



Far North District Council



AGENDA

Audit, Risk, and Finance Committee Meeting

Thursday, 26 September 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	<p>I am the director of a planning and development consultancy that is based in the Far North and have two employees.</p> <p>Property owner of Commerce Street, Kaitaia</p>		<p>I will abstain from any debate and voting on proposed plan change items for the Far North District Plan.</p> <p>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.</p> <p>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.</p>
	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
	Kurbide 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@ksbookkeeping.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
	Sister is employed by Far North District Council			Will not discuss any matters regarding her role or my role as Councillor that are confidential.
	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 26 September 2019 at 12.45 pm

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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: A2564502

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 25 July 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 25 July 2019 - A2572620** [↓](#)



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, 25 JULY 2019 AT 12:45 PM**

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

STAFF PRESENT: Shaun Clarke - Chief Executive Officer, William J Taylor MBE - General Manager Corporate Services, Andy Finch – General Manager Infrastructure and Asset Management, Darrell Sargent – General Manager Strategic Planning and Policy, Dean Myburgh – District Services, Darren Edwards – General Manager Environmental, Community and Customer Services, Janice Smith – Chief Financial Officer, Richard Edmondson – Manager Communications, Matt Bell – Manager Risk and Improvement, Tanya Reid – Business Improvement Specialist, Glenn Rainham – Manager Infrastructure Operations, Guy du Toit – Programme Delivery and Business Intelligence, Kirsten Shearer – Business Partner, Lisa Huria – Audit and Assurance Specialist, Scott May – Business Improvement Specialist, Kim Hammond – Meetings Administrator

1 APOLOGIES AND DECLARATIONS OF INTEREST

There were no apologies or declarations of interest

2 DEPUTATION

There were no deputations

3 CONFIRMATION OF PREVIOUS MINUTES

CONFIRMATION OF PREVIOUS MINUTES

Agenda item document number A2497689, pages 14 - 21 refers

COMMITTEE RESOLUTION 2019/16

Moved: Cr John Vujcich

Seconded: Cr Colin (Toss) Kitchen

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.

CARRIED

4 STRATEGIC PLANNING AND POLICY GROUP**RISK MANAGEMENT POLICY**

Agenda item document number A2541869, pages 22 - 27 refers

COMMITTEE RESOLUTION 2019/17

Moved: Cr Kelly Stratford

Seconded: Mayor John Carter

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

)CARRIED

Note: request that a workshop be held in the new triennium to cover the Risk Management Framework

5 CORPORATE SERVICES GROUP**MOTION****COMMITTEE RESOLUTION 2019/18**

Moved: Cr John Vujcich

Seconded: Mayor John Carter

That item 5.1 FNHL – Re-Appointment of Directors be moved into the Public Excluded meeting to protect the privacy of natural persons.

CARRIED

5.2 AUDIT RISK AND FINANCE SUB-COMMITTEE DRAFT TERMS OF REFERENCE

Supplementary Agenda item 5.2 document number A2557674, pages 4 - 8 refers

COMMITTEE RESOLUTION 2019/19

Moved: Cr John Vujcich

Seconded: Member Mike Edmonds

That the Audit, Risk and Finance Committee adopts the draft terms of reference for the Data Governance Subcommittee.

CARRIED

6 INFORMATION REPORTS**6.1 REVENUE RECOVERY REPORT - JUNE 2019**

Agenda item document number A2550617, pages 28 - 32 refers

COMMITTEE RESOLUTION 2019/20

Moved: Cr Kelly Stratford

Seconded: Member Bruce Robertson

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

.CARRIED

Note: request a report be presented in the new triennium on the restrictions Council can place on those that have not paid their rates.

6.2 RISK MANAGEMENT REPORT

Agenda item document number A2543239, pages 33 - 52 refers

COMMITTEE RESOLUTION 2019/21

Moved: Member Bruce Robertson

Seconded: Member Adele Gardner

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

CARRIED

6.3 INTERNAL AUDIT AND ASSURANCE

Agenda item document number A2542003, pages 53 - 55 refers

COMMITTEE RESOLUTION 2019/22

Moved: Mayor John Carter

Seconded: Cr Tania McInnes

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

CARRIED

6.4 UPDATE ON RISK TREATMENT PLAN - MAINTAINING BUILDING CONSENT AUTHORITY IANZ ACCREDITATION IN OCTOBER 2019.

Agenda item document number A2551082, pages 56 - 63 refers

COMMITTEE RESOLUTION 2019/23

Moved: Cr Tania McInnes

Seconded: Cr Kelly Stratford

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

CARRIED

Attachments tabled at meeting

1 Tabled document - BCA Situation Report

6.5 LEVEL OF SERVICE KPI QUARTER 4 PERFORMANCE REPORT

Supplementary Agenda item 6.5 document number A2554782, pages 9 - 36 refers

COMMITTEE RESOLUTION 2019/24

Moved: Cr John Vujcich

Seconded: Mayor John Carter

That the Audit, Risk, and Finance Committee receive the report "Level of Service KPI Quarter 4 Performance Report".**CARRIED****Attachments tabled at meeting**

1 Tabled document - LOS KPI Q4 - updated page 5 - Roading measures

7 PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION 2019/25**

Moved: Cr John Vujcich

Seconded: Cr Tania McInnes

That the public be excluded from the following parts of the proceedings of this meeting.**The general subject matter of each issue 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
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 to unreasonably 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</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

	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)	
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
CARRIED		

2.1 CONFIRMATION OF INFORMATION AND DECISIONS IN OPEN MEETING

COMMITTEE RESOLUTION 2019/22

Moved: Cr John Vujcich

Seconded: Cr Tania McInnes

That the Audit, Risk and Finance Committee:

- a) approve that the following decisions contained in the part of the Audit, Risk and Finance Committee meeting held with the public excluded are to be restated in the public meeting

7.3 FNHL - RE-APPOINTMENT OF DIRECTORS

That the Audit, Risk and Finance Committee:

- a) *approve the re-appointment of Bill Birnie as a director of Far North Holdings Ltd for a further period of two years, to July 2021, at which point he will stand down from the board.*
- b) *approve the re-appointment of Ross Blackman as a director of Far North Holdings Ltd for a further period of one year, to July 2020, at which point he will stand down from the board.*
- b) approve that the following information contained in the part of the Audit, Risk and Finance Committee meeting held with the public excluded are to be restated in the public meeting

7.3 FNHL - RE-APPOINTMENT OF DIRECTORS

CARRIED

Attachments tabled at meeting

- 1 ARF 25 July 2019_FNHL - Re-appointment of Directors - Reinstated in public

8 MEETING CLOSE

The meeting closed at 3:27 pm.

The minutes of this meeting will be confirmed at the Audit, Risk, and Finance Committee Meeting to be held on 26 September 2019.

.....
CHAIRPERSON

4 STRATEGIC PLANNING AND POLICY GROUP

4.1 KOHA POLICY

File Number: A2542186

Author: Roger Ackers, Manager - Strategy Development

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

PURPOSE OF THE REPORT

To seek approval for the Koha Policy, in order to provide staff with guidance around the obligations associated with payment or giving koha.

EXECUTIVE SUMMARY

- The need to provide guidance to staff and elected members on engaging with the community to meet the obligations associated with payment or giving koha has been identified within the organisation.
- The Koha Policy formalises a practice already adopted by some Council staff members.
- The report provides the Committee with three options to consider including adopt the policy, maintain the status quo or defer the decision to a later date.

RECOMMENDATION

That the Committee recommend that Council adopt the Koha Policy.

1) BACKGROUND

The customary practice of giving and receiving koha is widely observed in the Far North District.

Administration identified that staff and elected members engaging with external parties on projects or attending meetings on marae needed some guidance to meet the obligations associated with payment or giving koha.

The Koha Policy aims to take an overarching organisational approach to support staff members and elected members who may be unaware or unsure of what to do when meeting externals or attending meetings on marae. Furthermore, it is important to take an organisational approach to the behaviour of staff to ensure there is consistency.

Council is currently in a process of change whereby a greater emphasis is placed on strengthening relationships and enhancing engagement with key external groups in the community. With this in mind, engagement with groups on marae throughout the region will increase. The Koha Policy supports this change from a relationship management perspective by assisting staff and elected members to behave consistently and in good faith.

2) DISCUSSION AND OPTIONS

Option One: do nothing

Under Option One no policy will be adopted and subsequently no guidelines (attached) put in place to support staff when considering giving a koha. The practice of giving koha will continue on a case by case basis.

Audit New Zealand, in past audits, have raised concerns when reviewing sensitive expenditure and have recommended that a koha policy be adopted to address the concerns that they have raised in regards to koha.

If this option is adopted Council loses the opportunity to take an overarching organisational approach to managing the obligations and expectations associated with giving koha. There is a risk that the adequate approval and reporting processes will not be put in place. This option is not recommended.

Option Two: Adopt the policy (recommended option)

Option Two proposes an approach to support staff and elected members by putting guidelines in place to manage obligations and expectations. This approach also supports recent developments in the Council to improve its relationship management. Approving the 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.

If this option is adopted Council will have a koha policy that assists staff and reflects the move towards strengthening and enhancing relationships within the community.

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

Option three proposes considering the policy once the new Council has been formed post the elections in October 2019. Option three would see the Koha Policy considered at the first committee meeting post the election.

If this option is adopted implementation of the policy will be delayed. Administration has identified the need to provide guidance to staff and elected members on when and what koha is appropriate. This need could be addressed by the implementation of the attached guidelines. However further delay in the adoption of a koha policy means that the concerns raised by Audit New Zealand remain. These concerns could manifest themselves as real issues for the Council in the absence of an adopted policy.

This option is therefore not recommended.

Reason for the recommendation

Option two is recommended for the following reasons:

1. It addresses the concerns regarding sensitive expenditure and koha raised by Audit New Zealand
2. it addresses the issue of uncertainty around the expectations and obligations associated with giving koha;
3. it adopts a best practice approach;
4. It supports the move towards strengthening relationships in the community.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Adopting the policy will have the following financial implications:

The koha policy requires new methods of reporting and a new process for approval. An annual budget of five thousand per locality totalling \$15,000 per annum is appropriate and in line with current expenditure. Ongoing operational costs will be resourcing to implement the policy. It is recommended that the Te Hono business group be considered as the appropriate group for implementation of the policy.

ATTACHMENTS

1. **2019 Koha Policy - A2656774** [!\[\]\(ebd6bb7e63799a540c476e56de06a0ed_img.jpg\) !\[\]\(e43afbdc743fd9d9a5a6d3c334ee35c3_img.jpg\)](#)
2. **Koha implementation guideline and process - A2646574** [!\[\]\(7bdb7a0d8bc456bf78d3c87f99586f5c_img.jpg\) !\[\]\(ac4918d513c8c222db0d525550a16080_img.jpg\)](#)

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. However the recommendation supports the relationship with Maori and has been developed in conjunction with the Maori Development Advisor.
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.	The financial implications have been considered and discussed in the report.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

Koha Policy

Adopted:

Reviewed:

1. Objective

Far North District Council (FNDC) recognises the requirement to give appropriate amounts of koha from time to time. The Koha Policy provides guidance to staff and elected members in order to meet the obligations associated with payment or giving koha to organisations and individuals.

2. Policy Statement

FNDC is committed to ensuring adequate approvals are in place for payment or giving of koha to organisations and individuals.

Responsibilities

FNDC shall where reasonably practicable, take responsibility as follows:

- determine the appropriate level of koha to give by considering the relationship between the recipient and the FNDC
- consider the occasion and location for which the koha is being given
- undertake an approval process with the appropriate financial delegation holder approve koha in advance
- record the reasons for the koha in a register
- maintain financial reporting standards by ensuring a separate recording process for koha
- ensure koha that is received remains the property of FNDC
- maintain integrity and impartiality at all times

3. Relevant Policies and Procedures

Tikanga Maori	Maori practices, customs, protocols and traditions
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4. Definitions

Term	Definition
Koha	an unconditional gift to an individual, party or organisation
Register	Register including date, recipient, payment, relationship and authorisation
Financial delegation holder	Chief Executive Officer

5. Approval

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

Signed by Far North District Council – Chief Executive Officer

Date:

Koha Guideline and Process

1. Purpose

Far North District Council (FNDC) recognises the requirement to give appropriate amounts of koha from time to time. The Koha Policy provides guidance to staff and elected members in order to meet the obligations associated with payment or giving koha to organisations and individuals.

2. Scope

This policy applies to all employees and elected members of FNDC.

3. What is koha?

Koha is a Maori customary practice, concept and process and is an extremely important part of the Maori culture.

Koha is considered a treasure by Maori and may be either tangible or intangible. It can be a physical thing such as food, money, reciprocal activity, certain rights and privileges to resources, land, heirloom, treasured item, or an intangible thing like a vision, thought, feeling, emotion, supernatural manifestation, concept, idea.

Because Koha is imbued with spirituality and cultural beliefs and practices, there is no clear-cut English translation and it has often wrongly been interpreted as a gift. The giving of Koha acts to seal a relationship and is part of the protocol of reciprocation. To minimise any likelihood of causing offence through misunderstanding, it is incumbent upon managers and staff involved in giving Koha to develop an in-depth understanding and empathy of the concept.

Koha is a 'Tikanga Maori' which means, according to the Resource Management Act 1991, a customary value and practice. In Section 39 part (2)(b) it states Tikanga Maori should be recognised where appropriate.

Koha is also a Taonga which, according to the Resource Management Act 1991, means something that is highly prized. Article 2 of the Treaty of Waitangi acknowledges the term 'Taonga'. This acknowledgement confirms and guarantees the full, exclusive and undisturbed possession of taonga to Iwi and Hapu. Therefore in certain situations it is up to Iwi and Hapu to declare when Koha might be considered as Taonga.

Non monetary examples of koha might include taonga, e.g. greenstone, carvings, kai (food), or resources readily available to FNDC (e.g., staff time and expertise, use of vehicles, facilities or outdoor equipment, such as marquees and seating, etc).

4. Definition

For the purposes of this policy, Koha will be defined according to the IRD

"An unconditional gift is defined as a donation made to a non-profit body, where the giver (or any relative) does not receive any goods or services in return for the donation. This carries with it no obligations to account for tax".

4. When to give koha

It depends on the occasion whether it is appropriate to give Koha. However the following are examples of when to give Koha.

Elected members and/or Council staff attend a gathering representing the Council, on a marae that involves a powhiri or welcome.

Elected members and/or Council staff attend a gathering representing the Council at a building that accommodates a Runanga or Iwi Authority and involves a powhiri or welcome.

Attendance by Elected members and/or Council staff representing Council at a tangihanga held on a marae or in a private home.

To any Kaumatua and Kuia or group supporting Council at any function involving a Whakatau or Powhiri.

7. When is Koha not given

Situations where koha would not normally be expected include:

When attending any hui as an individual not representing Council

Staff attendance at a regular meeting held at a marae

informal or ongoing discussions between staff and iwi representatives about a Council matter.

8. How to give koha

It is good practice to consult with a member of the Te Hono team before giving koha to ensure that it is given in a way that is appropriate for the occasion.

As a general rule, whenever a group goes on to a marae, and is welcomed, it is customary for the last speaker of the visitors to present money from the group, the “koha”, in an envelope.

Sometimes, it is fine to give the koha envelope quietly to the person who is running the hui, at the back later, however once again consult with a Te Hono team member to get the correct advice for the occasion.

9. How much should be given?

In determining an appropriate amount of koha for any particular occasion, Council must give due regard to standards of probity and financial prudence while being mindful of the cultural imperative of giving adequate or reasonably generous koha.

Another consideration and equally as important is that the amount of koha given should adequately reflect the status of Council's representative/s mana.

Here are some examples with suggested koha. Note that these examples only provide

a guide. They are not prescriptive. Staff must assess the amount on a case by case basis, if in doubt check with Te Hono.

Example 1 *A Council department is invited for a noho marae (overnight stay). The marae does not ask for a fee. This is clearly a case where koha should be given. Estimate the cost of meals and accommodation per person, and add a 'top up' in acknowledgement of hospitality.*

Example 2 *Two councillors and four staff hold a hui on the marae with local people about the preparation of a plan. The hui lasts four hours and lunch is served. Council gives a koha of \$200, plus any additional costs associated with lunch.*

Example 3 *A respected kaumatua, dies. A group of councillors and staff pay respects on behalf of the Council at his tangi. Council gives a koha of \$300.*

Example 4 *The Council decides it would like to hold a Treaty of Waitangi training workshop on a marae. The marae charges a fee for hire of the venue. Council pays the fee, and also gives a koha of \$150 in appreciation of the hospitality shown.*

Example 5. *The council is holding a citizenship ceremony and has invited a school group to perform waiata during the ceremony. Council gives a Koha of \$300*

10. Process for payment of koha

When staff/elected members attend a function on behalf of the Council, and koha is appropriate, a dollar figure or koha 'in kind' should be discussed and pre-approved by the appropriate General Manager. **NOTE** It is advisable that General Managers consult with a member from Te Hono to advise whether koha is appropriate.

The koha should be recorded on the Request for Koha form. Koha should be charged against the relevant department's GL code. If koha is monetary it should, where practicable, be given via a bank transfer, made out to the relevant iwi organisation/entity.

The Koha form should be given to the Finance Department at least three days before the koha is needed. Finance will process the form and make payment to the bank account specified.

If the payment is to be in cash then a petty cash request form (obtainable from the Finance Team) should be completed at least 2 days prior to the payment being required and then the cash can be collected directly from the bank by the relevant staff member and handed to the Group's General Manager.

5 CORPORATE SERVICES GROUP

5.1 RESTRICTING WATER SUPPLY OPTIONS

File Number: A2618783

Author: Janice Smith, Chief Financial Officer

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

PURPOSE OF THE REPORT

To provide the Audit, Risk, and Finance Committee with information to allow the Committee to make recommendations to the incoming Council/Committee on the possible use of water restrictors where water accounts are not paid or leaks are not remedied.

EXECUTIVE SUMMARY

- The Revenue Recovery report to the Audit, Risk, and Finance Committee in July identified an arrears value relating to the supply of water.
- The Committee asked staff to investigate options in relation to the possible restriction of supply on accounts where there was persistent non payment.
- The Committee outlined a desire to consider any options and recommend a course of action for a future Committee/Council to follow.

RECOMMENDATION

That the Audit, Risk, and Finance Committee recommend to an incoming Council/Committee:

- a) **That staff develop a procedure outlining the steps to be taken to identify water accounts that are either in arrears or failing to respond to leak advice notices, that should be subject to restriction of water supply.**
- a) **That once the procedure has been approved, pursue the installation of water restriction measures where water accounts meet the criteria set in the procedure.**

1) BACKGROUND

At the July Audit, Risk, and Finance Committee members indicated that they would like to have information brought back to them outlining what action could be taken where water arrears were accumulated over a period of time or leaks were not attended to.

2) DISCUSSION AND OPTIONS

Research has been undertaken in relation to the legal position of restricting water supply. Extracts from the relevant Acts and Council's Bylaw are attached for reference.

The Health Act 1956 allows water supply to be restricted but it can't be withdrawn. This means that the rate of flow to the household is reduced.

The current arrears levels relating to water accounts are as follows:

	Total arrears	Arrears older than 1 year	% older than 1 Year
General Title	\$505,452	\$306,385	61%
Maori Freehold Land	\$175,069	\$136,945	78%

Any procedure that is established will focus on accounts that are older than 1 year and will be applied to the oldest accounts first.

In order to reduce supply, a physical restrictor is required to be installed on the water line. This is a washer placed within the meter. It requires FNDC, DHB and security staff to be present when this is fitted. Due to the staff and other agency time required to install each restrictor it would be sensible to try and apply any procedure on a location basis.

Staff have discussed the restriction of water with other Councils and some (Wellington Water for example) do apply this tool to assist in the recovery of outstanding charges as well as focusing the customers attention on leaks.

Reason for the recommendation

The Audit, Risk, and Finance Committee requested that water restriction be investigated.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There would be a time requirement for FNDC, DHB and other staff to fit the restrictors to the meters and to remove them again once payment has been received, or the leak remedied.

ATTACHMENTS

1. **Legislation in relation to water restriction - A2649001**  

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	Low
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Legislation is attached to the report
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.	No specific community board impacts
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.	As this deals with arrears on water accounts on Maori Freehold Land there may be some impact on specific households if the proposal is approved.
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 (for example – youth, the aged and those with disabilities).	The procedure will identify what would need to be done if any of the customers likely to be affected had specific medical requirements
State the financial implications and where budgetary provisions have been made to support this decision.	No specific costs identified at this point
Chief Financial Officer review.	The Chief Financial Officer has prepared this report

Local Government Act 2002

193 Power to restrict water supply

- (1) The water supply to a person's land or building may be restricted by a local government organisation in any manner it thinks fit if the person—
 - (a) commits an offence against this subpart; or
 - (b) fails or refuses to do anything required by this Part in respect of water, water pipes, waterworks, or water races; or
 - (ba) fails to comply with any bylaw of a local authority that relates—
 - (i) to water, water pipes, waterworks, water races, or water supply; and
 - (ii) to the person's land or building; or
 - (c) fails or refuses to do anything that he or she has undertaken or agreed to do in respect of the water supply to his or her land or building; or
 - (d) refuses entry to, or obstructs, an enforcement officer under [section 182](#).
- (2) Restriction of the water supply under subsection (1) must not create unsanitary conditions in, or associated with, the land or building.
- (3) Restriction of the water supply under subsection (1) is subject to [section 69S](#) of the Health Act 1956.

Section 193(1)(ba): substituted, on 28 June 2006, by [section 21](#) of the Local Government Act 2002 Amendment Act 2006 (2006 No 26).

Section 193(3): added, on 1 July 2008, by [section 16](#) of the Health (Drinking Water) Amendment Act 2007 (2007 No 92).

Health Act 1956

69S Duty of suppliers in relation to provision of drinking water

- (1) Every networked supplier, bulk supplier, and water carrier must ensure that an adequate supply of drinking water is provided to each point of supply to which that supplier supplies drinking water.
- (2) Subsection (1) does not—
 - (a) require a networked supplier or a bulk supplier to ensure the uninterrupted provision of drinking water to all points of supply at all times; or
 - (b) prevent a networked supplier or a bulk supplier restricting or interrupting the provision of drinking water to any point of supply, if, in the opinion of the supplier, such action is necessary for the purposes—
 - (i) of planned maintenance or improvement; or
 - (ii) of emergency repairs.
- (3) Any restriction or interruption of the provision of drinking water by a networked supplier or a bulk supplier in reliance on subsection (2)(a) must not exceed 8 hours on any one occasion unless,—
 - (a) in the event of planned works,—
 - (i) approval has been given by the medical officer of health; and
 - (ii) the supplier has taken all practicable steps to warn the affected persons before the restriction or interruption of the provision of water occurs; or
 - (b) in the event of an emergency,—
 - (i) the supplier notifies the medical officer of health of the reasons for the interruption or restriction as soon as practicable and, in any event, not later than 24 hours after the commencement of the interruption or restriction; and
 - (ii) the supplier has taken all practicable steps to advise the affected persons of the restriction to or interruption of the provision of water.
- (4) A networked supplier or bulk supplier—
 - (a) may restrict supply to a point of supply if the relevant customer has unpaid accounts for any previous supply of drinking water or has failed to remedy water leaks that the customer is obliged to remedy; but
 - (b) must, despite any non-payment or failure referred to in paragraph (a), continue to provide an adequate supply of drinking water.
- (5) This section is subject to [section 69T](#) and to any contrary provisions in the [Civil Defence Emergency Management Act 2002](#).

Section 69S: inserted, on 1 July 2008, by [section 7](#) of the Health (Drinking Water) Amendment Act 2007 (2007 No 92).

Section 69S(1): amended, on 1 August 2019, by [section 8](#) of the Health (Drinking Water) Amendment Act 2019 (2019 No 41).

Council Water Supply Bylaw**721 Restriction for Non-payment or Non-compliance with Notice**

721.1 As provided for under section 193(1)(BA) of the Local Government Act 2002, Council may restrict the supply of water to any premises where the owner fails to pay any targeted rates that have been assessed on water supplied pursuant to section 19(1) of the Local Government Rating Act 2002 within one month of the due date of the rate invoice. Council may also recover all monies owing in any Court of competent jurisdiction as a debt owing to Council. The restriction shall be subject to s69S of the Public Health Act.

721.2 The local authority may restrict the supply of water to any premises where the owner or occupier –

- (a) Fails to comply with a notice from the Chief Executive requiring repair of defective pipes or fitting; or
- (b) Willfully allows water to run to waste or be misused.

The restricted supply must be sufficient not to create unsanitary conditions

The unrestricted supply will only be restored when the offending condition has been eliminated and the reconnection fee paid.

6 INFORMATION REPORTS

6.1 RISK MANAGEMENT REPORT

File Number: A2645775

Author: Tanya Reid, Business Improvement Specialist

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

PURPOSE OF THE REPORT

To provide the organisations top 12 risk dashboard risk progress reports and group risk up-date. No decision required.

EXECUTIVE SUMMARY

- Risk progress updates are provided for six of the top 12 risk treatments plans.
- Part one of a two part deep dive workshop has been completed for ARF005 affordability risk.
- Progress has also been made on group risk.

RECOMMENDATION

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

BACKGROUND

The Risk and Improvement team facilitated the development of treatment plans for the organisations top 12 risks.

Nine of 12 risk progress reports and treatment plans were provided at the 25 July meeting. The remaining three risk progress reports and treatment plans (ARF001, ARF008 and ARF009) are now complete.

Regular reporting on all top 12 risks has commenced.

Deep dive workshops are being undertaken for each of the top 12 risks. The ARF001 Climate Change workshop has been completed. At the ARF Committees request, the ARF005 Affordability risk was identified as the focus of the next deep dive workshop.

By resolution at the 25 July the Audit, Risk & Finance Committee recommended that Council adopt the 2019 Risk Management Policy.

The Risk and Improvement team will facilitate the development of group risk dashboards.

DISCUSSION AND NEXT STEPS

Six risk progress reports, with treatment plans, are attached. All top 12 organisational risk treatment plans are identified.

The ARF005 Affordability deep dive workshop has been split into two parts, with the first part held 22 August, the second part to be scheduled. At the end of this workshop members will agree the next risk “deep dive.”







The 2019 Risk Management Policy was adopted by Council 29 August. A workshop will be scheduled for the new triennium to cover the Risk Management Framework.

Group risk development workshops have been scheduled.

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

At this stage no additional budgetary provision has been identified for the treatment plans.

ATTACHMENTS

1. Risk Management Report Attachment 1 - ARF001 Climate Change - A2645527 [↓](#) 
2. Risk Management Report Attachment 2 - ARF003 Health Safety and Wellbeing Vulnerabilities - A2645525 [↓](#) 
3. Risk Management Report Attachment 3 - ARF006 Projects Priorities Delivery Delays - A2658282 [↓](#) 
4. Risk Management Report Attachment 4 - ARF008 Civil Defence - A2645804 [↓](#) 
5. Risk Management Report Attachment 5 - ARF009 Customer Service Delivery - A2647458 [↓](#) 
6. Risk Management Report Attachment 6 - ARF012 Contract Management - A2645807 [↓](#) 

ARF001 Climate Change

Risk Status Progress Report August 2019

Description of risk and impact

Climate change has been identified as the highest priority risk to Council. In May 2019, the Deep Dive Workshop with Council introduced staff's current understanding of climate change risks to Council and Far North communities, acknowledging that climate change may also provide economic opportunity. Risks arise from rising temperatures and anticipation of more intense weather events such as storms and drought, projections for sea level rise and coastal erosion, ecological adaptation and potential introduction of pests, all of which affecting community sustainability and Council investment strategies. Economic opportunity for Council and Far North Communities may arise from longer growing seasons and increased tourism as a result of rising temperatures.

The New Zealand Government has released strategies and guidelines for the mitigation of climate change effects or adaption to those, having regard to the IPCC 2018 report. This report has created a global climate change movement requiring governments and agencies to act to avoid temperature increases by addressing the underlying causes. This movement has resulted in the declaration of Climate Emergencies by a number of Councils around New Zealand, while in the Far North youth in particular follow climate change initiatives and demonstrate for action. FNDC has received some enquiries regarding our actions to mitigate or adapt to the effects of climate change. With growing interest and effects of climate change through sea level rise and weather events becoming evident, it will be imperative for FNDC to show leadership towards climate change effect mitigation and adaption.

Existing Treatments

While Far North District Council has not declared a Climate Emergency, there are already numerous initiatives which include and provide for the effects of climate change. These include a high level treatment plan, mainly founded in:

- Acknowledgement of the climate change as a high risk for Council.
- Implementation of a Chief Executive Critical Success Factor as per Council Resolution 2019/22. This requires the development of a Council Climate Change road map 2020 (notwithstanding any earlier requirement to prepare for a national resilience and adaptation deadline within 2020). To address this KPI, FNDC's SPP staff have commenced the following work program:
 - relationship building with staff across all Council divisions in anticipation for representation on a FNDC climate change group;
 - drafting of the development of a Terms of Reference to be presented to SLT (in Q4 2019) together with a draft work plan or strategy in alignment with that of the TTCCAWG, however focusing on FNDC specific internal and external opportunities for involvement. The early stages will gather information on:
 - actual measures FNDC currently uses to consider climate change effects and projections;
 - identification of quick win opportunities to increase climate change considerations in current and future decision making;

- education to ensure climate change projections will factor into the development of Council strategies, policies, bylaws etc
 - monitoring of eventual outcomes of the consideration of submissions and finalization of the Bill.
 - will be limited to the Council's function as described in the LGA, the RMA and other relevant statutes.
 - drafting of external-facing key messages for FNDC together with the communications team; the revision of Council's website provides an opportunity for more direct engagement with the community on climate change initiatives and to demonstrate leadership.
 - Far North 2100:
 - develops an overarching long-term district-wide strategy and spatial plan to guide management of the District's resource now and for the future. This strategy will inform Council's growth strategy (e.g. the District Plan), financial strategy (e.g. the LTP), transportation strategy and infrastructure strategies etc.
 - takes into account climate change in the district's role as a producer of food and timber, with the additional benefit of forestry acting to off-set CO2 emissions. The strategy will also consider the fair and resilient supply and distribution of water.
 - considers areas and infrastructure vulnerable to hazards including sea level rise, coastal erosion, or flooding through an adaptive planning approach
 - considers opportunities for civil defence preparedness and community resilience.
 - will identify specific implementation projects will develop the detailed measures to facilitate adaption.
 - District Plan revision and implementation
 - Reviews the appropriateness of currently operative objectives and regulatory methods to avoid, remedy or mitigate adverse effects, including hazards. In collaboration with NRC sea level rise contours are currently being developed to enable the assessment of affected lands and how to plan for these. Hazard assessment will also consider geotechnical risk due to heavy rain and associated requirements for future growth and development, with the potential to create sliding-scale assessment criteria depending on development categories
 - Reviews the appropriate of land use and zoning to facilitate economic growth.
 - Timing for notification of the proposed plan is Q4 2020.
 - Transportation Strategy
 - Addresses climate change given the potential for more frequent and intense weather events to disrupt a vulnerable transport network, essential services, critical supplies, and commerce.
 - Seeks to provide proactive resiliency and reliability strategies to ensure "Lifelines are maintained all day, every day".
 - Includes strategies for sustainable transport and mobility choices for walking and cycling, and encourages clean green transport modes and fuels, reducing the need to travel, and the development of Dynamic Adaptive Pathways to follow when climate trigger points are reached
 - Submissions on Climate Change (Zero Carbon) Amendment Bill
 - FNDC has made a submission on this Bill in support of the Bill however seeking clarification of intent, responsibilities, accountabilities and most importantly the availability of funding. Specific provisions in the Bill will have an impact on Council projects, e.g. data gathering and reporting through to actual project deliverables, most will currently be unfunded and which may require considerable investment. FNDC is monitoring the outcomes of the submission process and next steps.
 - FNDC also contributed to the common submission by TTCCAWG. Similar points of concern were raised, while providing overall support to the Bill.
-

- Participation in the TTCCAWG:
 - to create a framework for an approach to adapting to the effects climate change which is consistent across the Northland Councils.
 - to develop a draft work program and is progressing its communication plan. These plans will be presented at the CE Forum as per the Group's Terms of Reference.
 - included iwi liaison representatives to ensure climate change initiatives will developed in partnership with iwi.

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

As identified in the "for information paper" to Council on June 27, 2019, FNDC currently does not have a central point of coordination for climate change mitigation or adaption initiatives. Based on this, Council approved the recommendation to commence the introduction of an internal climate change group for this purpose. To this point, limited staff and time resources have hindered the development of a formal terms of reference for this group, however on an informal basis, staff, led by SPP, now engage frequently regarding the need to act and show climate change leadership in the Far North.

The recent employment of additional SPP staff will enable the development of a more formal work plan, including Terms of Reference for a group. It is envisaged that such ToR and a work plan will be available to SLT, ARF, and Council for review and reference in Q4 of 2019. Such documents would be managed as living documents, taking guidance and be aligned with the work program and Climate Change Adaption Strategy of the TTCCAWG with a local emphasis. It will facilitate collaboration between departments to ensure the realization of organization-wide objectives, consistent methodology and communication and decision-making. Despite this, resourcing of departments other than SPP will have to be addressed.

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

ARF003 Health Safety and Wellbeing Vulnerabilities

Risk Status Progress Report August 2019

Description of risk and impact

Health, Safety and Wellbeing Vulnerabilities are those elements defined in the Health and Safety at Work Act (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

Existing Treatments

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

WorkSafe Quarry notification actions completed and closed out. Work now scheduled under IAM's asset management programme.

Vehicle GPS and Lone Worker Project approved by SLT.

Health and Safety Risk Assessment Workshop with H&S representatives to refresh our hazard register and create visual communications. This work will also prioritise hazards to focus work efforts.

Reporting to Audit, Risk and Finance (ARF) reviewed and re-scoped.

High level treatment plan:

- CouncilMark Improvement #6. Health and Safety Improvement
- Health and Safety Committee engagement
- Health and Safety focused KPI for all staff
- Horizon 2 of 5 year strategy
- Vehicle GPS and Lone Worker Project

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

- 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	2 monthly

ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report August 2019

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.

Existing Treatments

- 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 PMO Team and Championed by a member of the Team.
- Robust business casing and expertise has been sub optimal. A business case specialist role has been approved to support project business case owners. This vacancy is currently being filled.
- 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. External Project Managers have been installed into the Asset Team to develop Asset Scopes and Programmes of Work
- Project governance and project role training is needed for those involved in projects to effectively perform their duties. A course of Persipio Project Management Training has been introduced for the first six months of the 2019/20 KPI year. This has been rolled out with the assistance of People and Capability
- Council and business units have a tendency to initiate lots of new projects – often reactively - but resourcing and changing priorities affect the completion rates. Reviews using an external estimator have been introduced for project budgets.
- Project resourcing challenges affect quality – another symptom of doing too many projects / juggling BAU responsibilities. Projects are currently being reviewed to identify areas for grouping to create larger projects and to also remove GHOST projects.

Additional high level treatment plans:

- 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

ARF008 Civil Defence

Risk Status Progress Report August 2019

Description of risk and impact

District Councils have a legislated responsibility to support the Civil Defence Emergency Management Act 2002 by maintaining a capability to respond to and recover from civil defence emergencies.

The Far North is expecting increasing severe weather events from Climate Change particularly flooding and slips and therefore must prepare for these inevitabilities.

Existing Treatments

High level treatment plan:

- FNDC belongs to a regional civil defence & emergency management collective alliance (Northland Region Civil Defence Emergency Management (CDEM) Group) which is proving to be beneficial in delivering efficiency and effectiveness around resource allocation.
- Ongoing training of staff to fill required EOC roles
- Resilience planning with Communities

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

Resilience planning with communities is on-going and part of the SLA with the Regional CDEM group.

Progress against Treatments

FNDC participation with the shared services Regional CDEM group is now 1-year on. The shared services arrangement is delivering best practise and efficiencies across the Northland region with respect to staff development and after-hours response and incident management.

A work programme including resilience planning with Far North communities is on-going.

While the residual risk will remain as "yellow" as no amount of treatments can prevent civil defence events, the residual risk with respect to preparedness is greatly reduced with the shared services alliance.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	6 monthly



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ARF009 Customer Service Delivery

Risk Status Progress Report August 2019

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 delayed to August 2019
- Development of a 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

ARF012 Contract Management Risks

Risk Status Progress Report August 2019

Description of risk and impact

Contract management is the process of managing contract creation, execution and ongoing operational and financial performance of contract deliverables, to reduce financial and delivery risk.

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.

Poor contract management can lead to underperforming projects or delivery of services, scope creep, missing renewals, breaches of contract, and lost opportunity cost.

Existing Treatments

High level treatment plan:

- Recruitment, that is being undertaken by Corporate Services, for a Contract Management Specialist.
- CouncilMark improvements:
 - 12. Contract Management Improvement
 - 13. Conflicts of Interest Improvement
 - 34. Process Management Framework Improvement
 - 19. Service Delivery Model Improvements - Three Waters Alliance

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

Progress against Treatments

Operationally:

- Award of the new Three-waters Alliance Agreement
- Progress in awarding a new swimming pool contract has been delayed due to probity issues and a review underway
- The tendering of a new Ferry contract is progressing with a site visit planned with tenderers during September.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	2 monthly

6.2 INTERNAL AUDIT AND ASSURANCE

File Number: A2642680

Author: Lisa Huria, Audit and Assurance Specialist

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

PURPOSE OF THE REPORT

To provide the Audit, Risk, and Finance Committee with 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 on work completed within the FNDC Assurance Programme 2019, and the current status of internal and external audit recommendations.

RECOMMENDATION

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

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 TechnologyOne User Access, Conflicts of Interest Management, Duplicate Payment Controls and the development and implementation of a Legislative Compliance Framework.

At the Audit, Risk, and Finance Committee July 2019 meeting, the Committee requested a clear timeframe for the development and implementation of a Legislative Compliance Framework.

DISCUSSION AND NEXT STEPS

TechnologyOne User Access – Annual Review

As per Audit New Zealand recommendation, an annual review of user access within the TechnologyOne system is scheduled to take place in September 2019. This is to ensure delegated financial authorities are loaded accurately.

Conflicts of Interest – Annual Review

As per Audit New Zealand recommendation, an annual review of conflicts of interest management is scheduled to take place in September 2019. This is to ensure conflicts of interest are being captured, and that management plans are developed and implemented.

Duplicate Payments Controls

As per Audit New Zealand recommendation, controls and reporting have been put in place to identify and rectify any duplicate payments.

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 legislation.

The Legislative Compliance Framework will be implemented in a phased approach:

Step	Description	Timeframe
Step 1	Planning and design of framework	September 2019
Step 2	Develop system	October - December 2019
Step 3	Identify legislative requirements	October - December 2019
Step 4	Assign responsibilities	October - December 2019
Step 5	Provide training	January - April 2020
Step 6	Implement and integrate into processes	January - April 2020
Step 7	Compliance reporting	January - April 2020

Audit Recommendations

Good progress has been made implementing recommendations from previous internal and external audits. There are plans in place to complete the recommendations that are currently underway.

Audit Name	Recommendations Completed	Recommendations Underway
Internal Audit - Financial Controls 2017	17	0
External Audit - KPMG - Procurement 2017	28	6
External Audit - Audit NZ - Annual Management Report - Interim 2017	14	4
External Audit - Audit NZ - Annual Management Report - Final 2017	11	0
Internal Audit - Information Security 2018	12	3
Internal Audit - Contract Management Review 2018	2	2
External Audit - Audit NZ - Annual Management Report - Final 2018	4	1

FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

This report is for information only.

ATTACHMENTS

Nil

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

- a) That the public be excluded from the following parts of the proceedings of this meeting.
- b) That Irwin Wilson from Far North Holdings Ltd be permitted to remain at this meeting for item 7.2 Far North Holdings Ltd Annual Report for the year ended 30 June 2019 after the public has been excluded, because of his knowledge of the matters to be discussed. This knowledge will be of assistance to the Committee.
- c) That Trevor Rusling from Audit New Zealand be permitted to remain at this meeting for item 7.2 Far North Holdings Ltd Annual Report for the year ended 30 June 2019 after the public has been excluded, because of his knowledge of the matters to be discussed. This knowledge will be of assistance to the Committee.
- d) 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)	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 - Far North Holdings Ltd Annual Report for the year ended 30 June 2019	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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
7.3 - Draft Annual Report for the year ended 30 June 2019	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely	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

	<p>otherwise to damage the public interest</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p>	
7.4 - Pre-funding of approved debt	<p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p>	<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</p>
7.5 - FNDC Current Legal Action Potential Liability Claims	<p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p>	<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</p>
7.6 Supplementary Agenda Te Pu o Te Wheke - Risk Assessment	<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)(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>	<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</p>

8 MEETING CLOSE