifications	Does not meet requirements	Enrol Josh on Diploma course NB you have 12 months to register Hayden and Mike (from the time they commenced employment). May want to consider bonding		Trent	Look at time for enrolment of Josh.		In progress																

7 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Confirmation of Previous Minutes (Public Excluded)	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - FNDC Current Legal Action Potential Liability Claims	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good

	deceased natural persons	reason for withholding would exist under section 6 or section 7
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8 MEETING CLOSE