



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Assurance, Risk and Finance Committee Meeting


Wednesday, 20 October 2021

Time: 1.00 pm

Location: Virtually via Micosoft Teams

Membership:

Chairperson John Vujcich - Chairperson
Deputy Chairperson Bruce Robertson
Mayor John Carter
Deputy Mayor Ann Court
Cr Mate Radich
Cr Rachel Smith
Cr Kelly Stratford
Cr Moko Tepania
Member Mike Edmonds
Member Adele Gardner

 Far North District Council <i>Te Kaunihera o Tai Tokerau ki te Raki</i>	Authorising Body	Mayor/Council
	Status	Standing Committee
COUNCIL COMMITTEE	Title	Assurance, Risk and Finance Committee Terms of Reference
	Approval Date	19 December 2019
	Responsible Officer	Chief Executive

Purpose

The purpose of the Assurance, Risk and Finance Committee (the Committee) is to assist and advise the Governing Body in discharging its responsibility and ownership of finance, risk and internal control.

The Committee will review the effectiveness of the following aspects:

- The robustness of financial management practices.
- The integrity and appropriateness of internal and external reports and accountability arrangements.
- The robustness of the risk management framework.
- The robustness of internal controls and the internal audit framework.
- Compliance with applicable laws, regulations, standards, and best practice guidelines.
- The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets.
- Data governance framework

To perform his or her role effectively, each Committee member must develop and maintain

his or her skills and knowledge, including an understanding of the Committee's responsibilities, and of the Council's business, operations, and risks.

Membership

The Council will determine the membership of the Assurance, Risk and Finance Committee including at least one independent appointment with suitable financial and risk management knowledge and experience.

The Assurance, Risk and Finance Committee will comprise of at least five elected members (one of which will be the chairperson), and one independent appointed member.

Mayor Carter

John Vujcich – Chairperson

Bruce Robertson – Deputy Chairperson and Independent Member of the Committee

Moko Tepania

Mate Radich

Rachel Smith

Kelly Stratford

Ann Court

Mike Edmonds

Adele Gardner

Non-appointed Councillors may attend meetings with speaking rights, but not voting rights.

Quorum

The quorum at a meeting of the Assurance, Risk and Finance Committee is 4 members.

Frequency of Meetings

The Assurance, Risk and Finance Committee shall meet every 6 weeks, but may be cancelled if there is no business.

Power to Delegate

The Assurance, Risk and Finance Committee may not delegate any of its responsibilities, duties or powers.

Committees Responsibilities

The Committees responsibilities are described below:

Financial systems and performance of the Council

- Review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan
- Review Council quarterly financial statements and draft Annual Report

Far North Holdings Limited (FNHL)

- Recommend to Council the approval of statement of intent and Annual Report (s67 LGA)
- Receive 6 monthly report on operations (s66 LGA)
- Receive quarterly financial statements
- Recommend appointment of directors of FNHL

Risk Management

- Review appropriateness of Council's risk management framework and associated procedures for effective risk identification, evaluation, and treatment
- Receive and review risk management dashboard reports
- Provide input, annually, into the setting of the risk management programme of work
- Receive updates on current litigation and legal liabilities

Internal Audit and Controls

- Review whether management has in place a current and comprehensive internal audit framework
- Receive and review the internal audit dashboard reports
- Provide input, annually, into the setting of the internal audit programme of work
- Review whether there are appropriate processes and systems in place to identify and investigate fraudulent behaviour

The Committee will manage Council's relationship with external auditor.

The Committee will approve applications to declare land abandoned and any other such matters under the Rating Act.

Rules and Procedures

Council's Standing Orders and Code of Conduct apply to all the committee's meetings.

Annual reporting

The Chair of the Committee will submit a written report to the Chief Executive on an annual basis. The review will summarise the activities of the Committee and how it has contributed to the Council's governance and strategic objectives. The Chief Executive will place the report on the next available agenda of the governing body.

ASSURANCE, 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			
John Vujcich (Chair)	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	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
Bruce Robertson (Deputy)	Chair/Deputy Chair of a number of Audit and Risk Committees: Far North Auckland Bay of Plenty Regional Tauranga Thames Coromandel Hamilton Waipa Otorohanga Waitomo Environment Southland Invercargill Southland.		There is a low level of there being a potential interest conflict. An outside potential is water reform and 'discussion' of one north regional water company in loving North AKD with Watercare.	I remain aware of my roled and will Raise any matter with the Mayor/CEO and chair of ARF should any matter potentially conflict.
	Currently None are North AKD. Previously I have Undertaken work on Okara Park with Whangarei DC.	Advisory Work.	Okara Park is a regional Stadium. Matter solely related Governance and role of DC. Low risk of conflict.	

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Deputy Mayor Ann Court	Waipapa Business Association	Member		Case by case
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	Case by case
	Kerikeri Irrigation	Supplies my water		No
	District Licensing	N/A	N/A	N/A
	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.
	Property on Daroux Dr, Waipapa	Financial interest	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Flowers and gifts	Ratepayer 'Thankyou'	Bias/ Pre-determination?	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Staff	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.
	Warren Pattinson	My husband is a builder and may do work for Council staff		Case by case
Ann Court - Partner	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
	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.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mate Radich	No form received			
Kelly Stratford	KS Bookkeeping and Administration	Business Owner, provides bookkeeping, administration and development of environmental management plans	None perceived	Step aside from decisions that arise, that may have conflicts
	Waikare Marae Trustees	Trustee	Maybe perceived conflicts	Case by case basis
	Bay of Islands College	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Karetu School	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Māori title land – Moerewa and Waikare	Beneficiary and husband is a shareholder	None perceived	If there was a conflict, I will step aside from decision making
	Sister is employed by Far North District Council			Will not discuss work/governance matters that are confidential
	Gifts - food and beverages	Residents and ratepayers may 'shout' food and beverage	Perceived bias or predetermination	Case by case basis
	Taumarere Counselling Services	Advisory Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
	He Puna Aroha Putea Whakapapa	Trustee	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Kawakawa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Whangaroa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	National Emergency Management Advisor Committee	Member		Case by case basis
	Te Rūnanga ā Iwi o Ngāpuhi	Tribal affiliate member	As a descendent of Te Rūnanga ā Iwi o Ngāpuhi I could have	Declare a perceived conflict should there appear to be one

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			a perceived conflict of interest in Te Rūnanga ā Iwi o Ngāpuhi Council relations	
	Te Rūnanga ā Iwi o Ngāti Hine	Tribal affiliate member	Could have a perceived conflict of interest	Declare a perceived conflict should I determine there is a conflict
	Kawakawa Business and Community Association	Member		Will declare a perceived conflict should there appear to be one
	Sport Northland	Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
Kelly Stratford - Partner	Chef and Barista	Opua Store	None perceived	
	Māori title land – Moerewa	Shareholder	None perceived	If there was a conflict of interest, I would step aside from decision making
Rachel Smith	Friends of Rolands Wood Charitable Trust	Trustee		
	Mid North Family Support	Trustee		
	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member		
	Vision Kerikeri	Financial Member		
Rachel Smith (Partner)	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member and Treasurer		
	Vision Kerikeri	Financial Member		
	Town and General Groundcare Limited	Director/Shareholder		
Moko Tepania	Teacher	Te Kura Kaupapa Māori o Kaikohe.	Potential Council funding that will benefit my place of employment.	Declare a perceived conflict
	Chairperson	Te Reo o Te Tai Tokerau Trust.	Potential Council funding for events that this trust runs.	Declare a perceived conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Tribal Member	Te Rūnanga o Te Rarawa	As a descendent of Te Rarawa I could have a perceived conflict of interest in Te Rarawa Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Whaingaroa	As a descendent of Te Rūnanga o Whaingaroa I could have a perceived conflict of interest in Te Rūnanga o Whaingaroa Council relations.	Declare a perceived conflict
	Tribal Member	Kahukuraariki Trust Board	As a descendent of Kahukuraariki Trust Board I could have a perceived conflict of interest in Kahukuraariki Trust Board Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga ā-Iwi o Ngāpuhi	As a descendent of Te Rūnanga ā-Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-Iwi o Ngāpuhi Council relations.	Declare a perceived conflict
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			
	Te Hiku Education Trust	Trustee		
	Te Ahu Charitable Trust	Trustee		
	ST Johns Kaitaia Branch	Trustee/ Committee Member		
	Te Hiku Sports Hub Committee	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			

Far North District Council
Assurance, Risk and Finance Committee Meeting
will be held virtually via Microsoft Teams on:
Wednesday 20 October 2021 at 1.00 pm

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1 KARAKIA TIMATANGA – OPENING PRAYER**2 NGA WHAKAPĀHA ME NGĀ PĀNGA MEMA / 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 Democracy 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.

3 TE TONO KŌRERO / DEPUTATION

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

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A3051550

Author: Casey Gannon, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

PURPOSE OF THE REPORT

The minutes are attached to allow the Committee to confirm that the minutes are a true and correct record of previous meetings.

RECOMMENDATION

That the Assurance, Risk and Finance Committee confirms the minutes of the Assurance, Risk and Finance Committee meeting held 8 September 2021 as a true and correct record.

1) BACKGROUND

Local Government Act 2002 Schedule 7 Section 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 meetings 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 meetings.

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. 2021-09-08 Assurance, Risk and Finance Committee Minutes - A3376986** [↓](#) 

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 for 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 (for example, youth, the aged and those with disabilities).	This report is asking for 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
ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD ELECTRONICALLY VIA MICROSOFT TEAMS
ON WEDNESDAY, 8 SEPTEMBER 2021 AT 1.30 PM**

PRESENT: Chairperson John Vujcich, Member Bruce Robertson, Mayor John Carter (HWTM), Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania, Member Mike Edmonds, Member Adele Gardner

IN ATTENDANCE: Shaun Clarke (Chief Executive Officer), William J Taylor, MBE (General Manager Corporate Services), Dean Myburgh (General Manager District Services), Andy Finch (General Manager Infrastructure and Asset Management), Darren Edwards (General Manager Strategic Planning and Policy)

1 KARAKIA TIMATANGA – OPENING PRAYER

Chair John Vujcich opened the meeting with a karakia.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Nil

3 NGĀ TONO KŌRERO / DEPUTATION

Nil

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A3051544, pages 12 - 17 refers.

RESOLUTION 2021/1

Moved: Chairperson John Vujcich

Seconded: Cr Rachel Smith

That the Assurance, Risk and Finance Committee confirms the minutes of the Assurance, Risk and Finance Committee meeting held 21 July 2021 as a true and correct record.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Member Mike Edmonds and Member Adele Gardner

Against: Nil

Abstained: Cr Moko Tepania

CARRIED

5 REPORTS

5.1 INVESTMENT OF RETURNED GST FUNDS 30 JUNE 2021

Agenda item 5.1 document number A3338916, pages 18 - 20 refers.

RESOLUTION 2021/2

Moved: Cr Moko Tepania

Seconded: Cr Rachel Smith

That the Assurance, Risk and Finance Committee approve:

- a) The investment of \$1,960,702 in term deposits with the ASB Bank;**
- b) The revolving investment period be determined by the Chief Financial Officer based on the available rates; and**
- c) The funds remain invested and funds accumulated to repay underlying debt over time.**

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania
Member Mike Edmonds and Member Adele Gardner

Against: Cr Rachel Smith

CARRIED

5.2 EMERGENT RISK, PROGRAMME DARWIN

Agenda item 5.2 document number A3326782, pages 21 - 27 refers.

RESOLUTION 2021/3

Moved: Mayor John Carter

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee approves the addition of the “Programme Darwin” risk onto the Organisational Top Risks Dashboard.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania
Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED

6 INFORMATION REPORTS

6.1 SEPTEMBER 2021 RISK MANAGEMENT REPORT

Agenda item 6.1 document number A3339293, pages 28 - 46 refers.

RESOLUTION 2021/4

Moved: Member Bruce Robertson

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee receive the report September 2021 Risk Management Report.

<u>In Favour:</u>	Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner
<u>Against:</u>	Nil
CARRIED	

6.2 RISK PROGRESS REPORT FOR PROGRAMME OF EXTERNALLY FUNDED PROJECTS.

Agenda item 6.2 document number A3333582, pages 47 - 57 refers.

RESOLUTION 2021/5	
Moved:	Cr Kelly Stratford
Seconded:	Chairperson John Vujcich
That the Assurance, Risk and Finance Committee receive the report Risk progress report for programme of externally funded projects.	
<u>In Favour:</u>	Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner
<u>Against:</u>	Nil
CARRIED	

At 2:28 pm, Mayor John Carter left the meeting. At 2:30 pm, Mayor John Carter returned to the meeting.

6.3 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 JULY 2021

Agenda item 6.3 document number A3346391, pages 58 - 73 refers.

RESOLUTION 2021/6	
Moved:	Cr Kelly Stratford
Seconded:	Cr Rachel Smith
That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 31 July 2021.	
<u>In Favour:</u>	Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner
<u>Against:</u>	Nil
CARRIED	

6.4 ELECTED MEMBERS SENSITIVE EXPENDITURE

Agenda item 6.4 document number A3334364, pages 74 - 75 refers.

RESOLUTION 2021/7	
Moved:	Mayor John Carter
Seconded:	Cr Kelly Stratford

That the Assurance, Risk and Finance Committee receive the report Elected Members Sensitive Expenditure.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED

At 2:58 pm, Cr Mate Radich left the meeting.

6.5 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 APRIL - 30 JUNE 2021

Agenda item 6.5 document number A3347764, pages 76 - 78 refers.

RESOLUTION 2021/8

Moved: Mayor John Carter

Seconded: Member Bruce Robertson

That the Assurance, Risk and Finance Committee receive the report People and Capability Quarterly Update: 1 April - 30 June 2021.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED**6.6 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE AUGUST 2021**

Agenda item 6.6 document number A3370412, pages 79 - 80 refers.

RESOLUTION 2021/9

Moved: Member Bruce Robertson

Seconded: Chairperson John Vujcich

That the Assurance, Risk and Finance Committee receive the report Action Sheet Update August 2021.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED**7 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED****RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2021/10**

Moved: Chairperson John Vujcich

Seconded: Cr Moko Tepania

<p>That the public be excluded from the following parts of the proceedings of this meeting.</p> <p>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:</p>		
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	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
7.2 - Draft Annual Report Financial position 30 June 2021	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 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 - September Assurance and Audit Report	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
7.4 - Technology Update Report	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	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
7.5 - Far North District Council Current Legal Action and Potential Liability Claims as at 23 August 2021	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

<u>In Favour:</u>	Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner
<u>Against:</u>	Nil
CARRIED	

CONFIRMATION OF INFORMATION AND DECISIONS TO BE RELEASED IN PUBLIC**RESOLUTION 2021/11**

Moved: Chairperson John Vujcich

Seconded: Member Bruce Robertson

That Assurance, Risk and Finance Committee confirms the information and decisions contained in the part of the meeting held with public excluded remains in public excluded.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED**RESOLUTION TO READMIT THE PUBLIC****RESOLUTION 2021/12**

Moved: Chairperson John Vujcich

Seconded: Mayor John Carter

That Assurance, Risk and Finance Committee moves out of Public Excluded and into Ordinary Assurance, Risk and Finance Committee meeting.

In Favour: Cr John Vujcich, Member Bruce Robertson, Mayor John Carter, Deputy Mayor Ann Court, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania Member Mike Edmonds and Member Adele Gardner

Against: Nil

CARRIED**8 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER**

Cr. Moko Tepania closed with a karakia.

9 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 3:58 pm.

The minutes of this meeting will be confirmed at the Assurance, Risk and Finance Committee Meeting held on 20 October 2021......
CHAIRPERSON

5 INFORMATION REPORTS

5.1 OCTOBER 2021 RISK MANAGEMENT REPORT

File Number: A3422395

Author: Tanya Reid, Business Improvement Specialist

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

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an information report on organisational risk management, emergent risk and scheduled risk progress reports for the organisation's top risks.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

Risk progress updates are provided for three of the top organisational risks. The risk rating trend for two of these risks has been assessed as stable and one risk trend as increasing.

The "Programme Darwin" risk is now included on the Organisational Top Risks Dashboard as ARF014 Programme Darwin.

A summary of the 21 September 2021 deep dive rapid immersion into our ARF004 Asset Management risk is provided.

Risk management at a group and departmental level continues.

No new emergent risks have been identified for inclusion in this report.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report October 2021 Risk Management Report.

TĀHUHU KŌRERO / BACKGROUND

The top organisational risks are risks that may impact on Council achieving its vision, mission and community outcomes and are regularly reported to the Assurance, Risk and Finance Committee to ensure they are being appropriately managed. A number of these risks are subject to external influences which may affect effective council operations.

Table 1, below, provides a risk snapshot of the Assurance, Risk and Finance Committee Organisational Risk Dashboard with inherent and residual risk scores as accepted by this Committee and the risk progress to the residual risk score as assessed by the risk subject matter experts.

Table 2, on the following page, details the 2021 risk work programme.

Table 1: July 2021 Top organisational risk dashboard

Key to trend of risk rating:  Decline
 No change/stable
 Increase











Risk ID:	Risk title	Inherent risk score	Trend of risk rating	Residual risk score	Accountable Risk Governance	Responsible Risk Governance	Risk Progress Report schedule	Risk Progress Report ARF agenda:
ARF001	Climate Change	63		30	CEO	GMSP	3 Monthly	Sep 21
ARF003	Health & Safety Vulnerabilities	46		34	CEO	Manager P&C	3 Monthly	Oct 21
ARF004	Asset Management Risks	45		18	CEO	GMIAM	6 Monthly	Sep 21
ARF005	Affordability Risk	45		26	CEO	GMSP	6 Monthly	June 21
ARF006	Project Priorities Deliveries Delays	45		14	CEO	GMIAM	3 Monthly	Oct 21
ARF007	Compliance NRC Abatements	45		18	CEO	GMIAM	6 Monthly	June 21
ARF009	Customer Service Delivery	39		22	CEO	Manager P&C	3 Monthly	Sep 21
ARF010	Data Governance Risks	39		14	CEO	CEO	6 Monthly	June 21
ARF012	Contract Management Risks	39		14	CEO	GMIAM	3 Monthly	Oct21
ARF013	Drinking Water Resilience	35		ARF to agree level residual risk	CEO	GMIAM	3 Monthly	Sep 21
ARF014	Programme Darwin	35		13	CEO	GMIAM	3 Monthly	Sep 21

Table 2: 2021 risk programme

2021 ARF meeting date:	10/02	24/03	05/05	16/06	21/07	08/09	20/10	01/12
Risk deep dives		ARF001	ARF003	ARF013	ARF003	ARF004	ARF006	ARF005
ARF001 Climate Change		✓				✓		✓
ARF003 Health & Safety Vulnerabilities	✓		✓		✓		✓	
ARF004 Asset Management Risks		✓				✓		
ARF005 Affordability				✓				✓
ARF006 Project - Priorities Deliveries Delays	✓		✓		✓		✓	
ARF007 Compliance NRC Abatements				✓				✓
ARF009 Customer Service Delivery		✓		✓		✓		✓
ARF010 Data Governance Risks				✓				✓
ARF012 Contract Management Risks	✓		✓		✓		✓	
ARF013 Drinking Water Resilience		✓		✓		✓		✓
ARF014 Programme Darwin								✓

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**Organisational risk management**

The topic for the September 2021 deep dive was the ARF004 Asset Management Risk. Elected Members discussion focussed on where Programme Darwin sat relative to the Asset Management risk, the pace of the Darwin mitigations and the workload of Asset Managers as they are also support the reform process and external funding bids.

Further deep dives are scheduled for the remainder of this calendar year, see table 2.

Emergent risk:

At the September Assurance, Risk and Finance Committee meeting it was agreed to include the organisational and strategic emerging risk, "Programme Darwin", onto the Organisational Top Risks Dashboard. This is recorded as ARF014 Programme Darwin.

No additional emergent risks have been identified.

Table 3: Table of identified emergent risk

Emergent risks	Presented to ARF:	Progress
1. The risk of externally funded shovel ready, economic stimulus employment opportunity projects due to the impact of the COVID-19 pandemic.	October 2020	The Assurance, Risk and Finance Committee received a report at September 2021 meeting. Next report is scheduled in six months, March 2022 dependent on the, yet to be released, Assurance, Risk and Finance Committee 2022 schedule.
2. The financial and legal risks due to the effects of climate change. Timing of a report on this risk, to the Assurance, Risk and Finance Committee meeting, is to be determined.	October 2020	March 2021 Climate Change deep dive was held. Proposed to break the climate change into two risks to enable focus on transition risks such as financial and legal. Frequency of reporting is to be increased from six monthly to three monthly.
3. District Services have proposed to escalate one of their top group risks for consideration of inclusion on the top organisational dashboard.	October 2020	It is proposed that this be included in the Assurance, Risk and Finance Committee risk workshop agenda.
4. The risk of not fit for purpose business continuity arrangements.	October 2020	This was subject to a report at the December 20 Assurance, Risk and Finance Committee meeting. An up-date is provided under the group risk section.
5. Government's Three Waters Reform programme.	December 2020	The Government has announced an integrated package of reform proposals (four new, large water service delivery entities) together with a financial support package. Council has to 1 October, to complete analysis to understand the potential impact of the reform.
1. Potential impact of the Worksafe decision, in December 2020, to charge 13 parties over the Whakaari/White Island tragedy; and the government review of WorkSafe New Zealand's performance of its regulatory functions in relation to activities on Whakaari White Island .	February 2021	Impact to be considered when further information is to hand. MBIE expected to receive this report by 30 June 2021. To date no report has been made public.

Organisational risk progress reports:

Three scheduled risk progress reports, including high level treatment plan progress, are provided with highlights and analysis of risk progress below. More detail is available in the attached risk progress reports.

Risk progress reports – highlights and analysis:

1. ARF003 Health Safety and Wellbeing Vulnerabilities Risk Progress Report The inherent risk rating trend has been assessed as increasing due to delays in progressing treatments; increase in threatening behaviour from the public; and the ongoing non-compliance with Health and Safety at Work Act regulations across our assets.
2. ARF006 Projects Priorities Delivery Delays Risk Progress Report. The inherent risk rating trend has been assessed as stable.
3. ARF012 Contract Management Risk Progress Report: The inherent risk rating trend has been assessed as stable. The focus continues on progressing treatments.

Progress update on ARF001 Climate Change:

The Climate Change Terms of reference for the Climate Change Risk Reference group have been agreed. The risk reference group has convened, and a risk workshop scheduled. The Ministry for the Environment has now published their guide to local climate risk assessments.

- MfE advises that this guide provides a standard approach for undertaking climate change risk assessments, while allowing flexibility to reflect local values. The methodology is broadly consistent with the national climate change risk assessment framework and is written mainly for local government representatives to lead and implement, in partnership with local iwi/Māori on behalf of communities.
- A local government working group and a Māori caucus and panel directed the development of the guide, providing insights and feedback throughout the process.

No additional reporting requirements for the top organisational risks has been identified.

Group Risk Up-date

1. District Services have reviewed treatment progress for a number of department risks. Where appropriate the risk profile for risks with mature treatments has been re-assessed. This has resulted in the overall number of high impact risks, on the District Services risk register, reducing from 21% to 8%; medium impact risks from 63% to 50%; and a corresponding increase in number of risks assessed as low impact risks from 8% to 33%.

2. Group Risk dashboards

The dashboards provide information on:

- the total number of identified risks;
- the percentage of risks assessed categorised as high, medium or low impact score;
- the level of the risk within Council (Department, Group or Organisation level risk); and
- the risk description by category (see table 4):
 - Health, Safety & Wellbeing
 - Legal
 - Operational / Financial
 - Optimising efficiency
 - People and culture
 - Regulatory and Compliance
 - Reputational / Strategic.

Group Risk Dashboard

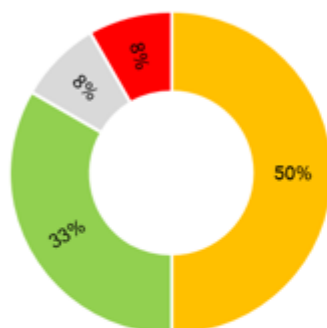
District Services Risk Dashboard

Date: 30/09/21

24 risks

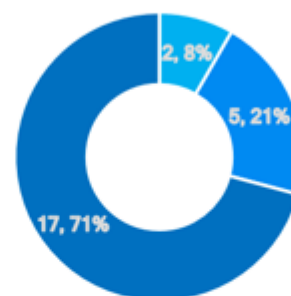
Risk by impact score

■ High Impact ■ Medium Impact ■ Low Impact ■ To be scored

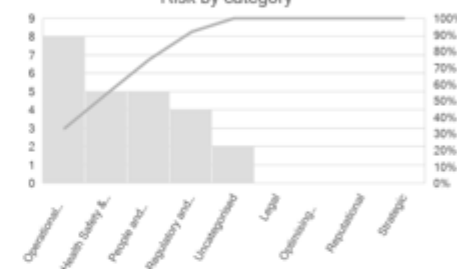


Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category



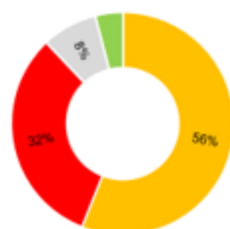
IAM Group Risk Dashboard

Date: 30/09/21

25 risks

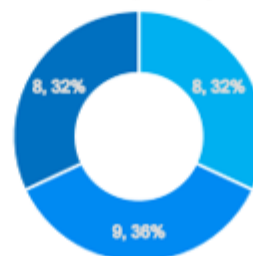
Risk by impact score

■ High Impact ■ Medium Impact ■ Low Impact ■ To be scored



Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category

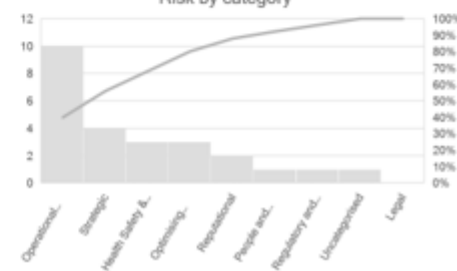


Table 4: Key to risk category

Risk Description	Description of category	Example
Health Safety & Wellbeing	a work environment that is without risk to health and safety, so far as is reasonably practicable	Lone worker vulnerability
Legal	Application of the law (and its consequences) to FNDC actions	Court action
Operational/Financial	Whole of business view of FNDC performance including service/services delivery, risk, finance, environmental,	Affordability Born digital
Optimising efficiency	Managing the present, lineal response to what exists today such as system, Continuous Improvement, process	improvements e.g. BCA application Disability awareness workshops
People and culture	Capability, mindsets, behaviour	Audits
Regulatory and Compliance	Conforming to rules, external = law or regulation; internal = policies	Customer service delivery
Reputational	The external estimation in which FNDC and brand is held	Climate change /
Strategic	Adapting to change: Innovation / create the future / selectively forget the past	Affordability

Progress to refresh Council's business continuity arrangements:

A Strategic Planning and Policy Group business continuity arrangements workshop has been completed at which no essential services (from a business continuity perspective) were identified. SPP will work on developing recovery strategies and incident management plans.




Work on IAM business continuity plans has commenced. The NTA have completed their business continuity plan and a plan to develop district facilities business continuity plans agreed.

Corporate Services will convene in October to agree actions to complete their business continuity plans.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

No additional budgetary provision is requested.

ĀPITI HANGA / ATTACHMENTS

1. 2021 10 ARF003 Health Safety and Wellbeing Vulnerabilities Risk Progress Report - A3422175 [↓](#) 
2. 2021 10 ARF006 Projects Priorities Delivery Delays Risk Progress Report - A3422176 [↓](#) 
3. 2021 10 ARF012 Contract Management Risk Progress Report - A3422178 [↓](#) 



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ARF003 Health Safety and Wellbeing Vulnerabilities

Risk Status Progress Report for October 2021

Prepared 22/09/2021

Description of risk and impact

Health, Safety and Wellbeing Vulnerabilities are those elements defined in the Health & Safety at Work Act (2015).

The Council has a duty to ensure, so far as is reasonably practicable, that our workplace is without risks to the health, safety and wellbeing of any person and has controls in place to firstly eliminate or minimize those risks.

Existing Treatments - What has been done so far?

Regular health and safety reporting, with lag and lead indicators, is included in the People and Capability section of the CEO report. Current reporting trend is for an average of 8 health and safety incidents being reported per month.

The Council's 5-year HSW strategic plan is currently at the end of year three (Horizon 2). Planned activities are on track with 82% of the planned activities completed; and delivery of the remaining planned activities is to the revised schedule. It should be noted that since the strategy was implemented in 2018 two vulnerabilities were added to address the lone worker safety and health monitoring for high risk staff. Post the May 2021 ARF meeting, two further vulnerabilities were added focusing on the Beach Safety Review and Opuia Cycleway Risk Mitigations. Remote Working was also then added prior to the July ARF meeting taking the total to ten.

The FNDC Health and Safety Committee continue to meet monthly; and all staff have a Health Safety and Wellbeing focused KPI which is reviewed and monitored quarterly. See table 1 for examples of existing health and safety treatments.

The calendar of core Health Safety and Wellbeing activities has been reviewed, due to COVID-19, with some activities being bought forward and others re-scheduled.

Key activities completed since the last reporting period:

- Workplace COVID-19 vaccinations administered to 55 staff (dose 1).
- Council has successfully worked through Alert Levels 4 and 3 COVID restrictions. Including support to essential field and office staff. COVID-19 Control documentation is in place, specialist PPE and Hygiene kits have been supplied to staff and stock levels are regularly monitored by the Crisis Response Team that has been stood up by Council internally.

Table 1: Examples of existing treatments

Examples of existing treatments in place to support the Health, Safety & Wellbeing of FNDC Staff		
Health & Wellbeing Focus	Training & Competence Development Focus	Risk Management/Contractor Management

Employee Assistance Programme (EAP)	Workplace First Aid	SiteWise Pre-qualification
Wellness Advocates	Resilience Training	Job Safety Analysis (JSA)
Flu/COVID-19 Vaccinations	Customer Conflict Awareness	Tender & Contractual references to H&S
Hybrid Working	Lone Worker/Vehicle GPS	Project Safety Inspection Audits
Wellbeing Leave & Policy	Staff HSW inductions (new starters)	Quarterly Inspection schedule
Injury Rehabilitation & Management	Health & Safety Representatives	Emergency management procedures/policies

Your Voice results for 2020 were released with a continued overall increase in the Health & Safety index score (when compared year on year). Wellbeing has been identified as a focus area for further improvement with an initiative to review and implement further support mechanisms as part of the survey's engagement action plan being led by Tier-3 people leaders and the development of a Wellbeing Strategy for FY22.

Current health and safety concerns are focused on COVID-19 controls, contractor management, wellbeing and remote working.

Treatment progress is not to plan for one of the ten health and safety vulnerabilities listed in the table below:

High level treatment plan and progress up-date for critical HS&W Vulnerabilities:

Vulnerabilities being addressed:	Progress update:
1. Lone Worker Safety	Lone worker and vehicle GPS project has been completed and is now business as usual. Additional project: Policy required before District Services can roll out body camera's and stab proof vests. eRoad: This is now business as usual rollout to the remaining fleet.
2. Health Monitoring for high risk staff (staff who have high levels of health exposure due to their roles e.g. wastewater staff, animal management officers, building officers)	Progress to revised plan. A Health Monitoring programme is to be established for high-risk roles. The programme provider has been identified and a project plan in place, with delivery to commence from Quarter 2, FY22 Role specific inoculations are being offered on case by case basis for high-risk roles.
3. Non-compliance against Health and Safety at Work Act regulations across our assets.	Progress to revised plan with treatments in place. We remain non-compliant at two of FNDC's water/wastewater Treatment Plants. Contractor partners closed out the actions for five water/wastewater plants and one swimming pool.

	<p>This work is ongoing with Three Waters Alliance partners and Infrastructure Programme Delivery team to complete construction that will bring the two remaining assets up to compliant status.</p>
4. Contractor Management	<p>Progress to plan with treatments in place.</p> <p>We have 125 SiteWise registered pre-qualified preferred contractors (an increase of one from the last report), with an average assessment score of 84%.</p> <p>Current tender documents include the SiteWise requirement with ongoing regular contractor monitoring and site inspections/audits via Project Managers and Contract Managers.</p> <p>Consultation on the new suite of documentation and policy is scheduled with the Infrastructure Programme Delivery Team in Q2, including use of technology to streamline the project audit function. Finalisation of this programme of work is expected to be completed before calendar year end.</p>
5. Wellbeing programmes to address our changing workforce	<p>Progress to plan with treatments in place</p> <p>Programme to be reviewed with implementation of remote working and hybrid operating modules, including feedback via Your Voice survey (where more support is required in the Wellbeing space was highlighted), as well as the recent survey findings from the Great Workplaces survey. A full FY22 Wellbeing strategy is due for release later this month.</p> <p>The Great Workplaces survey results were released to people leaders and the ARF Committee Deep Dive was undertaken in August. This work will be ongoing as more staff embrace hybrid working. Forced lock downs, as a result of COVID-19, make support services to staff vitally important.</p>
6. Threatening behavior from members of the public	<p>Progress to plan with treatments in place.</p> <p>Threatening behavior related incidents involving both staff and contractors continue to occur, with this incident type being second highest of all told at council (20% of all incidents in last 12 months relate to threatening behavior). There has been no significant increase since the last report, however this incident type is of concern and has involved notifying police of the threat.</p> <p>Technical solutions have been procured for front line staff, with 47 devices/solutions being used by individual staff and team in the lone worker space.</p> <p>Support is in place for front line staff, including competence training in conflict resolution and de-escalation techniques. Incident Management Plans have been developed for Customer Services, Libraries & Museum staff.</p> <p>District Services project to implement body cameras and stab-proof vests have been fast tracked for high risk roles. Trial of vests has provided good feedback and negotiations with preferred suppliers underway.</p>

7. FNDC's Generic Hazards and Controls/Treatments	<p>Progress not to plan</p> <p>Generic hazards have been identified and agreed by the Health and Safety Committee. Development of action plans and treatments have been delayed due to remote working. The roll out of generic controls has commenced since the last report and will now include the addition of COVID-19 and Remote Working (refer vulnerability #10 below) as risks.</p>
8. Opua Cycle Trail Risk Mitigations	<p>Progress to plan with treatments in place</p> <p>Full risk mitigation plan in place, with 23 of the 24 actions completed. Final deliverable to eliminate this risk is the upgrade to Te Raupo Road which is scheduled to be constructed by end February 2022 and is progressing to plan.</p>
9. Beach Safety Review (post coroners findings)	<p>Progress to plan with treatments in place</p> <p>Project team involving IAM District Facilities, Communications and H&S members has been established.</p> <p>Engagement with Surf Lifesaving NZ was undertaken during September, with a draft paper being prepared to seek funding approval for a full beach hazard assessment by the volunteer body. This will be used to identify and prioritise the remaining beaches and identify the applicable signage or devices to be deployed.</p> <p>4 beaches in the immediate area of Cable Bay have had signs re-installed in both English and Te Reo.</p>
10. Remote Working	<p>Progress to plan with treatments in place</p> <p>Remote working is identified as a priority area of focus with a review of 261 staff risk assessments. 100% of all risk assessment have been received from those staff whose employment conditions changed.</p> <p>WorkSafe have released their quick guides on working from home at the end of August. A review of these will be undertaken in Q2 to compare the support offered against the current Remote Working Policy.</p>

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

- Worker engagement is developing and ongoing.
- Speed of Council to bring assets up to meet legislative requirements as regulations change. Councils roughly 300 *Asbestos Management Plans* are due for review by 2023 for example.
- WorkSafe's Whakaari (White Island) decision to prosecute 13 organisations for not meeting their obligations as a PCBU under the Health and Safety at Work Act (2015) has created further uncertainty. This has been identified as an emergent risk in the February 2021 risk management report.
- Development of a *Standard Operating Procedure* to improve and coordinate staff and Elected Member safety should that be compromised from external threats. Three incidents have occurred this year, with the last being impacted by COVID Alert Level 3 lockdown. Work has commenced with consultation from Democracy Services and is expected to be completed before year end.
- HSW Vulnerability risk needs rescoring to reflect treatments completed and current climate of work under COVID-19

The impact and likelihood of this risk has increased due to delays in progressing treatments; increase in threatening behavior from the public; and the ongoing non-compliance with Health and Safety at Work Act regulations across our assets.

Inherent Risk:	Trend of risk rating	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	Increase		Responsible:	Mgr. P&C	Date accepted:	16/06/19	3 monthly

ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report for October 2021

Prepared: 01/10/2021

Description of risk and impact

Project / Priority delivery risks start with the elements of the project lifecycle (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

Treatments established:

1. Building capability

- a. Project Management Office Project Management framework: This is now starting to pay dividends. Results are being seen in the delivery of projects in a more mature manner, in line with project management best practice. This improvement was acknowledged as "significant" in the CouncilMark assessment.
- b. Business case specialist is now in place. Expectation is that benefits will be seen in the next LTP.
- c. The Project Delivery Team has completed project management and commercial training.

2. Managing capacity

- a. All capital projects are reviewed with elected members engaged as part of the LTP process.

3. Reporting

- a. The Capital Project Report Improvement has been established with monthly reporting in the IAMS business report.

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
PMO Project Management framework.	In place. Work continues to improve how we manage issues such as design times, procurement times, contractor and material availability, to support on time project delivery.
Review of the Asset Management frameworks	Underway. 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.
Training, project governance and project roles.	In place and ongoing.

Project resourcing	<p>In place</p> <p>ESEO projects are being delivered by a separate team, with governance structure and regular reporting so as not to impact "business as usual" projects.</p>
--------------------	--

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

Current environment

Performance to financial year end June 2021 has improved (this year versus prior) with close to 82% of this year's work programme being awarded by the end of June.

With the current economic environment contractor and materials resourcing may potentially impact project delivery timeframes.

Inherent Risk:	Trend of risk rating	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	Stable		Responsible:	GM IAMs	Date accepted:	30/05/19	Three monthly



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ARF012 Contract Management Risks

Risk Status Progress Report for October 2021

Prepared: 30/09/2021

Description of risk and impact

Contract management risk can arise due to contract wording, contract breaches, contract performance and relationship management.

Contract management risks have the potential to negatively impact on financial, legal, reputational, service delivery and create long term issues for the Far North District. If not managed correctly we could see delays and interruptions with lengthy drawn out disruption. Commercial resource demand could be impacted.

Existing Treatments

Treatments established:

- A. Two specialists are in place:
 - 1. Contract Management Specialist, PMO
 - 2. Contract Specialist, District Facilities.
- B. A FNDC-wide Contracts Register is available in TK2.

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Develop a Contract Management Framework. The Contracts Framework will cover three main contractual arrangements with the addition of AOG (All of Government) and syndicated contracts.	Completed. Contract Framework peer review has been completed. Request SLT endorsement of Contract Management Framework and Policy. Waiting to get in front of SLT. Phase 1 of the roll out (to IAMs) has commence with training delivered to District Facilities and a live contract deep dive to be scheduled.
Develop Policy, process and templates.	Completed.
New treatments June 2021 Develop process to manage "Small" contractors contract management risk (health and safety, delivery and financial risk); and contract concentration risk.	In progress. PMO is developing a new process for small contractors. The process to manage contract concentration risk has been developed and published.
Building capability	
Increase internal commercial expertise.	Ongoing.

	<p>Targeted training, in contract management, will be delivered to contract owners. Contract managers will be identified through the new contract register.</p> <p>Training, to develop contract management capability in the IAMs Infrastructure & Asset Management team, continues.</p> <p>The Contract Management Specialist is providing project specific advice.</p>
<p>New treatment May 2021:</p> <p>Refresh of the contract register.</p>	<ul style="list-style-type: none"> Contract register refresh <ul style="list-style-type: none"> the register fields and guidance has been defined. ICT to commence building the SharePoint site. Working to determine secure locations to hold hard and soft copies of crucial contract documents such as the contract, bonds and warranties and insurance certificates.
District Facilitates Assurance Review	This is in the internal audit pipeline for scheduling.
17A reviews	<p>Scheduled reviews:</p> <ol style="list-style-type: none"> Solid Waste Town, parks and reserves maintenance.

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

Current environment:

Within the evolving contract scene Council is engaging with an increasing number of “small” contractors. It is anticipated that this trend will continue when we implement our Sustainable Procurement Policy. This will change the contract management risk profile.

Understanding how lease commitments will be managed (over the lease term). There is potential for the register to expand to a “commitments register”.

The plan is to continue to make progress against treatment solutions as identified in the table above.

Inherent Risk:	Trend of risk rating	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	Stable		Responsible:	GM IAMs	Date accepted:	30/05/19	3 monthly

5.2 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 AUGUST 2021**File Number:** A3422393**Author:** Angie Thomas, Manager - Accounting Services**Authoriser:** Janice Smith, Chief Financial Officer**TE TAKE PŪRONGO / PURPOSE OF THE REPORT**

To provide an overview and information on the current financial position and performance of the Far North District Council as at 31 August 2021.

TE WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This report provides a summary overview, Statement of Financial Performance, Capital Performance and Borrowing and Investment reports.

NGĀ TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 31 August 2021.

TE TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at 31 August 2021.

TE MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The report is for information only.

NGĀ PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or budgetary provisions required as a result of this report.

NGĀ ĀPITI HANGA / ATTACHMENTS

1. Council Financial Report Aug 2021 FINAL - A3422389 [↓](#) 



Far North District Council

Council Financial Report

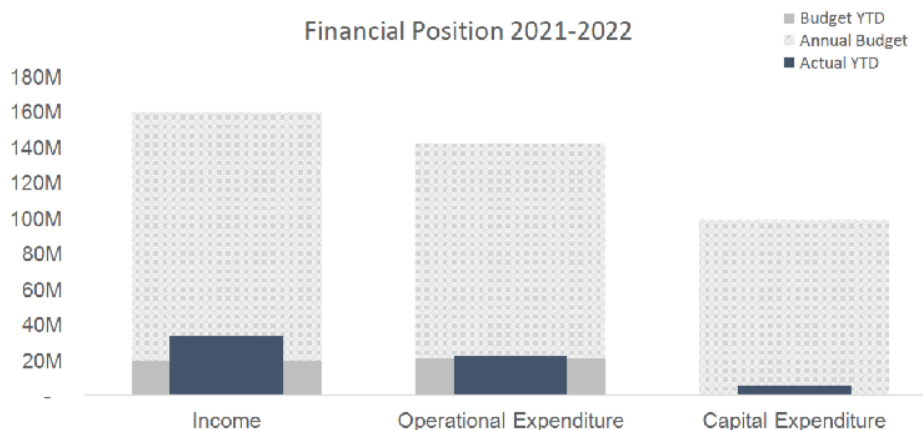
for the period ending **31-August-2021**

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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-August-2021.



Year to Date

Actual Position as at 31-August-2021

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	33.0M	19.3M	13.7M	71%
Operational Expenditure	22.0M	20.6M	1.4M	7%
Net Operating Position	11.0M	1.3M	12.3M	-962%
Capital Expenditure	5.2M	0.5M	4.8M	1053%

Year End

Forecast Position as at 30-June-2022

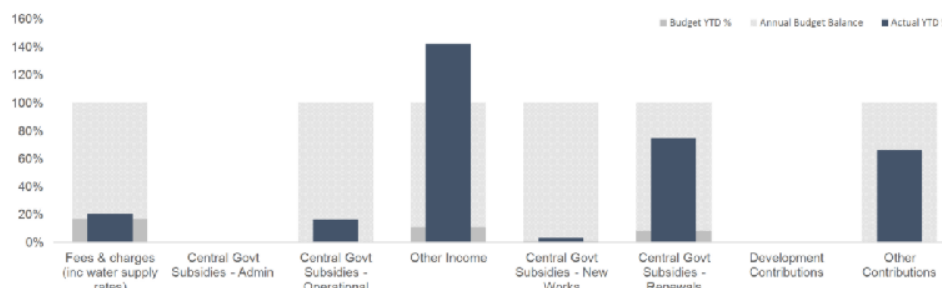
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	160.1M	160.1M	- M	0%
Operational Expenditure	142.6M	142.6M	0.0M	0%
Net Operating Position	17.5M	17.5M	0.0M	0%
Capital Expenditure	99.1M	99.0M	0.1M	0%

**In the tables above and throughout this report, variances +/- 5% from budget are indicated as on track / green, anything outside this is red.*

Council Financial Performance – Income

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes general rates and rates penalties.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
17.2M	3.4M	13.9M	411%	65.3M	65.3M	- M	0%



Highlights:

Fees & Charges

- There has been a large number of resource consent applications processed and the team is meeting statutory timeframes. Building consents has had the highest number of consents and the team has improved their time keeping process for chargeable time.
- Water by Meter income received is ahead of budget for Kaitia which was billed in August.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) as interim funding for maintaining levels of service across the district. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.

Other Income

- There is \$2.3M of unspent Department of Internal Affairs (DIA) grant funding that has been brought into this year to complete 3-Water Reform projects. The DIA funded 50% of the total 3-Water Reform projects budget upfront but a large amount of this was not required in 2020-21. Further claims for funding have been delayed as a result.
- Unspent Provincial Growth Fund (PGF) has been brought into this year to complete the final reinstatement costs for Lake Omapere, planned for this summer.
- Grant received from the Provincial Growth Fund (PGF) last financial year 2020-21 to support road sealing project at Ngapipito Road.

Central Govt Subsidies – New Works

- Income received in advance last financial year 2020-21 from Ministry of Business, Innovation & Employment (MBIE) for public toilet upgrade and enhancements at Cable Bay carpark, Waitangi Boat Ramp and temporary portable toilets across the district.
- Income has been received for new works projects at West Coast Road bridge, roadside barriers/guardrails and associated improvements projects across the district.
Footpath projects at BOI-Whangaroa Ward: SH11 Kaipatiki Rd to York Rd which is an ongoing works from last financial year.
Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Final subsidy claim received from Ministry of Business, Innovation & Employment (MBIE) for seal extension at Pungaere Road with a handful of ancillary works items outstanding to be addressed.

Central Govt Subsidies – Renewals

- Income has been received for renewal projects across the district. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.

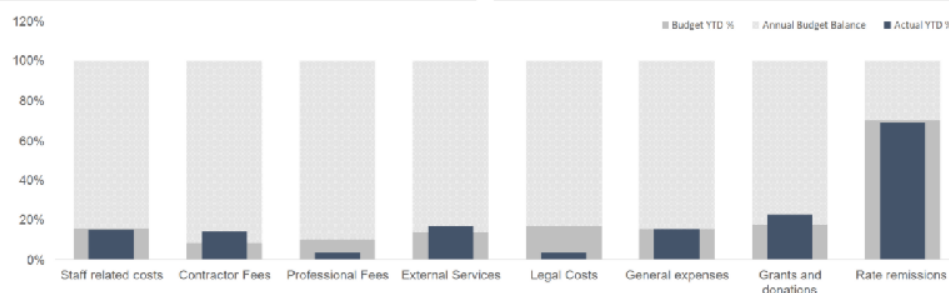
Other Contributions

- Unspent Ministry of Business Innovation and Employment (MBIE) grant funding has been brought into this year to complete the southern animal welfare facility.
- Income received in advance last financial year 2020-21 from the Ministry of Business, Innovation & Employment (MBIE) under the Provincial Growth Fund (PGF) as capital grant received for the Kerikeri Domain, Waipapa Sports Hub and Te Hiku o te Ika projects. These are planned to be spent this financial year.
- There is \$1.8M of unspent Department of Internal Affairs (DIA) grant funding that has been brought into this year to complete the 3-Water Reform projects. The DIA funded 50% of the total 3-Water Reform projects budget upfront but a large amount of this was not required in 2020-21. Further claims for funding have been delayed as a result.
- Planned Provincial Growth Funds (PGF) capital grant received for the road seal projects at Ruapekapeka, Ngapipito and Peria Road projects.

Council Financial Performance – Operational Expenditure

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes allocations, interest costs, depreciation and other asset costs and gain/loss on disposal.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
15.1M	14.0M	1.1M	8%	102.7M	102.7M	0.0M	0%



Highlights:

Contractor Fees

- Maintenance and operational expenses incurred across the roading network for sealed & unsealed pavement maintenance, drainage, structures, traffic services maintenance. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Transfer Stations and Community Recycling Centres has decreased due to the low volumes of refuse being disposed which is normal during this time of the year.

Professional Fees

- A number of consultants have not yet been engaged across the organisation.
- Asset condition assessments are behind budget. The team are still working on the matrix to define what is needed then the program of work packages will be developed.

External Services

- Ongoing enabling works at Ruapekapeka, Ngapipito and Peria Road to support sealing the capital projects funded via grant from the Provincial Growth Fund (PGF).

Grants and Donations

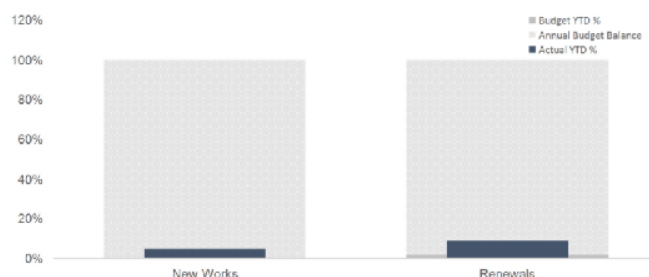
- Sport Northland has not yet invoiced for the annual management fee for Kawakawa swimming pool as planned.

- Annual cycletrail grant has been paid to the Pou Herenga Tai Twin Coast Cycle Trail Trust.

Council Financial Performance – Capital Expenditure

These figures are direct from the Statement of Capital Performance.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
5.2M	0.5M	4.8M	1053%	99.0M	99.1M	0.1M	0%



Highlights:

New Works

- The Kaitia New Source (Sweetwater) project is progressing. Ventia has been awarded the physical works contract and a site blessing has taken place. NRC has given approval for winter works which has begun.
- Public Toilets - relocation and renovation of existing public toilet facility at Whatuwhiwhi is ongoing from last financial year and will require carry over budget to be approved by Council.
- Waipapa Sports Hub and Kerikeri Domain revitalisation projects is ongoing from last financial year which will require carry over budget to be approved by Council.
- Te Hiku o te Ika (Revitalisation project) is ongoing from last financial year which will require carry over budget to be approved by Council and budget retimed.
- West Coast Road bridge project, roadside barriers / guardrails project and associated improvements across the district are ongoing from last financial year. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Footpath projects at BOI-Whangaroa Ward SH11 Kaipatiki Rd to York Rd is subsidised project ongoing from last financial year. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Opuia cycle trail project is ongoing from last financial year and is unsubsidised. The cashflow forecast is being reviewed.
- Planned Provincial Growth Fund (PGF) for road sealing projects is ongoing from last financial year at Ruapekapeka, Ngapipito and Peria road.
- Ongoing seal extension works at Pungaere Road with a handful of ancillary works items outstanding.

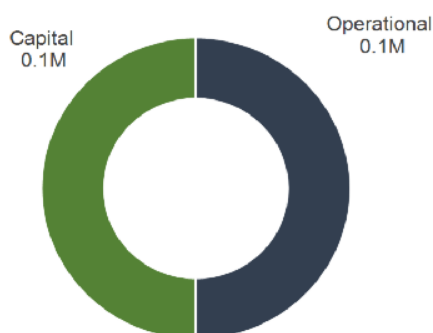
Renewals

- Renewal works across the roading network for unsealed road metaling, routine drainage, pavement rehabilitation, structures replacement, traffic services and minor safety & improvement works at Koropewa Road Sealing project. Cashflow forecast is being reviewed following Waka Kotahi (NZTA) approval and adoption of the 2021-24 National Land Transport Programme (NLTP) on 07 September 2021.
- Maritime - Hokianga Harbour Coastal Repairs planned renewals works on steel piles is ongoing at the Omapere wharf.

Unbudgeted Expenditure

These are additional works not included in the original budget for the current year.

Unbudgeted work greater than \$100,000 must be approved by Council, anything less than that can be approved by a General Manager with appropriate financial delegation.



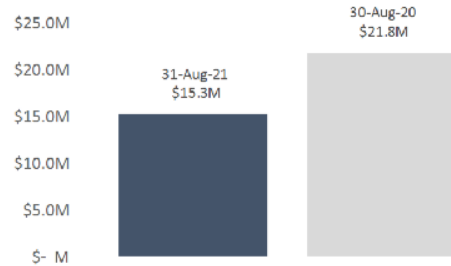
Unbudgeted Expenditure		
<i>*Expenditure over \$100K approved by Council (in grey)</i>		
Unbudgeted Operational		Amount
Economic Planning	Professional Fees	50,000
		50,000
Unbudgeted Roading		Amount
Kaimaumau Road Traffic Calming - Speed	CAPEX New Works Contract Services	50,000
		50,000
		100,000

Budget Movements		
Project Ledger	Comment	Amount
RFID Installation	Professional Fees Savings 2021 Software Licence Fees Savings 2021	53,000
Procter Library Refresh	Procter Library Refresh Renewals from 2023/24	15,062
RFID Installation	Professional Fees Savings 2022 Software Licence Fees Savings 2022	-53,000
		15,062
		15,062

Treasury Report

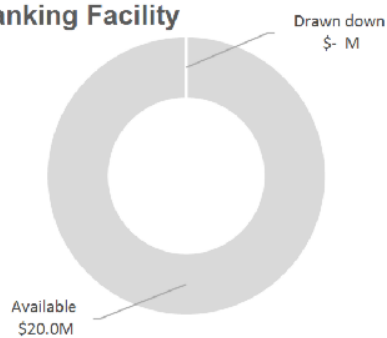
Cash Position

Compared to same time last year



	31-Aug-21	30-Aug-20
ASB General Fund	\$ 8.2M	\$ 16.7M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ 2.0M	- M
Total Cash	\$ 15.3M	\$ 21.8M

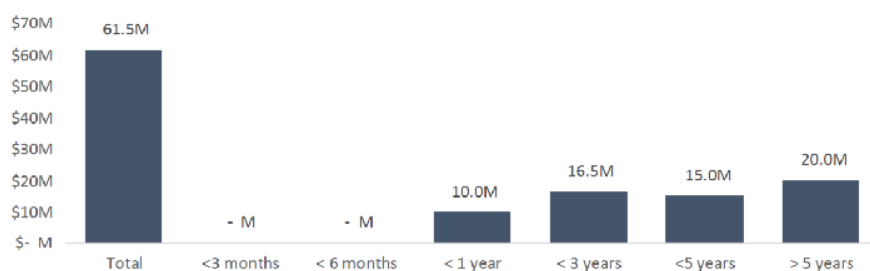
Banking Facility



Banking Facility	\$ 20.0M
Drawn down	- M
Available	\$ 20.0M

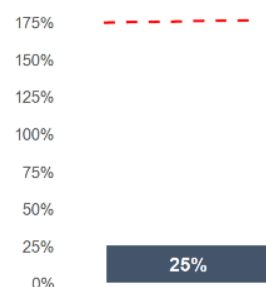
Public Debt

Loans by Maturity Date



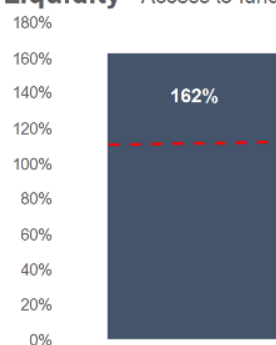
Treasury Compliance

Net Debt as a % of Revenue must be less than 175%



Net Debt	\$ 46.2M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	25%
Policy Maximum	150%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 61.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	\$ - M
Total Committed Public Debt	\$ 81.5M
Liquid Investments Cash at Bank	\$ 15.3M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 99.8M
Access to Funds	162%
Policy Minimum	110%

Note: Total revenue is based on 2021/22 total forecast income excluding non government capital contributions (eg. developer contributions and vested assets).

Liquidity is defined as external debt + committed loan facilities + liquid investments, including bank overdraft facility, divided by existing external debt.

Statement of Financial Performance

for the period ending Aug 2021 (Pd2)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget YTD	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
Operational Income										
Rates - general (excl water supply rates)	15,457	15,440 -	17	92,675	-	92,675	77,218	17%	92,675	-
Rates - penalties	304	516	211	2,063	-	2,063	1,759	15%	2,063	-
Fees & charges (inc water supply rates)	3,500	2,905 -	595	17,590	-	17,590	14,090	20%	17,590	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	2,347	18 -	2,329	14,445	-	14,445	12,097	16%	14,445	-
Other Income	3,180	235 -	2,944	2,244	-	2,244 -	936	142%	2,244	-
Capital Income										
Central Govt Subsidies - New Works	582	156 -	426	19,570	-	19,570	18,988	3%	19,570	-
Central Govt Subsidies - Renewals	514	57 -	457	690	-	690	176	75%	690	-
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	7,112	-	7,112	10,799	-	10,799	3,688	66%	10,799	-
Total Operating Income	32,997	19,328 -	13,669	160,077	-	160,077	127,081	21%	160,077	-
Operational Expenditure										
Staff related costs	5,172	5,324	152	34,476	-	34,476	29,303	15%	34,476	-
Contractor Fees	4,653	2,779 -	1,874	32,873	-	32,873	28,219	14%	32,873	-
Professional Fees	408	1,173	766	11,930	-	11,930	11,523	3%	11,684	246
External Services	1,022	835 -	187	8,135	-	8,135	5,113	17%	8,135	-
Legal Costs	30	146	115	873	-	873	843	3%	873	-
General expenses	1,824	1,824	1	11,965	-	11,965	10,141	15%	12,261	286
Grants and donations	537	422 -	116	2,385	-	2,385	1,848	23%	2,359	26
Rate remissions	1,438	1,462	24	2,087	-	2,087	649	69%	2,087	-
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-
Interest costs	219	380	162	2,282	-	2,282	2,063	10%	2,282	-
Sub total	15,304	14,345 -	958	105,007	-	105,007	89,703	15%	105,031	24
Depreciation and other asset costs	6,696	6,262 -	435	37,569	-	37,569	30,873	18%	37,569	-
Gain/Loss on Disposal	30	-	30	-	-	-	30	100%	-	-
Total Operational Expenditure	21,970	20,607 -	1,363	142,576	-	142,576	120,606	15%	142,600	24
Net Operating Surplus	11,027 -	1,279	12,308	17,501	-	17,501	6,475		17,477	24

Statement of Capital Performance

for the period ending Aug 2021 (Pd2)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	1,321	143 -	1,178	62,816	-	62,816	61,495	2%	62,816	-
Environmental Management	59	28 -	31	981	-	981	923	6%	981	-
Roading and Footpaths	2,200	- -	2,200	1,700	-	1,700 -	500	129%	1,750	50
Wastewater	209	180 -	29	13,047	-	13,047	12,837	2%	13,047	-
Stormwater	76	- -	76	3,672	-	3,672	3,597	2%	3,672	-
Solid Waste Management	55	- -	55	767	-	767	713	7%	767	-
Water Supply	1,040	- -	1,040	11,573	-	11,573	10,533	9%	11,573	-
Governance & Strategic Administration	239	42 -	197	3,407	-	3,407	3,168	7%	3,407	-
Customer Services	38	61	23	993	-	993	955	4%	1,062	68
Strategic Planning & Policy	-	-	-	-	-	-	-	0%	-	-
Total Capital Expenditure	5,237	454 -	4,782	88,957	-	88,957	83,720	5%	99,075	118

Analysis of Operational Income and Expenditure by LTP Group

Income	Year To Date (\$000's)					Full Year (\$000's)			Total Annual Forecast	Forecast vs Budget Variance
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %		
District Facilities	4,900	222 -	4,678	30,266	-	30,266	25,366	-16%	30,266	-
Environmental Management	1,793	1,226 -	567	5,748	-	5,748	3,955	-31%	5,748	-
Roading and Footpaths	4,290	323 -	3,968	17,820	-	17,820	13,530	-24%	17,820	-
Wastewater	859	50 -	809	301	-	301	558	-285%	301	-
Stormwater	620	-	620	-	-	-	620	-100%	-	-
Solid Waste Management	169	270	101	1,535	-	1,535	1,367	-11%	1,535	-
Water Supply	4,261	1,006 -	3,255	7,017	-	7,017	2,756	-61%	7,017	-
Governance & Strategic Administration	260	175 -	85	1,999	-	1,999	1,739	-13%	1,999	-
Customer Services	59	88	29	577	-	577	518	-10%	577	-
Strategic Planning & Policy	21	13 -	9	75	-	75	54	-28%	75	-
Total Operating Income	17,233	3,372 -	13,861	65,338	-	65,338	48,106	26%	65,338	-

Operational Expenditure	Year To Date (\$000's)					Full Year (\$000's)			Total Annual Forecast	Forecast vs Budget Variance
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %		
District Facilities	1,305	1,539	235	9,065	-	9,065	7,780	14%	9,065	-
Environmental Management	1,173	1,598	425	10,198	-	10,198	9,025	12%	10,198	-
Roading and Footpaths	3,378	673 -	2,705	26,934	-	26,934	23,557	13%	26,934	-
Wastewater	1,254	1,192 -	62	7,263	-	7,263	6,009	17%	7,263	-
Stormwater	343	536	193	3,259	-	3,259	2,916	11%	3,259	-
Solid Waste Management	472	723	250	4,348	-	4,348	3,876	11%	4,348	-
Water Supply	1,249	1,010 -	239	6,126	-	6,126	4,877	20%	6,126	-
Governance & Strategic Administration	4,347	4,616	269	22,445	-	22,445	18,099	19%	22,420	26
Customer Services	872	900	27	5,713	-	5,713	4,841	15%	5,713	-
Strategic Planning & Policy	671	1,179	508	7,372	-	7,372	6,701	9%	7,422	50
Total Direct Costs	15,064	13,965 -	1,099	102,724	-	102,724	87,660	15%	102,749	24

Capital Spend Analysis

as at 31-Aug-2021

	YTD (\$000's)		Full Year (\$000's)							
LTP Group	YTD Actual	Commitments	LTP Budget	Carry Forward Budget	Total Annual Budget	Actual vs Budget %	Total Annual Forecast	Actual vs Forecast %	Forecast vs Budget %	Forecast vs Budget Variance
District Facilities	506	3,649	18,730	0	18,730	2.7%	18,730	2.7%	100%	0
Wastewater	209	1,163	13,047	0	13,047	1.6%	13,047	1.6%	100%	0
Water Supply	156	1,085	6,722	0	6,722	2.3%	6,722	2.3%	100%	0
Stormwater	76	227	3,672	0	3,672	2.1%	3,672	2.1%	100%	0
Solid Waste	55	32	767	0	767	7.1%	767	7.1%	100%	0
Project Delivery Team Subtotal	1,002	6,156	42,937	0	42,937	2.3%	42,937	2.3%	100%	0
Roading & Footpaths	1,443	3,372	1,700	0	1,700	84.9%	1,750	82.5%	103%	50
IAM Total	2,445	9,528	44,637	0	44,637	5.5%	44,687	5.5%	100%	50
Environmental Management	46	8	28	0	28	165.5%	28	165.5%	100%	0
Governance & Strategic Administration	239	679	3,407	0	3,407	7.0%	3,407	7.0%	100%	0
Customer Services	38	573	993	0	993	3.8%	1,062	3.6%	107%	68
Strategic Planning	0	0	0	0	0	0.0%	0	0.0%	0%	0
Other Total	323	1,260	4,428	0	4,428	7.3%	4,496	7.2%	102%	68
Sub Total	2,768	10,787	49,065	0	49,065	5.6%	49,183	5.6%	100%	118
DIA Projects										
Water Supply	885	10,479	4,852	0	4,852	18.2%	4,852	18.2%	100%	0
Wastewater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Stormwater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Total DIA Projects	885	10,479	4,852	0	4,852	18.2%	4,852	18.2%	100%	0
ESEO Projects										
District Facilities	815	4,648	44,086	0	44,086	1.8%	44,086	1.8%	100%	0
Environmental Management	13	17	953	0	953	1.3%	953	1.3%	100%	0
Roading & Footpaths	757	5,502	0	0	0	0.0%	0	0.0%	0%	0
Total ESEO Projects	1,584	10,168	45,040	0	45,040	3.5%	45,040	3.5%	100%	0
Total	5,237	31,434	98,957	0	98,957	5.3%	99,075	5.3%	100%	118

Comments:

The 'Total Annual Forecast' is what is expected to be spent by 30 June 2022.

The above completion % are based solely on the actual spend to 31 August 2021

Capital Spend Analysis by %

The table below indicates the position if the commitments that are still to be completed are included in the calculations.

as at 31-August-2021

	Actual + commitments against total forecast budget
LTP Group	YTD Actual (%)
District Facilities	22.2%
Wastewater	10.5%
Water Supply	18.5%
Stormwater	8.2%
Solid Waste	11.3%
Project Delivery Team Subtotal	16.7%
Roading & Footpaths	275.1%
IAM Total	26.8%
Environmental Management	193.4%
Governance & Strategic Administration	26.9%
Customer Services	57.6%
Strategic Planning	0.0%
Other Total	35.2%
Sub Total	27.6%
DIA Projects	
Water Supply	234.2%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	234.2%
ESEO Projects	
District Facilities	12.4%
Environmental Management	3.1%
Roading & Footpaths	0.0%
Total ESEO Projects	26.1%
Total	37.0%

5.3 REVENUE RECOVERY REPORT - 30 SEPTEMBER 2021**File Number: A3422699****Author: Margriet Veenstra, Manager - Transaction Services****Authoriser: William J Taylor MBE, General Manager - Corporate Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

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

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

This is the first report for the financial year 2021-22 and provides information on action taken to collect the current and arrears balances for rates, water and sundry debt so far this year, and to provide information on how collection is tracking against targets.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Revenue recovery report - 30 September 2021.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as at 30 September 2021 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.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The data provided is for General Title and Maori Freehold Land rates and water accounts with sundry debtors shown in a separate table. Since the 1st of July 2021, the General Title rates total arrears balance has been reduced by 14% and water rates by 22%. Total arrears balance is \$800,000 less than this time last year. Maori Freehold Land rates total arrears has been reduced by 0.89% and water rates by 1.25%.

General Title rates and water debt

Key actions since the last report:

- This year, mortgage demand batches are split by mortgagee rather than the arrears value to streamline communications with the banks and financial institutions.
- Debt management commenced mortgage demand pre-calling on the 23rd of July, for all owners with a mortgage with ASB and an arrears balance of more than \$1,000.00. Of the 226 property owners contacted, 74 set up a payment arrangement. Mortgage demand was issued against ASB for 152 properties on the 17th of August.
- When the country went into lockdown at midnight on the 17th of August, debt management commenced calling customers who would normally pay at front counters and offer alternative payment options or place a penalty hold on the account to allow them to pay once front counters opened.
- From the 2nd of September, post penalty run, they contacted those who only missed their 1st instalment payment to offer a payment plan and remit penalties while managing requests for support from rate payers struggling to meet payment arrangements already set up.
- Debt management worked with customer care and communications team to create a pamphlet to promote payment by direct debit with rates easy pay to customers who came to front counters once we moved in to level 2. This resulted in 47% increase in new direct debits set up compared to the same period last year.

- The mortgage demand process is on hold until at least the end of October, but debt management will continue with pre-mortgage demand calling for the next batch of mortgage providers.
- Since 13th of September, pre-calling of has started for ASB customers with less than \$1,000 arrears and ANZ customers with more than \$1,000 arrears to set up payment plans to avoid mortgage demand later in the year.
- Legal proceedings have been filed with the district court for 5 properties with arrears of 5 years or more.

Next actions:

- Continue mortgage demand pre-calling for ANZ and next mortgage providers until such time that it is reasonable for Council to issue mortgage demand with the banks.
- Review and contact properties with only last year's rates in arrears to set up payment arrangements.
- Review properties without a mortgage and high arrears and commence demand process in collaboration with Council's Legal Services team.
- Complete in-depth investigations for the first tranche of abandoned land sales and commence with the process.

For the total number of General Title rates accounts marked as 'Debt recovery action to commence':

- These are properties where there is no mortgage, and we don't have a payment arrangement or direct debit set up on the account.
- 41% of properties only have last year's rates in arrears and 12% have 2 years of arrears. Debt management will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 47% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team to commence legal proceedings.

Maori Freehold Land rates and water debt

The debt for Maori Freehold land has reduced since the write-offs were completed in June as per the Local Government (Rating of Whenua Maori) Amendment Act 2021.

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the last report, mainly due to 6 invoices totalling \$2,537,374. All invoices are for funding from government agencies for work completed or to be started. Reason for non-payment has been identified and payment is expected this month.

The 90 day+ resource consent debt has increased slightly but debt management continue to work closely with the resource consents team to clear the aged debt and there is added focus on current resource consent collection.

Final demand letters have been issued to debtors with outstanding debt and these will be referred to Council Legal Services team to take legal action in the next weeks.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / 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.

ĀPITI HANGA / ATTACHMENTS

1. **Revenue recovery Report 30 September 2021 attachment - A3422680**  

General Title rates and water rates analysis by age at 30 September 2021.

General Title Rates and Water Arrears 2021-2022							
General Title Rates 30 September 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	62,118	62,736	62,326	60,845	170,818	418,843	41
Payment Arrangement	50,600	8,943	3,639	1,676	1,801	66,659	47
Deceased Rate Payer	78,519	74,453	71,050	64,928	153,954	442,903	44
Mortgage Run 2021-2022	1,211,995	207,545	90,803	80,565	121,985	1,712,893	773
Legal Action Commenced (external)	89,477	86,545	64,134	58,048	185,513	483,717	44
Legal Action Commenced (FNDC)	12,464	12,795	12,669	6,672	12,495	57,094	6
Liquidation	1,938	1,966	1,940	1,893	4,833	12,570	2
Direct Debit	286,877	65,539	17,149	13,089	20,276	402,930	205
Debt recovery action to commence	1,531,250	916,624	664,248	505,148	865,422	4,482,692	889
Rates Total	3,325,237	1,437,145	987,956	792,865	1,537,097	8,080,301	2,051

General Title Water 30 September 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	721	644	185	158	-	1,708	1
Payment Arrangement	4,678	1,840	757	79	-	7,354	12
Deceased Rate Payer	11,899	26,763	21,266	13,451	16,965	90,344	9
Mortgage Run 2021-2022	284,888	132,794	81,791	56,741	12,993	569,207	523
Legal Action Commenced (external)	4,302	4,022	3,147	2,696	14,083	28,251	9
Legal Action Commenced (FNDC)	3,215	3,957	1,793	3,509	1,408	13,882	1
Liquidation	-	-	-	-	-	-	-
Direct Debit	68,211	16,542	10,361	7,638	2,811	105,563	150
Debt recovery action to commence	244,667	84,192	81,295	35,269	81,255	526,678	352
Water Total	622,581	270,755	200,596	119,540	129,515	1,342,987	1,057

Maori Freehold Land rates and water analysis by age at 30 September 2021.

MFL Rates and Water Arrears 2021 -2022							
MFL Rates 30 September 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement	8,818	4,415	2,081	-	-	15,314	6
Deceased ratepayer	20,022	18,625	6,492	6,129	5,875	57,144	11
Direct debit	50,086	37,105	30,953	25,735	51,292	195,170	34
Abandoned Land	3,492	3,653	3,604	3,648	10,187	24,585	2
Debt recovery action to commence	2,225,038	2,090,966	973,912	845,275	2,195,882	8,331,073	1,270
Rates Total	2,307,455	2,154,764	1,017,043	880,787	2,263,236	8,623,285	1,323

MFL Water 30 September 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement	-	-	-	-	-	-	-
Direct Debit	5,977	-	-	-	-	5,977	6
Debt recovery action to commence	69,078	49,996	53,732	50,810	73,682	297,297	45
Water total	75,055	49,996	53,732	50,810	73,682	303,274	51

Sundry Debtors by age at 30 September 2021.

Sundry Debtors Aged Period Report as at 30 September 2021						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	327,082	15,964	1,280,141	1,385,096	3,008,283	77%
Bookings	628	-	-	1,200	1,828	0%
Septage	6,810	-	1,082	3,721	11,613	0%
Refuse	-	-	-	13,202	13,202	0%
Building	97,494	27,077	24,132	171,499	320,202	8%
Resource	81,559	57,638	50,003	224,586	413,787	11%
Liquor	21,668	10,082	5,647	3,531	40,927	1%
Health	3,605	6,180	3,862	60,232	73,879	2%
Total	538,846	116,942	1,364,866	1,863,068	3,883,721	100%

Rates EasyPay direct debits

Pay rates the easy way

Benefits

Spread rates payments to suit you. Pay weekly, fortnightly, monthly, annually or on the instalment due date — it's up to you.

- Never forget to pay
- Never get charged late payment penalties
- Never get charged card fees
- No need to visit a Council service centre
- No need to carry large sums of cash.

How does it work?

Join Rates EasyPay and we send you a letter confirming your start date and payment frequency.

Rates are automatically paid from your bank account and a schedule of future payments is included on assessment notices.

You control your payments and can change the frequency or cancel Rates EasyPay at any time.

Any changes to rates are calculated automatically — you don't have to visit the bank to make a change.*

Apply now

Fill in a direct debit form and return with a bank account deposit slip or statement header showing bank account details. Go to our Rates pages on the FNDC website

www.fndc.govt.nz to download the form.

*Our variable direct debit facility recalculates in July when rates are generated and automatically adjusts your payments.

5.4 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE SEPTEMBER 2021

File Number: A3400605

Author: Casey Gannon, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide the Assurance, Risk and Finance Committee with an overview of outstanding decisions from 1 January 2020.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council staff have reintroduced action sheets as a mechanism to communicate progress against decisions/resolutions and confirm when decisions have been implemented.
- The focus of this paper is on Assurance, Risk and Finance Committee decisions.
- Action sheets are also in place for Council and Community Boards.
- There are no outstanding or overdue actions for the Assurance, Risk and Finance Committee.
- All actions for the Assurance, Risk and Finance Committee from 1 January 2020 have been completed.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Action Sheet Update September 2021.

1) TĀHUHU KŌRERO / BACKGROUND

The Democracy Services Team have been working on a solution to ensure that elected members can receive regular updates on progress against decisions made at meetings, in alignment with a Chief Executive Officer key performance indicator.

Action sheets have been designed as a way to close the loop and communicate with elected members on the decisions made by way of resolution at formal meetings.

Action sheets are not intended to be public information but will provide updates to elected members, who, when appropriate can report back to their communities and constituents.

There are no outstanding or overdue actions for the Assurance, Risk and Finance Committee. All actions for the Assurance, Risk and Finance Committee from 1 January 2020 have been completed.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The outstanding tasks are multi-facet projects that take longer to fully complete.

The Democracy Services staff are working with staff to ensure that the project completion times are updated so that action sheets provided to members differentiate between work outstanding and work in progress.

Take Tūtohunga / Reason for the recommendation

To provide the Assurance, Risk and Finance Committee with an overview of outstanding committee decisions from 1 January 2020. There are no outstanding or overdue actions for the Assurance, Risk and Finance Committee. All actions for the Assurance, Risk and Finance Committee from 1 January 2020 have been completed.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or need for budgetary provision in receiving this report.

ĀPITI HANGA / ATTACHMENTS

Nil

6 TE WĀHANGA TŪMATAITI / 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
6.1 - Confirmation of Previous Minutes	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 - October Audit and Assurance Report	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
6.3 - Technology Update Report	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	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 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE