



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Assurance, Risk and Finance Committee Meeting

Wednesday, 2 February 2022

Time: 9.30 am

Location: Virtually via Microsoft Teams

Membership:

Member John Vujcich - Chairperson

Member Bruce Robertson – Deputy Chairperson

Mayor John Carter

Deputy Mayor Ann Court

Cr Mate Radich


Cr Rachel Smith

Cr Kelly Stratford

Cr Moko Tepania

Member Mike Edmonds – Kaikohe-Hokianga Community Board Chairperson

Member Adele Gardner – Te Hiku Community Board Chairperson

	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 roiled 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.	
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

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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.
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

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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 a perceived conflict of interest in Te Rūnanga ā Iwi o Ngāpuhi Council relations	Declare a perceived conflict should there appear to be one
	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

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	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
	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	Declare a perceived conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			Whaingaroa Council relations.	
	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-lwi o Ngāpuhi	As a descendent of Te Rūnanga ā-lwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-lwi 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 in the Virtually via Microsoft Teams on:
Wednesday 2 February 2022 at 9.30 am

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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: A3525653

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 1 December 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. **2021-12-01 Assurance, Risk and Finance Committee Minutes [A3509906] - A3509906** [↓](#)



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 AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON WEDNESDAY, 1 DECEMBER 2021 AT 1.30 PM**

PRESENT: Chairperson John Vujcich, Member Bruce Robertson, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, 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

MOTION

RESOLUTION 2021/1

Moved: Chairperson John Vujcich

Seconded: Cr Rachel Smith

That Councillor David Clendon be permitted speaking rights.

CARRIED

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

APOLOGY

RESOLUTION 2021/24

Moved: Chairperson John Vujcich

Seconded: Deputy Chairperson Bruce Robertson

That the apology received from His Worship the Mayor, Deputy Mayor Ann Court, and Councillor Moko Tepania be accepted and leave of absence granted.

CARRIED

3 NGĀ TONO KŌRERO / DEPUTATION

There were no deputations for this meeting.

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A3051559, pages 12 - 18 refers.

RESOLUTION 2021/25

Moved: Member Adele Gardner

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee confirms the minutes of the Assurance, Risk and Finance Committee meeting held 20 October 2021 as a true and correct record.

Abstained: Rachel Smith

CARRIED

5 REPORTS

5.1 REQUEST DECISION ON CLIMATE CHANGE RISK RECOMMENDATIONS

Agenda item 5.1 document number A3475964, pages 19 - 52 refers.

RESOLUTION 2021/26

Moved: Cr Rachel Smith

Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee:

- a) Removes ARF001 Climate Change risk from the top organisational dashboard.**
- b) Adopts four climate change risks onto the top organisational risk dashboard. The four risks are:**
 - i) ARF015 Climate Change Organisation Transition Risk**
 - ii) ARF016 Climate Change Community Transition Risk**
 - iii) ARF017 Climate Change Direct Risk to Council Physical and Natural Assets**
 - iv) ARF018 Failure to understand and capture climate-related opportunities.**
- c) Establishes regular risk progress reports, for each risk, to the Assurance, Risk and Finance Committee.**
- d) Rescores risks and reports, at least annually, a climate change risk management overview to the Assurance, Risk and Finance Committee on the management and progress to treat the climate change risks.**

CARRIED

SUSPENSION OF STANDING ORDERS

RESOLUTION 2021/27

Moved: Chairperson John Vujcich

Seconded: Cr Rachel Smith

A motion was moved that Assurance, Risk and Finance suspend standing order number 20.2 Time Limits on Speakers.

CARRIED

RESUMPTION OF STANDING ORDERS**RESOLUTION 2021/28**

Moved: Chairperson John Vujcich
Seconded: Cr Rachel Smith

A motion was moved that Assurance, Risk and Finance Committee resume standing order 20.2 Time Limits on Speaks.

CARRIED**6 INFORMATION REPORTS****6.1 DECEMBER 2021 RISK MANAGEMENT REPORT**

Agenda item 6.1 document number A3472394, pages 53 - 113 refers.

RESOLUTION 2021/29

Moved: Cr Rachel Smith
Seconded: Cr Kelly Stratford

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

CARRIED**6.2 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 JULY - 30 SEPTEMBER 2021**

Agenda item 6.2 document number A3475610, pages 114 - 118 refers.

RESOLUTION 2021/30

Moved: Deputy Chairperson Bruce Robertson
Seconded: Chairperson John Vujcich

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

CARRIED**6.3 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 OCTOBER 2021**

Agenda item 6.3 document number A3480782, pages 119 - 138 refers.

RESOLUTION 2021/31

Moved: Cr Rachel Smith
Seconded: Chairperson John Vujcich

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

CARRIED

6.4 LEVEL OF SERVICE KPI QUARTER 1 PERFORMANCE REPORT FOR 2021-2022

Agenda item 6.4 document number A3481087, pages 139 - 163 refers.

RESOLUTION 2021/32

Moved: Cr Rachel Smith
Seconded: Cr Kelly Stratford

That the Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 1 Performance Report for 2021-2022.

CARRIED

6.5 ELECTED MEMBERS SENSITIVE EXPENDITURE

Agenda item 6.5 document number A3430657, pages 164 - 165 refers.

RESOLUTION 2021/33

Moved: Cr Kelly Stratford
Seconded: Deputy Chairperson Bruce Robertson

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

CARRIED

6.6 SUSTAINABLE PROCUREMENT UPDATE - DECEMBER 2021

Agenda item 6.6 document number A3452628, pages 166 - 168 refers.

RESOLUTION 2021/34

Moved: Chairperson John Vujcich
Seconded: Cr Rachel Smith

That the Assurance, Risk and Finance Committee receive the report Sustainable Procurement Update - December 2021.

CARRIED

At 3:12 pm, Cr Kelly Stratford left the meeting. At 3:15 pm, Cr Kelly Stratford returned to the meeting.

6.7 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE NOVEMBER 2021

Agenda item 6.7 document number A3400608, page 169 refers.

RESOLUTION 2021/35

Moved: Member Adele Gardner
Seconded: Cr Rachel Smith

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

CARRIED

7 TE WĀHANGA TŪMATATI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RECOMMENDATION**

Moved: Chairperson John Vujcich

Seconded: Deputy Chairperson Bruce Robertson

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Confirmation of Previous Minutes	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 - Tender Panel Report June - November 2021	s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	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 - 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
7.4 - Far North District Council Current Legal Action and Potential Liability Claims as at 15 November 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

CARRIED

CONFIRMATION OF INFORMATION AND DECISIONS TO BE RELEASED IN PUBLIC**RESOLUTION 2021/27**

Moved: Cr Kelly Stratford

Seconded: Cr Rachel Smith

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

CARRIED

RESOLUTION TO READMIT THE PUBLIC

RESOLUTION 2021/28
Moved: Cr Kelly Stratford
Seconded: Member Adele Gardner

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

CARRIED

8 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

9 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 4:13 pm.

The minutes of this meeting were confirmed at the Assurance, Risk and Finance Committee Meeting held on 2 February 2022.

.....
CHAIRPERSON

5 REPORTS

5.1 RECOMMENDATION TO REMOVE ARF009 CUSTOMER SERVICE DELIVERY RISK FROM THE ORGANISATIONAL RISK DASHBOARD

File Number: A3545470

Author: Tanya Reid, Business Improvement Specialist

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

TAKE PŪRONGO / PURPOSE OF THE REPORT

To seek approval to remove ARF009 Customer Service Delivery risk from the organisational risk dashboard.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- ARF009 Customer Service Delivery risk is an organisational risk in the Operational/Financial category (whole of business view of the Council) performance including service/services delivery, risk and finance.
- Of the 12 risks adopted in May 2019 the ARF009 Customer Service Delivery risk was the lowest priority risk with a medium impact score of 39.
- A comprehensive treatment plan has been deployed. Improvements from the treatments are now being experienced. The risk trend continues to decline and is now scored below that of the desired residual risk score target of 22.
- With a total residual impact score of 11 this risk is now assessed as low impact and unlikely to occur.

A recommendation to demote ARF009 Customer Service Delivery risk from the organisational risk dashboard is supported by the total risk score and probability, and the controls in place.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee approves the removal of ARF009 Customer Service Delivery risk from the organisational risk dashboard.

1) TĀHUHU KŌRERO / BACKGROUND

In November 2018 Elected Members workshoped and agreed their top organisational risk dashboard. The top organisational risk dashboard was adopted on 30 May 2019. Of the 12 risks originally on their risk dashboard the ARF009 Customer Service Delivery risk with a score of 39 was scored lowest equal (four risks all scored 39). This is a medium impact risk.

Table 1: November 2018 ARF011 Organisational Cohesion Risk description and scoring

ID#	Score	Risk description	Impacts	Treatments	Residual Risk Score	Status	Risk Governance (A)accountable (R)esponsible
ARF009	39	Customer Service Delivery <ul style="list-style-type: none"> • RFS process issues • Inadequate timely communication with customer • More online options for customers 	<ul style="list-style-type: none"> • Lower customer service ratings – dissatisfaction • Political pressure • Overheads to return to positive perception • Impact on culture and staff morale • Customer costs / delays 	<ul style="list-style-type: none"> • Customer Experience programme enhanced • RFS Process redesign project needs implementing • RFS Redesign project addresses process flows and regular communication with customer • Council culture of customer first • Enhanced communication & online capability 	22	Identified 29 Nov, 2018 SLT Endorsed 1 April, 2019 HLTP, 8 April	CEO (A) GM DS (R) Mgr. P&C (R) Mgr. Comms (R)

Total Score by impact, probability & multiplier	
High	50+
Medium	20-59
Low	<20

X3 Probability <12 Months
 X2 Probability 1-3 years
 X1 Probability 3+ years

Description of risk and impact

Customer Service Delivery is the efficient and cost-effective delivery of required Council services to residents, ratepayers, and the community.

This includes timely processing and communication with the public around services.

The context around this risk, at the time this risk was raised in 2018:

- Inefficiencies with Council service processing and information flows – including the RFS process – which caused delays in processing requests and affected timely communication with customers.
- Frustrated customers often call elected members who needed to escalate or facilitate information back to the customer.
- At that time customer satisfaction was linked to CEO KPI 6.2 – and is impacted by this risk. There remains a headline CEO KPI on customer service delivery.
- Customer service is a key component of the FNDC Customer Experience programme and is reported on regularly.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The Customer Experience Programme exists to delivery only what customers want, in a way that leaves nothing to chance so our customers’ impressions of FNDC are exactly as intended.

In 2021 we changed how we gather our customer feedback to a digital platform called AskNicely that helps us to monitor our performance, understand our customers experiences and act on their feedback. The short survey gives them the opportunity to tell us their story and what is important to them. We have had a phenomenal response from our customers, having received over 4,500 responses in the first 10 months. Our leaders and staff have also embraced the tool and we are using it to:

- Recover bad experiences
- Build on our customer culture (praise and coaching)
- Gaining a better understanding of our customers and moments that matter to them
- Finding improvement ideas
- Using ‘voice of customer’ to inform business decisions

Table 2: Improving Customer Satisfaction scores



Below are some examples of customer focused improvements:

- Online services: Rates & water rates payments, rates enquiry (registered users), dog re-registrations, events, permits & licenses (including special liquor license, General Manager’s certificate, earthworks Permit, vehicle crossing permit), Kotu Library, improved GIS Maps, BC applications, LIMs, property file requests.
- Focus on and achieving regulatory timelines: Building consents, LIMs
- Business intelligence: BCA, resource consents
- Improved workflows delivering efficiency: the new on-line events process
- Process reviews: relaunch of the process diagram tool Promapp, customer journey mapping, building internal and external knowledge bases (website, TK3)
- Automation of process where appropriate: events, LIMs, property files, templated letters
- Born digital opportunities have been captured: BCA, reviewing of forms and approval processes
- Great Workplaces: distributed working through the COVID-19 pandemic resulting in improved service levels
- Elected Members protocols have been developed and are in place.
- Training: corresponding with customer, dealing with aggressive customers
- Tools for internal and customer use: field tablets, mobile inspections, mobile RFS application, MyFNDC app.

Assessment of risk, impact and likelihood

Table 3: Description of the Customer Service Delivery risk from Corporate Services Risk Register

Group / SLT	Risk level	Inherent Risk	Risk description	Because of	There is a chance that...	leading to...
Corporate Services	Organisational	11	Operational/Financial	As we exist to serve the people of the Far North District we need to have a customer centric culture, customer friendly knowledge and processes with effective tools.	If staff do not have the attitude, tools, knowledge or processes we do not deliver customer centric outcomes	Resulting in customers who are unhappy with the services we provide. The poor customer experience negatively impacts our reputation further impeding our ability to deliver services.

The risk was scored by identifying both the risk impact for five organisational areas (see Table 3) and the likelihood of the risk occurring (see Table 4). For each organisational area, the risk impact is given a score of “High to Intolerable”, “Medium” or “Low to None” and the likelihood is rated as either “Will happen”, “Probable” or “Unlikely” (see table 5) making this a low-none impact risk with a score of 11. The likelihood of the risk materialising is assessed as “unlikely” (table 6)

Table 4: Description of risk impact for each organisation area

Organisation area	Description
Financial	Impact on Budget, Department or Team; and /or Impact on annual Council budget

Customer	Financial impact to customer due to loss of a provision of essential service, or essential piece of infrastructure
Reputational	The impact on FNDC’s reputation
Compliance/Legal	The legal impact on FNDC’s legal adherence / regulatory compliance
Health and Safety	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable

Table 5: Description of likelihood

Likelihood	Description
Will happen	The risk is likely to occur. There is frequent exposure to the risk. There are external influences that make managing this risk ineffective.
Probable	The risk will possibly occur e.g. once in every 2 year event There is an exposure to the risk. There are external influences that make managing this risk difficult.
Unlikely	The risk is unlikely to occur e.g. once in every 10 year event There is a low exposure to the risk.

Table 6: ARF009 Customer Service Delivery risk impact score using FNDC matrix:

	Financial			Customer			Reputational			Compliance/Legal			Health and Safety		
High - Intolerable															
Medium							5								
Low- none	1			1							3		1		
	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen

ARF009 Customer Service Delivery risk is an organisational risk in the Operational/Financial category (whole of business view of FNDC performance including service/services delivery, risk, finance, environmental). Organisational risks may impact on the Council achieving its vision, mission and community outcomes. With a total residual impact score of 11 this risk is now assessed as low impact and unlikely to occur, see table 6.

Table 7: ARF009 Customer Service Delivery risk map as assessed December 2021

	Total Risk		
High - Intolerable			
Medium			
Low- none	X		
	Unlikely	Probable	Will Happen

This reduction in risk score has been achieved through proactive changes and controls. Current ARF009 Customer Service Delivery risk controls in place are:

1. Corporate Services Group Risk Register: continue risk management via the Corporate Services Risk Register.
2. Digital customer feedback tool for all customer facing services and applications. This provides real-time voice of the customer insights and benchmarking.
3. Reporting framework:

- a. Six monthly reporting to Elected Members
 - b. Quarterly CEO KPI reports
 - c. Weekly People Leader updates
 - d. Quarterly one on ones with teams
4. Managers and team members have access to their own customer feedback
 5. Customer excellence programme
 6. One of three priorities in our three-year strategy – enriching our culture for our customers which include two major initiatives captured within the customer experience programme.

A recommendation to demote ARF009 Customer Service Delivery risk from the organisational risk dashboard is supported by the total risk score and probability, and the controls in place.

Take Tūtohunga / Reason for the recommendation

The recommendation to demote ARF009 Customer Service Delivery risk from the organisational risk dashboard is supported by the total risk score of 11; the unlikely probability of the risk occurring; the monitoring and managing of the risk on the Corporate Group Risk Register; and the controls in place.

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

There is no financial implication or request for budgetary provision.

ĀPITI HANGA / ATTACHMENTS

Nil

Hōtaka Take Ōkawa / 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.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	The recommendation in this report does not meet the thresholds as per the Council's significance and engagement policy.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Risk Management Policy.
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.	None.
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. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The recommendation in this report does not have any direct implications for Māori.
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).	There are no affected or interested parties to this recommendation.
State the financial implications and where budgetary provisions have been made to support this decision.	There is no financial implication or request for budgetary provision.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

6 INFORMATION REPORTS

6.1 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2021

File Number: A3542579

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 30 November 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 30 November 2021.

TE TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at 30 November 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 ĀPITIHINGA / ATTACHMENTS

1. Council Financial Report Nov 2021 (Pd5)_FINAL - A3542603 [↓](#) 



Far North District Council

Council Financial Report

for the period ending **30-November-2021**

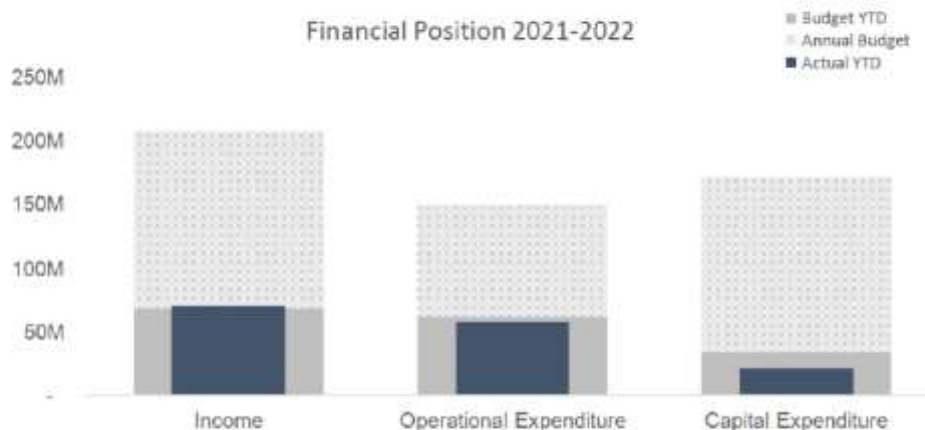
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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 30-November-2021.



Year to Date

Actual Position as at 30-November-2021

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	70.1M	67.4M	2.7M	4%
Operational Expenditure	57.5M	61.6M	-4.0M	-7%
Net Operating Position	12.6M	5.8M	6.8M	116%
Capital Expenditure	21.0M	33.8M	-12.8M	-38%

Year End

Forecast Position as at 30-June-2022

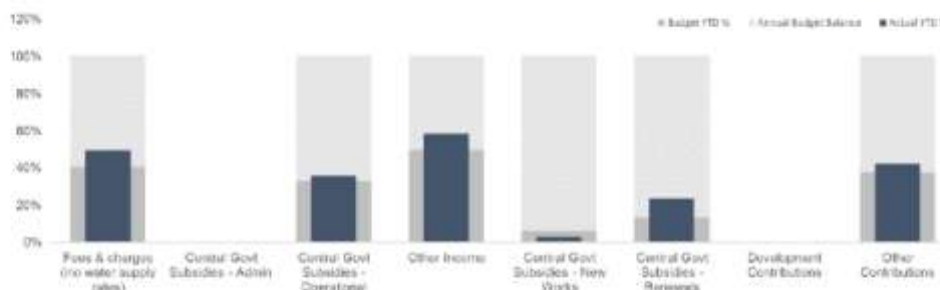
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	207.4M	207.8M	-0.3M	0%
Operational Expenditure	150.1M	149.1M	1.0M	1%
Net Operating Position	57.3M	58.7M	-1.4M	-2%
Capital Expenditure	177.4M	170.9M	6.5M	4%

**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
30.9M	27.7M	3.2M	11%	113.0M	112.7M	0.3M	0%



Highlights:

Fees & Charges

- There has been a large number of resource consent applications processed and the team is meeting statutory timeframes. No discounts have been applied to customers since July this year. Building consents has had the highest number of consents on average compared to the last six years and the team has maintained their time keeping process for chargeable time. The team is now one of the top-performing teams in New Zealand.
- Kaikohe, Kaitaia and Paihia are over budget in water by meter charges to date due to consumption and change in the water by meter rate from \$3.17 to \$3.43.

Other Income

- The 3-Waters Department of Internal Affairs (DIA) funding is now under budget, there is a final claim for 50% to be made once milestones are reached.
- Unspent Provincial Growth Fund (PGF) funds has been brought into this year to complete the final reinstatement costs for Lake Omapere planned for this summer.
- Operational grant received in advance last financial year 2020-21 from the Ministry of Business, Innovation & Employment (MBIE) under the Provincial Growth Fund (PGF) to support capital works for the Ngapipito, Peria, Ruapekapeka road sealing projects.

Central Govt Subsidies – Operational

- Income has been received from Waka Kotahi (NZTA) for sealed pavement maintenance with pre-reseal repairs being undertaken with the intention of further reseal works on the general roading network in time for the construction period and environmental maintenance with first response repairs being undertaken as a result of the September/October storm damage.
- Income received in advance last financial year 2020-21 from the Ministry of Business, Innovation & Employment (MBIE) under the Tourism Infrastructure Fund (TIF) package for upgrading public toilets at Ramp Rd, Karikari and Waitangi Jetty.

Central Govt Subsidies – New Works

- Income received in advance last financial year 2020-21 from the 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.
- Further funding has been applied for Round 5 of the Tourism Infrastructure Fund (TIF) for Smart Bins and Wi-Fi network lighting initiatives at Russell and Paihia, and construction of public toilets at Lake Manuwai and Te Paki Stream Road Cape Reinga.
- Income received from Waka Kotahi (NZTA) for West Coast Road bridge project, roadside barriers/guardrails, audible tactile profile/road markings, traffic calming improvement works ongoing from last financial year 2020-21 and associated improvements across projects in the district. Construction of footpaths in the BOI-Whangaroa Ward: SH11, Kaipatiki Rd to York Rd is ongoing from last financial year.
- Final subsidy claim received from the Ministry of Business, Innovation & Employment (MBIE) for seal extension at Pungaere Road with a handful of ancillary works items that were outstanding have been addressed.
- Applied Round 5 of the Tourism Infrastructure Fund (TIF) from the Ministry of Business, Innovation & Employment (MBIE) for Bayly Road sealing at Waitangi.

Central Govt Subsidies – Renewals

- Income has been received for renewal projects across the district for unsealed road metalling (North area), sealed road resurfacing (South area), rehabilitation (North area) taking advantage of good weather condition.

Other Contributions

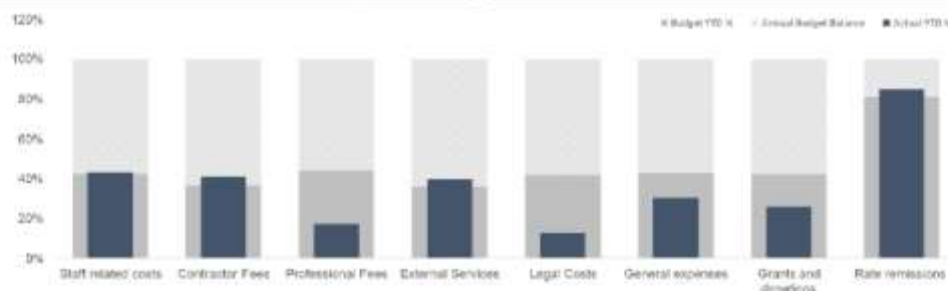
- Unspent Ministry of Business, Innovation & Employment (MBIE) grant funding has been brought into this year to complete the southern animal welfare facility.
- Income received in advance last financial year 2020-21 from the Ministry of Business, Innovation & Employment (MBIE) under the Provincial Growth 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.
- The 3-Waters Department of Internal Affairs (DIA) funding is now under budget, there is a final claim for 50% to be made once milestones are reached.

- Planned Provincial Growth Funds (PGF) capital grant received for road seal projects at Ruapekapeka, Ngapipito and Peria Road.

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
40.5M	44.9M	4.4M	-10%	109.2M	110.3M	1.0M	1%



Highlights:

Contractor Fees

- Pre-reseal repairs being undertaken with the intention of further reseal works on the general roading network intime for the construction period and first response costs incurred following the September/October storm damage for environmental maintenance.
- A significant portion of the wastewater variance is attributed to incorrect coding which should have been coded to the externally funded Department of Internal Affairs (DIA) 3-Waters project, this will be corrected in due course. Remaining over budget is due to the increased operational costs for the new Kerikeri Wastewater Treatment Plant and higher operational costs over the October/November period in Paihia with the chemical dosing and network pump failures with rag blockages.

Professional Fees

- A number of consultants have not yet been engaged across the organisation.
- Asset condition assessments are behind budget due to the start of the year being committed to planning the three-year program, however, the full budget will be utilised this year.

External Services

- Planned Provincial Growth Fund (PGF) to support enabling works for the road sealing capital projects at Ruapekapeka, Ngapipito and Peria Road.
- Innovating and safer streets project initiatives at Kawakawa and Moerewa in conjunction with Waka Kotahi (NZTA) are ongoing from last financial year 2020-21.

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- Construction of the entrance to the Waipapa Sports Hub project from State Highway 10 is currently underway, and health and safety awareness and support works are ongoing for the Te Hiku revitalisation project.
- The summer dust suppression program is underway to mitigate road generated dust on the unsealed roads network.
- Wastewater is behind budget, the majority of funds will be spent from January to June. The programme is well underway with focus on using the Department of Internal Affairs (DIA) funds for desludging by March 2022.
- \$250K has been received for the Mayors Taskforce for Jobs, this is the first tranche of funding and will be moved to the allocated projects for tracking.

Legal Costs

- Legal costs are tracking well except for District Plan, this budget is yet to be utilised.

General Expenses

- Audit fees, Discretionary professional fees and Commissioner's fees have not been utilised.

Grants & Donations

- The grant for the MN10 Matawii Dam design and development in Kaikohe has not been utilised, this is planned to be completed in the new year.

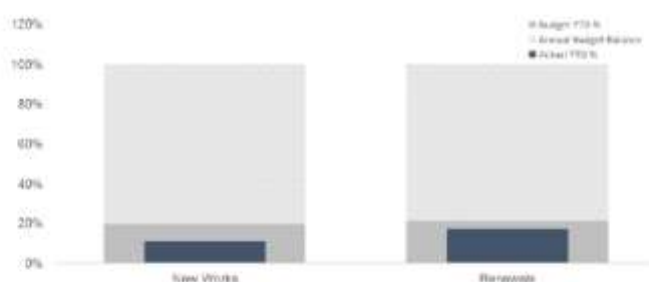
Rate Remissions

- Rate Remissions are primarily transacted in the first month for the whole year where ongoing remissions have been approved. Additional remissions are received during the year but the timing of these is unpredictable. The unpredictable nature of this activity makes it difficult to set and time budgets accurately. Cashflow forecast is being reviewed.

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
21.0M	33.8M	-12.8M	-38%	170.9M	177.4M	6.5M	4%



Highlights:

New Works

- COVID-19 has delayed progress on project works. Wastewater new minor works is under budget, due to the uncertainty of works the budget cannot be accurately timed. There are a number of pump station projects that have not started, these will all be carried out at the same time along with the upgrades under one contract - renewal funding will need to be brought forward to complete these. A number of projects are currently being reforecast out to future years and this will be reflected in the next report.
- The Kaitia New Source (Sweetwater) project is behind in budget but progressing, 8,700m of pipeline has been installed along Bonnetts and Gill Road and all platforms have been completed at bore sites 1 and 2. \$5.7M has been spent in the July-November period. An agreement was reached to allow construction to proceed through the Sandhills roadside. Valuers have completed their site visits for the valuations of the easements over the property.
- Monument Hill Deep Bore project is behind budget. Detail design for stage 3 is underway and the procurement plan has been approved for a direct award. The timeline will be finalised once feedback has been received on application of the Resource Consent.
- The Fire Flow Upgrades, Skudders Beach project is with the asset management team and is being reconsidered due to further testing being required.
- A number of projects are currently being reforecast out to future years and this will be reflected in the next report.
- West Coast Road bridge project, roadside barriers/guardrails, audible tactile profile/road markings, traffic calming improvement works ongoing from last financial year and associated improvements across projects in the district. Cashflow forecast

would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme.

- Construction of footpaths in the BOI-Whangaroa Ward: SH11, Kaipatiki Rd to York Rd is ongoing from last financial year. Cashflow forecast would be reviewed following funding approval by Waka Kotahi (NZTA) for the 2021-24 programme. in November 2021.
- Re-route and relocation works between Taumarere to Opuia cycle trail project is ongoing from last financial year.
- The oil separator project at the transfer stations is slightly behind however funds are committed.

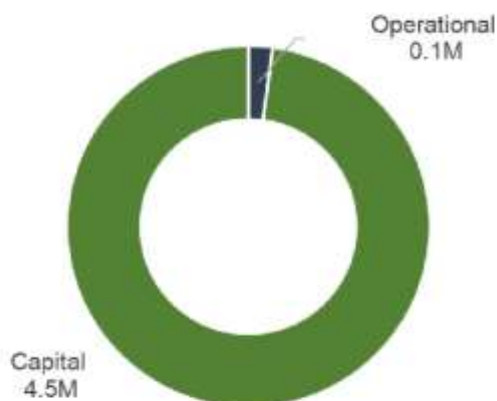
Renewals

- Renewal works across roading network is taking advantage of the construction period for unsealed road metaling in Northern area is higher than the anticipated heavy metal build-up and running course programme, sealed road resurfacing for South area is 45% complete against the reseal programme for 21/22, pavement rehabilitation for North area has completed 500 metres of sealing with 700 metres work in progress out of the total programme of 1.7 kilometres in North.
- Hokianga Harbour Coastal Repairs planned renewals works on steel piles are ongoing at the Omapere wharf. Unahi wharf development project is behind schedule due to COVID-19 disruptions as the pile specialists were based in Auckland.
- There are a number of wastewater projects which have not been assigned to the project team yet and reactive renewals are under budget as these cannot be accurately timed due to the nature.

Unbudgeted Expenditure

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

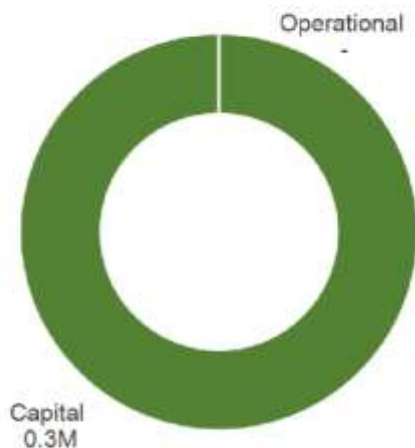
Unbudgeted work greater than \$100,000 must be approved by Council, anything less than that can be approved by a General Manager with appropriate financial delegation.



Unbudgeted Expenditure		
<i>*Expenditure over \$100K approved by Council (in grey)</i>		
Unbudgeted Operational		Amount
Economic Planning	Professional Fees	50,000
Swimming Pools	External Services	25,032
Swimming Pools	External Services	21,754
Swimming Pools	External Services	3,099
		99,885
Unbudgeted Capital Works		Amount
Kaitaia New Source (Sweetwater) - 3 Waters Reform	CAPEX New Works Contract Services	4,391,629
HFTE Oxford Street Kaitaia, Planned Renewals (DFP1074)	External Services	60,000
		4,451,629
Unbudgeted Roading		Amount
Kaimaumau Road Traffic Calming - Speed	CAPEX New Works Contract Services	50,000
Powell Road Culvert Extension, Cable Bay	CAPEX New Works Contract Services	25,000
		75,000
		4,626,514

Budget Movements

These are budgets timed in future years, brought forward into the current year (positive values) OR budgets timed in the current year to be moved out to future years (negative values).



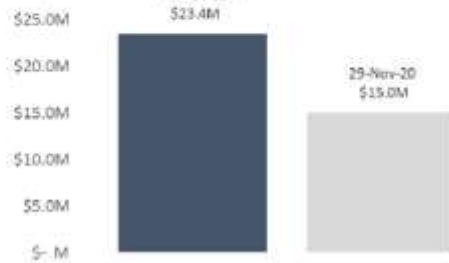
Budget Movements		
Project Ledger	Comment	Amount
Kerikeri WTP New Clarifiers - 3 Waters Reform	Tfr Future Budget GM Corporate Approved	400,000
RFID Installation	Professional Fees Savings 2021 Software Licence Fees Savings 2021	53,000
Kerikeri Domain - PGF	Kerikeri Domain Savings towards salary for Principal Advisor Sustainable Procurement	41,040
Waipapa Sports Hub - PGF	Waipapa Sports Hub saving towards salary Principal Advisor Sustainable Procure	41,040
Te Hiku o te Ika - PGF	Te Hiku o te Ika - Revitalisation Project salary for Principal Advisor Sus Procure	41,040
Procter Library Refresh	Procter Library Refresh Renewals from	15,062
Parks & Reserves Western	Western Ward Softfall transfer out budget on cost paid last FY on softfall project	-11,904
Parks & Reserves Eastern	Eastern Ward Softfall transfer out budget for cost paid last FY on softfall project	-32,033
Kerikeri Domain - PGF	Kerikeri Domain Savings towards salary for Principal Advisor Sustainable Procurement	-41,040
Waipapa Sports Hub - PGF	Waipapa Sports Hub saving towards salary Principal Advisor Sustainable Procure	-41,040
Te Hiku o te Ika - PGF	Te Hiku o te Ika - Revitalisation Project salary for Principal Advisor Sus Procure	-41,040
RFID Installation	Professional Fees Savings 2022 Software Licence Fees Savings 2022	-53,000
Parks & Reserves Northern	Northern Ward Softfall trf out budget on cost paid last FY on softfall project	-64,340
		306,785

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Treasury Report

Cash Position

Compared to same time last year



	30-Nov-21	29-Nov-20
ASB General Fund	\$ 18.3M	\$ 9.9M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ - M	\$ - M
Total Cash	\$ 23.4M	\$ 15.0M

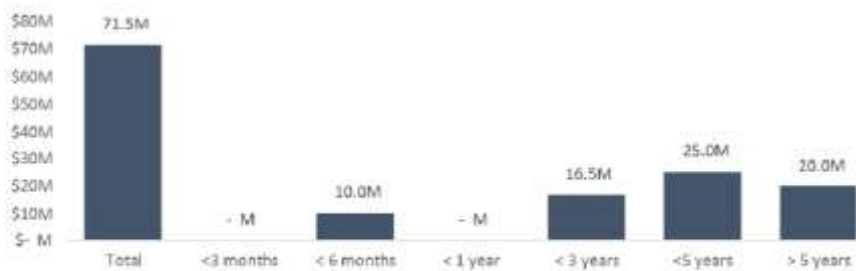
Banking Facility



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

Public Debt

Loans by Maturity Date



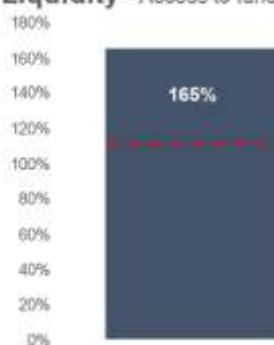
Treasury Compliance

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



Net Debt	\$ 48.1M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	26%
Policy Maximum	149%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 71.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	\$ - M
Total Committed Public Debt	\$ 91.5M
Liquid Investments Cash at Bank	\$ 23.4M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 117.9M
Access to Funds	165%
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 Nov 2021 (Pd5)

	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 (incl water supply rates)	38,664	38,810 -	53	92,675	-	92,675	54,612	42%	92,675	-
Rates - penalties	563	1,032	468	2,053	-	2,053	1,500	27%	2,053	-
Fees & charges (inc water supply rates)	8,662	7,077 -	1,584	17,590	-	17,590	8,929	49%	17,590	-
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	5,376	4,996 -	380	14,445	677	15,122	9,746	38%	15,138	16
Other Income	4,262	3,613 -	648	2,244	5,071	7,315	3,053	56%	8,215	900
Capital Income										
Central Govt Subsidies - New Works	1,275	2,614	1,339	39,491	2,417	41,908	40,633	3%	30,132	11,776
Central Govt Subsidies - Renewals	2,187	1,250 -	936	8,917	394	9,311	7,154	23%	11,162	1,841
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	8,100	8,138 -	38	10,790	10,844	21,744	12,637	42%	30,425	8,681
Total Operating Income	70,584	67,381 -	2,742	188,254	19,603	207,758	137,694	34%	207,421	337
Operational Expenditure										
Staff related costs	14,905	14,963 -	345	34,476	-	34,476	19,568	43%	34,679	203
Contractor Fees	13,481	12,048 -	1,416	32,673	-	32,673	19,411	41%	32,927	55
Professional Fees	2,865	7,329	4,464	11,030	4,744	16,670	13,810	17%	14,996	1,677
External Services	3,071	2,778 -	293	8,135	1,606	7,740	4,670	40%	8,316	576
Legal Costs	110	364	254	673	-	673	763	10%	672	1
General expenses	3,697	5,172	1,474	11,905	150	12,115	8,418	31%	14,020	1,905
Grants and donations	619	1,008	390	2,385	15	2,400	1,781	20%	2,370	26
Rate remissions	1,772	1,608 -	54	2,087	-	2,087	316	85%	2,087	-
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-
Interest costs	563	901	355	2,252	-	2,252	1,719	26%	2,252	-
Sub total	41,066	45,297	4,831	105,007	6,615	111,621	70,456	37%	112,556	1,034
Depreciation and other asset costs	16,524	15,604 -	871	37,569	-	37,569	21,645	44%	37,569	-
Gain/Loss on Disposal	48	-	48	-	-	-	48	100%	-	-
Total Operational Expenditure	57,542	61,551	4,059	142,576	6,615	169,091	91,548	39%	180,125	1,034
Net Operating Surplus	12,532	5,900	6,751	45,678	12,988	58,667	46,118		57,296	1,371

Statement of Capital Performance

for the period ending Nov 2021 (Pd5)

	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	5,896	11,386	5,490	62,618	8,606	71,422	65,526	8%	70,807	916
Environmental Management	100	200	100	881	327	1,208	1,208	8%	1,308	-
Roading and Footpaths	7,338	8,193	2,145	43,278	7,282	50,558	43,220	16%	50,302	2,744
Wastewater	512	3,722	3,210	13,047	1,926	14,973	14,481	3%	14,972	6
Stormwater	116	75	40	3,672	311	3,983	3,887	3%	3,983	-
Solid Waste Management	83	381	298	757	156	922	838	9%	807	116
Water Supply	6,190	11,621	5,431	11,573	8,931	20,505	14,515	30%	24,896	4,392
Governance & Strategic Administration	586	855	269	3,407	1,942	5,349	4,783	11%	5,229	120
Customer Services	160	317	157	993	806	1,096	1,738	8%	1,967	68
Strategic Planning & Policy	4	-	4	-	-	-	4	100%	120	120
Total Capital Expenditure	20,985	33,750	12,765	140,532	30,398	170,919	149,854	12%	177,381	6,472

Analysis of Operational Income and Expenditure by LTP Group

Income	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	5,797	3,833 -	2,167	30,798	5,111	35,377	29,580	-18%	30,741	2,158
Environmental Management	3,711	2,583 -	1,129	5,748	-	5,748	2,637	-80%	5,748	-
Roading and Footpaths	11,765	10,009 -	1,703	48,055	4,483	50,518	38,815	-23%	52,375	1,857
Wastewater	889	1,100 -	212	301	1,403	1,784	896	-50%	2,300	523
Stormwater	620	719 -	99	-	1,106	1,106	486	-56%	840	266
Solid Waste Management	623	639 -	16	1,478	-	1,478	654	-42%	1,420	58
Water Supply	6,474	8,305 -	1,861	7,017	7,019	14,336	7,602	-45%	14,070	257
Governance & Strategic Administration	619	451 -	369	1,989	21	2,020	1,201	-41%	2,001	-
Customer Services	185	221 -	36	577	-	577	412	-29%	577	-
Strategic Planning & Policy	66	31 -	35	78	-	78	6	-88%	76	-
Total Operating Income	30,886	27,709 -	3,157	93,516	19,603	113,019	82,152	27%	112,862	337

Operational Expenditure	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	3,794	4,102	308	9,411	372	9,013	6,019	38%	10,420	610
Environmental Management	3,687	4,200	513	9,972	-	9,972	6,284	37%	9,972	-
Roading and Footpaths	9,916	8,929 -	993	36,934	678	27,612	17,596	36%	27,512	-
Wastewater	4,054	4,167	133	7,203	2,250	9,514	5,459	43%	10,037	523
Stormwater	857	2,081	1,224	3,258	1,106	4,366	3,508	20%	4,100	266
Solid Waste Management	1,783	1,814	31	4,348	-	4,348	2,586	41%	4,348	-
Water Supply	2,943	3,905	962	6,126	2,188	8,314	5,371	35%	8,457	143
Governance & Strategic Administration	9,571	10,287	716	22,445	21	22,486	12,895	43%	22,434	32
Customer Services	2,205	2,414	209	5,713	-	5,713	3,508	38%	5,704	9
Strategic Planning & Policy	1,711	3,032	1,321	7,221	-	7,221	5,510	24%	7,286	65
Total Direct Costs	40,503	48,946	4,443	102,724	6,516	109,239	60,736	37%	110,272	1,034

Capital Spend Analysis

as at 30-Nov-2021

LTP Group	YTD (\$000's)				Full Year (\$000's)					
	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	1,905	2,883	18,730	5,509	24,238	7.9%	24,246	7.9%	100%	7
Wastewater	512	829	13,047	1,826	14,973	3.4%	14,972	3.4%	100%	(0)
Water Supply	411	1,018	6,722	907	7,629	5.4%	7,629	5.4%	100%	0
Stormwater	116	152	3,672	311	3,983	2.9%	3,983	2.9%	100%	0
Solid Waste	83	42	767	155	922	9.0%	807	10.3%	87%	(116)
Project Delivery Team Subtotal	3,027	4,924	42,937	8,808	51,745	5.8%	51,637	5.9%	100%	(108)
Roading & Footpaths	4,507	10,025	31,827	4,177	36,004	12.7%	38,747	11.8%	108%	2,744
IAM Total	7,613	14,949	74,764	12,985	87,749	8.7%	90,384	8.4%	103%	2,635
Environmental Management	55	7	28	0	28	196.9%	28	196.9%	100%	0
Governance & Strategic Administration	566	843	3,407	1,942	5,349	10.6%	5,229	10.8%	98%	(120)
Customer Services	160	481	993	906	1,899	8.4%	1,967	8.1%	104%	68
Strategic Planning	4	0	0	0	0	0.0%	120	3.5%	0%	120
Other Total	785	1,331	4,428	2,848	7,276	10.8%	7,344	10.7%	101%	68
Sub Total	8,398	16,280	79,192	15,833	95,025	8.8%	97,728	8.6%	103%	2,703
DIA Projects										
Water Supply	5,779	7,672	4,852	8,024	12,876	44.9%	17,267	33.5%	134%	4,392
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	5,779	7,672	4,852	8,024	12,876	44.9%	17,267	33.5%	134%	4,392
ESEO Projects										
District Facilities	3,991	4,780	44,086	3,098	47,184	8.5%	46,561	8.6%	99%	(623)
Environmental Management	45	0	953	327	1,280	3.6%	1,280	3.6%	100%	0
Roading & Footpaths	2,752	10,902	11,449	3,105	14,555	18.9%	14,555	18.9%	100%	0
Total ESEO Projects	6,788	15,682	56,489	6,529	63,019	10.8%	62,396	10.9%	99%	(623)
Total	20,965	39,634	140,533	30,366	170,919	12.3%	177,391	11.8%	104%	6,472

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 November 2021.

Capital Spend Analysis by %

The picture below indicates the position if the commitments that are still to be completed are included in the calculations as at 30-November-2021

LTP Group	Actual + commitments against total forecast budget
	YTD Actual (%)
District Facilities	19.7%
Wastewater	9.0%
Water Supply	18.7%
Stormwater	6.7%
Solid Waste	15.5%
Project Delivery Team Subtotal	15.4%
Roading & Footpaths	37.7%
IAM Total	25.0%
Environmental Management	222.1%
Governance & Strategic Administration	26.9%
Customer Services	32.6%
Strategic Planning	3.5%
Other Total	28.8%
Sub Total	25.3%
DIA Projects	
Water Supply	77.9%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	77.9%
ESEO Projects	
District Facilities	18.8%
Environmental Management	3.6%
Roading & Footpaths	93.8%
Total ESEO Projects	36.0%
Total	34.2%

6.2 FEBRUARY 2022 RISK MANAGEMENT REPORT

File Number: A3547055

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, scheduled risk progress reports for the organisation's top risks and business continuity planning.

No decision is required.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Risk progress updates are provided for six of the top organisational risks. This includes the first risk progress report for ARF017 Climate Change Direct Risk to Council Physical and Natural Assets. Four of the scheduled risk progress reports report an increasing risk trend.
- Additionally, there is a separate decision report to the Assurance, Risk and Finance Committee recommending that the ARF009 Customer Service Delivery risk is demoted from the organisational top risk dashboard.
- Risk management at a group and departmental level continues as does identifying essential services to be supported by business continuity plans.
- One new emergent risk has been identified.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report February 2022 Risk Management Report.

TĀHUHU KŌRERO / BACKGROUND

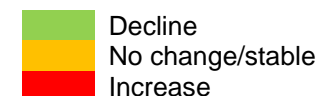
The top organisational risks are risks that may impact on Council achieving its vision, mission and community outcomes and are regularly reported to the Assurance, Risk and Finance Committee to ensure they are being appropriately managed. A number of these risks are subject to external influences which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

Table 1 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, risk owners, risk progress report frequency and the risk trend as assessed by the risk subject matter experts. Further these risks have been categorised into three themes – Climate Change, Enterprise Governance and Infrastructure and Asset Management Risks.

Table 2 details the 2022 risk progress report schedule. The schedule has synchronised risk progress reports to enable the Assurance, Risk and Finance Committee to view reports on interconnected risks. The reporting schedule for ARF009 Customer Service Delivery will be confirmed depending on the outcome of the decision report tabled on this meeting's agenda.

Table 1: Top organisational risk dashboard

Key to trend of risk rating:



Risk ID:	Risk title	Inherent risk score	Trend of risk rating	Residual risk score	Accountable Risk Governance	Responsible Risk Governance	Report schedule	Report tabled:
Climate Change								
ARF015	Climate Change Organisation Transition Risk	31			CEO	GMSP	3 Monthly	
ARF016	Climate Change Community Transition Risk	39			CEO	GMSP	3 Monthly	
ARF017	Climate Change Direct Risk to Council Physical and Natural Assets	37			CEO	GMSP	3 Monthly	Feb 22
ARF018	Failure to understand and capture climate-related opportunities	29			CEO	GMSP	6 Monthly	
Enterprise Governance								
ARF003	Health & Safety Vulnerabilities	46		34	CEO	CPO	3 Monthly	Feb 22
ARF005	Affordability Risk	45		26	CEO	GMSP	6 Monthly	Dec 21
ARF009	Customer Service Delivery	39		22	CEO	CT&TO	3 Monthly	Dec 21
ARF010	Data Governance Risks	39		14	CEO	CEO	6 Monthly	Dec 21
Infrastructure and Asset Management Risks								
ARF004	Asset Management Risks	45		18	CEO	GMIAM	6 Monthly	Feb 22
ARF006	Project Priorities Deliveries Delays	45		14	CEO	GMIAM	3 Monthly	Feb 22
ARF007	Compliance NRC Abatements	45		18	CEO	GMIAM	6 Monthly	Dec 21
ARF012	Contract Management Risks	39		14	CEO	GMIAM	3 Monthly	Feb 22
ARF013	Drinking Water Resilience	35			CEO	GMIAM	3 Monthly	Dec 21
ARF014	Programme Darwin	35		13	CEO	GMIAM	3 Monthly	Feb 22

Table 2: 2022 risk progress report schedule

	2022 ARF meeting date:	02/02	16/03	27/04	22/06	22/07	31/08
ARF015	Climate Change Organisation Transition Risk		✓		✓		✓
ARF016	Climate Change Community Transition Risk		✓		✓		✓
ARF017	Climate Change Direct Risk to Council Physical and Natural Assets	✓		✓		✓	
ARF018	Failure to understand and capture climate-related opportunities				✓		
ARF003	Health & Safety Vulnerabilities	✓		✓		✓	
ARF005	Affordability Risk				✓		
ARF009	Customer Service Delivery	tbc					
ARF010	Data Governance Risks				✓		
ARF004	Asset Management Risks	✓				✓	
ARF006	Project Priorities Deliveries Delays	✓		✓		✓	
ARF007	Compliance NRC Abatements				✓		
ARF012	Contract Management Risks	✓		✓		✓	
ARF013	Drinking Water Resilience		✓		✓		✓
ARF014	Programme Darwin	✓		✓		✓	
	Externally funded shovel ready, economic stimulus employment opportunity projects		✓				

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Organisational risk management

ARF009 Customer Service Delivery risk is subject to a separate decision report which recommends the demotion of this risk from the organisational risk dashboard due to the reduction of the inherent risk score and probability of this risk materialising, and the controls in place. This reduction in risk score has been achieved through proactive changes and controls. Management of this risk will continue via the Corporate Services Risk Register.

Emergent risk:

One new emergent risk has been identified with the initiation of the Ngapuhi Mana Whakahono ā Rohe. Specifically, the emergent risk is focussed on our ability to meet the statutory timeframe to review all Council policies and process within six months of completing the agreement. This risk was identified in work completed in 2018 and is captured in the Strategic Planning and Policy Group risk registers as SPP01 / 02 and 03. A high level process was developed in 2018 to support this statutory process. An internal hui /workshop with a cross-functional team of 17 staff, supported by the Principal Advisor Organisational Performance & Transformation and the Project and Change Specialist, has been planned for January 2022. A full report on the arrangements (such as tasks, risks, governance and milestone dates) will be made to the Strategy and Policy Committee.

Context and background:

A Mana Whakahono is a binding statutory arrangement that provides for a more structured relationship under the Resource Management Act 1991 to provide an opportunity for tangata whenua and local authorities to come together under the RMA. The intent of Mana Whakahono is to facilitate improved working relationships between tangata whenua (through their iwi authority or

hapū) and local authorities and to enhance Māori participation in resource management and decision-making processes under the RMA.

The emergent risk identified in October 2020, the financial and legal risks due to the effects of climate change, has been removed from table 3 as this risk has been accepted as a top organisational risk, ARF015 Climate Change Organisation Transition Risk.

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. 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.
3. 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. A progress up-date is provided under the group risk section.
4. 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.
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. Independent review of WorkSafe in relation to Whakaari/White Island released 22/10/2021. The review found that WorkSafe fell short of good practice in its regulation of activities on Whakaari White Island over the 2014-19 period. The review says that improvements are needed in WorkSafe's management of the adventure activities system.

Organisational risk progress reports:

Following discussions at the December 2021 Assurance, Risk and Finance Committee meeting work is progressing to establish an Affordability Risk Reference Group to theme and prioritise ARF005 Affordability risk. To date terms of reference, including proposed membership, have been drafted. An Affordability risk hui has been scheduled for 11 February 2022.

Six scheduled risk progress reports, including high level treatment plan progress, are provided with highlights and analysis of risk progress below. Four (50%) of the scheduled risk progress reports report an increasing risk trend. More detail is available in the attached risk progress reports. Of the 10 top organisational risks in Enterprise Governance and Infrastructure and Asset Management Risks 60% identify the risk trend as increasing, 20% are stable and 20% are decreasing.

Risk progress reports – highlights and analysis:

1. ARF003 Health & Safety Vulnerabilities Risk Progress Report. The inherent risk rating trend has been assessed as **increasing** due to treatment plan progress; increase in threatening behavior from the public; and the ongoing non-compliance with Health and Safety at Work Act regulations across our assets.
2. ARF004 Asset Management Risk Progress Report. The inherent risk rating trend has been assessed as **declining** due to the implementation of two treatments - Asset Management Plans and project management framework – and progress made against other treatments.
3. ARF006 Project Priorities Deliveries Delays Risk Progress Report. The inherent risk rating trend has been assessed as **increasing** due to impact of the external environment we are working in. Issues being experienced are - contractor availability and increasing cost of labour and materials.
4. ARF012 Contract Management Risk Progress Report. The inherent risk rating trend has been assessed as **stable** due to the progress against treatments such as the new contracts register and contract management framework.
5. ARF014 Programme Darwin Risk Progress Report. The inherent risk rating trend has been assessed as **increasing** as treatments to reduce either the impact or probability of this risk are yet to be confirmed or implemented. A working group is to be established early 2022 with governance oversight provided by the Assurance, Risk and Finance Committee.
6. ARF017 Climate Change Direct Risk to Council Physical and Natural Assets Risk Progress Report. The inherent risk rating trend has been assessed as **stable**. Work is underway to identify a programme of treatments.

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

Group Risk Up-date

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

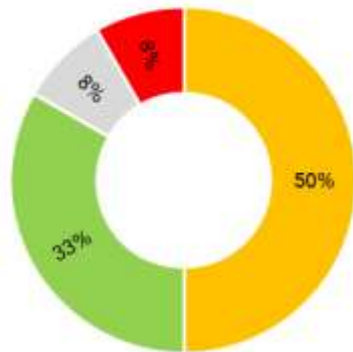
District Services Risk Dashboard

Review Date: 10/01/22

24 risks

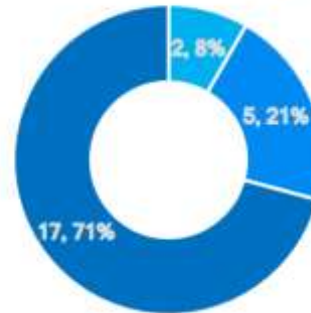
Risk by impact score

High Impact Medium Impact Low Impact To be scored

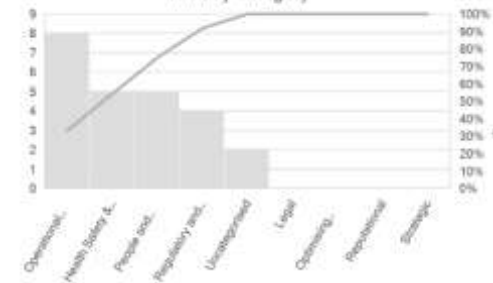


Risk by organisational level

Organisational Group Department



Risk by category



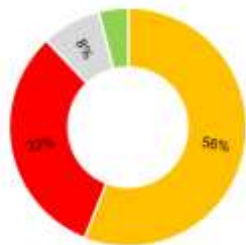
IAM Group Risk Dashboard

Review Date: 10/01/22

25 risks

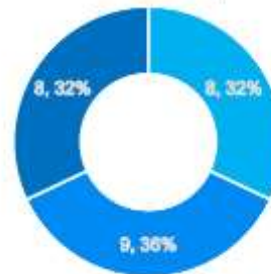
Risk by impact score

High Impact Medium Impact Low Impact To be scored



Risk by organisational level

Organisational Group Department



Risk by category

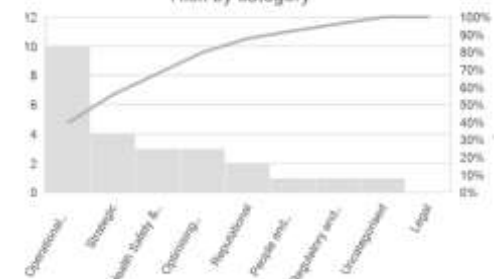


Table 4: Key to risk category

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
Optimising efficiency	Managing the present, lineal response to what exists today such as system, Continuous Improvement, process	Born digital improvements e.g. BCA application
People and culture	Capability, mindsets, behaviour	Disability awareness workshops
Regulatory and Compliance	Conforming to rules, external = law or regulation; internal = policies	Audits
Reputational	The external estimation in which FNDC and brand is held	Customer service delivery
Strategic	Adapting to change: Innovation / create the future / selectively forget the past	Climate change / Affordability

Business continuity arrangements

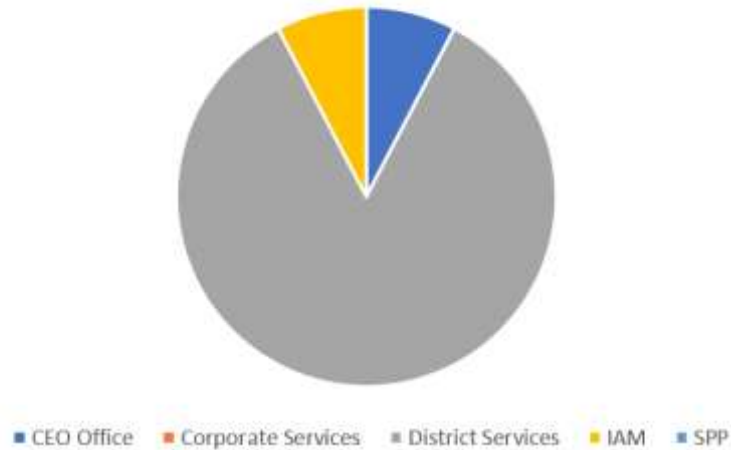
The COVID-19 crisis response and crisis management teams continue to manage the Council's COVID-19 response. Operating protocols have been updated and communicated to staff to support the transition to the traffic light system. Risk assessments, using the Worksafe COVID-19 Vaccination Risk Assessment tool, have been completed to identify roles that will require staff to be vaccinated.

Progress to refresh Council's business continuity arrangements:

- Corporate Services Third Tier People Leaders have met and agreed essential services. Business Continuity Plans are now being drafted for these essential services.
- Work on IAM business continuity plans for essential services continues.
- People & Capability have completed their business continuity plan.
- The District Services and Strategic Planning & Policy Groups have completed their business continuity plans for essential services.

In total 12 business continuity plans have been completed distributed through the groups as illustrated in the chart below.

Business Continuity Plans

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

No additional budgetary provision is requested.

ĀPITIHINGA / ATTACHMENTS

1. **2022 02 ARF003 Health Safety and Wellbeing Vulnerabilities Risk Progress Report - A3546998** [↓](#)
2. **2022 02 ARF004 Asset Management Risk Progress Report - A3546092** [↓](#)
3. **2022 02 ARF006 Projects Priorities Delivery Delays Risk Progress Report - A3546997** [↓](#)
4. **2022 02 ARF012 Contract Management Risk Progress Report - A3547122** [↓](#)
5. **2022 02 ARF014 Programme Darwin Risk Progress Report - A3546056** [↓](#)
6. **2022 02 ARF017 Climate Change Direct Risk to Council Physical and Natural Assets Risk Progress Report - A3546094** [↓](#)

ARF003 Health Safety and Wellbeing Vulnerabilities

Risk Status Progress Report for February 2022

Prepared 23/12/2021

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 86% 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 Opuā Cycleway Risk Mitigations. Remote Working was also then added prior to the July 2021 ARF meeting and in the October 2021 ARF meeting Workplace Harassment was added as the eleventh vulnerability.

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:

- Mandated COVID-19 vaccine consultations commenced for 89 high risk roles, predominantly impacting District Services front line staff a total of 120 staff across FNDC.
- Council has successfully worked through the transition from Alert Levels to the COVID-19 Protection Framework or Traffic Lights. COVID-19 controls are in place to support Council while Northland is in 'red setting'; specialist PPE and Hygiene kits have been supplied to staff and stock levels are regularly monitored by the Crisis Response Team that continues to be in place for 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	SiteWide 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 2021 are to be communicated in late January 2022 which is expected to see a continued overall improvement in the Health, Safety and Wellbeing areas. 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 eleven 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. Workplace Harassment	<p>The Strategic Leadership Team do not consider this a high-risk vulnerability.</p> <p>Treatment plan to be understood and developed.</p> <p>Reporting of complaints will need to be clearly defined to capture those that would be deemed workplace harassment, as currently only personal grievances are reported via the quarterly People & Capability report to the Assurance, Risk and Finance Committee. In the last reporting period (July to Sept 2021) there were nil personal grievances received.</p>
2. Lone Worker Safety	<p>The lone worker and vehicle GPS project has been completed and is now business as usual.</p> <p>Additional project: Policy required before District Services can roll out body camera's and stab proof vests.</p> <p>eRoad: This is now business as usual rollout to the remaining fleet.</p>

<p>3. 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)</p>	<p>Progress to revised plan.</p> <p>A Health Monitoring programme is to be established for high-risk roles. The programme provider has been identified and a project plan is in place, with delivery rescheduled to Q3 as this will need to also capture the COVID-19 vaccine as an additional inoculation to add to specific high-risk roles.</p> <p>Role specific inoculations are being offered on case by case basis for high-risk roles currently.</p>
<p>4. Non-compliance against Health and Safety at Work Act regulations across our assets.</p>	<p>Progress to revised plan with treatments in place.</p> <p>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> <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>
<p>5. Contractor Management</p>	<p>Progress to plan with treatments in place.</p> <p>We have 127 SiteWise registered pre-qualified preferred contractors (an increase of three from the last report), with an average assessment score of 84%.</p> <p>A new in-house project site audit report is being trialed with the use of Sharepoint Forms to simplify the previous paper-based process. Initial feedback from IAM members is positive. Procurement team engagement is well underway with improvements to the tender phase wording to lift H&S compliance in our contract templates. This is expected to continue into the new year.</p>
<p>6. Wellbeing programmes to address our changing workforce</p>	<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 draft Wellbeing Strategy for 2022 was provided to the Chief People Officer during the reporting period with a final version to be provided to the Strategic Leadership Team in February 2022.</p> <p>The information from the 2021 Your Voice survey, that is due for release in early Q3, will be a key resource tool to help guide some of the initiatives the Wellbeing Strategy will focus on.</p>
<p>7. Threatening behavior from members of the public.</p>	<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 stories 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,</p>

	<p>however this incident type is of concern and has involved notifying police of threats.</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>A 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 is underway.</p>
8. 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>
9. Opuia 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. The construction timeline remains on track.</p>
10. 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. A two-phase plan was developed:</p> <p>Phase 1 – immediate natural beach hazard assessment of the 4 beaches in the coroners reported area of Cable Bay was undertaken by SLSNZ in November 2021. Upgrades to the existing signs to be inline with the NZ standards were undertaken and expected to be re-installed by January 2022. Information also updated on the SafeSwim NZ website to reflect that new standard and provides clear visitor information to that specific beach.</p> <p>Phase 2 – council paper seeking approval to proceed with a District Wide natural beach hazard assessment will need to be drafted and additional out of budget funding will need to be approved.</p>
11. 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 had released their quick guides on working from home at the end of August 2021. A comparison was undertaken which provided</p>

	confirmation that FNDC controls offered were in line with the regulator's recommendations.
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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. FNDC has roughly 300 *Asbestos Management Plans* that 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 but has been delayed and pushed out to 2022 while we continue to operate more remotely.
- 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:	Chief People Officer	Date accepted:	16/06/19	3 monthly

ARF004 Asset Management Risk

Risk Status Progress Report for February 2022

Prepared: 23/12/21

Description of risk and impact

Full Asset Life Cycle Asset Management requires a "system thinking" integrated approach (enterprise asset management) to optimise the whole life cycle of our assets. This ensures fit for purpose, cost effective assets are designed, constructed, maintained and disposed of in a sustainable manner, to the benefit of our communities, ensuring kaitiakitanga and enduring resilience.

Existing Treatments

The inherent risk profile has not changed due to delays in the implementation of the proposed treatments.

Issue	Treatment to date	Further planned treatment	Responsible
No current Asset Management Information System (resulting in piecemeal asset information, including number of assets).	An Asset Management Information System, IPS by INFOR, has been chosen and statements of works signed. A development IPS environment (DEMO) has been set up where data migration, systems integrations and financial asset management configuration is underway in preparation for production system go live (PROD).	Production system go live is being rescheduled following phase 2 which is about optimising and automating business processes. Dynamic reporting of assets will also be configured after the system go live.	Programme Darwin
Incomplete condition assessment information.	A budget of \$1.6m for FY22 to FY24 was approved. A Project lead for the asset condition and data capture programme has been appointed and a timeline for packages of work is nearing completion.	The FY22 budget of \$1.6m is progressing well. A procurement plan to the value of \$690k was approved in October 2021. Scope includes: <ul style="list-style-type: none"> • Safety audit of FNDC playgrounds • Condition Assessment and Conservation Plan for FNDC heritage buildings 	Asset Management

Issue	Treatment to date	Further planned treatment	Responsible
		<ul style="list-style-type: none"> • Condition Assessment and Conservation Plan for FNDC object assets and statues <p>A procurement plan is currently underway for CCTV amounting to a value of \$1.5m over a 3-year period. The focus of this package of work will cover the Kaitaia, Kaikohe and Paihia catchment areas.</p> <p>Additionally, a procurement plan to condition assess dams and reservoirs is also being prepared.</p>	
Asset Management Plans (AMPs).	As part of the Long-Term Plan process, a combined draft Asset Management Plan for 3 Waters and District Facilities was prepared and provided to Audit (<i>this is required for audit purposes only</i>).	The AMP is now in use across the Asset Management Team. <i>This issue is considered resolved</i>	Asset Management
The current renewals programme is typically based on age rather than condition.	The proposed Condition Assessment programme will allow a condition-based renewals programme.	This is a 10-year programme. As data becomes available condition-based renewals will be implemented.	Asset Management
Lack of integrated performance and reliability data from operations.	Integration of operational performance and reliability data from operations will be developed. This will enable optimised investment decisions for renewals noting the relationship between cost, level of service and risk.	Work on the relationship (relating to the data and information interface) has seen initial workshops with Far North Waters and Rec Services focused on refreshing Program Darwin objectives and their stakeholder role(s). <p>The Condition Assessment programme data capture is also well underway so the data can be turned into useful information as we wait for Darwin to be fully operational</p>	Programme Darwin Asset Management
Operating run to failure of assets rather than	Continued Asset Planning will ensure all of lifecycle for	Utilising data for the Condition Assessment programme to allow	Asset Management

Issue	Treatment to date	Further planned treatment	Responsible
<p>programmed maintenance based on:</p> <ul style="list-style-type: none"> • Asset class • Failure mode • Life cycle cost modelling • Predictive, preventative, risk-based maintenance 	Council's assets are addressed.	preventative programmes to be identified and developed	Infrastructure Operations
The lack of integration of growth impacts when considering asset renewal (we need to operate in a "systems" approach).	An enterprise asset management philosophy was adopted, January 2020.	While some aspects relate to the development of all streams of Programme Darwin, work is underway with the combined planning functions of Council to establish how growth is included in all future asset decisions.	Programme Darwin Asset Management Infrastructure Planning Strategic Planning District Planning Financial Planning
Lack of a robust project management framework.	A Project Management Framework has been adopted.	This is now embedded across the team and is now subject to continuous improvement. <i>This issue is considered resolved.</i>	PMO / PDT / Asset Management

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

- Planning analysis and data analysis to enable data-driven decision-making (particularly providing advice in relation to Levels of Service, robust options analysis and rating impact trajectories). This will improve with the implementation of the new Asset Management System (AMS) and aid in decision making while the AMS is being implemented
- Better articulating the link between all forms of planning within Council to the operationalisation of those, and the process for how we consider and integrate these aspects
- Capturing our data better – equipment criticality, feeding this into decommissioning plans and the asset lifecycle
- Consultation – our open and transparent policy for consultation with all stakeholders particularly Iwi, impacts the time it takes to renew consents and implement projects. This activity needs to be

reflected in all project timelines particularly within our LTP commitments. In the past this time and resource commitment has been significantly underestimated.

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

ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report for February 2022

Prepared: 10/01/22

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 lifecycle. 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 established.
 - b. The Project Delivery Team has completed project management and commercial training.
2. Reporting
 - a. The Capital Project Report Improvement has been established with monthly reporting in the IAMs business report.

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

Current environment

With the current economic environment contractor availability and increasing cost of labour and materials are impacting our ability to deliver projects. Meeting to reforecast capital budgets has been scheduled for 18/01/2022. Options to manage these issues, including asset prioritisation, are being discussed.

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

ARF012 Contract Management Risks

Risk Status Progress Report for February 2022

Prepared: 23/12/2021

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 (Currently covering the Procurement Specialist)
 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:
<p>Develop a Contract Management Framework.</p> <p>The Contracts Framework will cover three main contractual arrangements with the addition of AOG (All of Government) and syndicated contracts.</p>	<p>Completed.</p> <p>Waiting on endorsement by SLT.</p> <p>Phase 1 of the roll out (to IAMs) has commence. The Contract Management Specialist is covering the Procurement Specialist vacancy.</p>
<p>Develop Policy, process and templates.</p>	<p>Completed.</p>
<p>New treatments June 2021</p> <p>Develop process to manage "Small" contractors contract management risk (health and safety, delivery and financial risk); and contract concentration risk.</p>	<p>In progress.</p> <p>PMO is developing a new process for small contractors.</p> <p>The process to manage contract concentration risk has been developed and published.</p>
<p>Building capability</p>	
<p>Increase internal commercial expertise.</p>	<p>Ongoing.</p>

	<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: Refresh of the contract register.</p>	<p>In progress.</p> <ul style="list-style-type: none"> The new Contract Register has been established (a page on the PMO SharePoint site) and is now being populated Currently completing a search for documentation to complete register 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 as we implement our Sustainable Procurement Policy. This is changing the contract management risk profile.

Understanding how lease commitments will be managed (over the lease term).

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

ARF014 Programme Darwin Risk

Risk Status Progress Report February 2022

Prepared: 21/12/21

Description of risk and impact

Because of the Programme Darwin complexity - long timeline, partially defined programme scope; and the need to be agile, to respond to our changing environment (i.e., physical, technological, regulatory, economic) **there is a chance that** the programme will not be successfully delivered, **leading to** poor community outcomes.

The "Programme Darwin" risk has been analysed as an organisational and strategic risk. The score of 35 puts this risk in the high-risk category.

The likelihood of the "Programme Darwin" risk materialising has been assessed as "will happen." The impact of implementation of the identified treatments has been assessed resulting in an expected residual risk decrease to 13, with the likelihood of the risk materialising estimated to be probable (the risk will possibly occur once in every two years). Two further linked group risks have been identified with the treatment of each of the three risks interlinked.

Darwin is a programme of work designed to deliver:

- Accurate and complete asset data that is controlled and maintained by FNDC
- Robust analysis on asset data that enables better long-term infrastructure decisions and delivers better value for money
- Clear asset management hierarchy, with clearly defined links between strategic and operational asset management functions
- Commitment horizontally (planning, engineering, finance, strategy, project management), and vertically (strategic leadership team, third tier managers, officers), to partner in continuing to develop our capability, capacity, and commitment in asset management
- An accurate data set allowing trade-offs to be determined with confidence so that the best value whole-of-life strategies can be developed, using real-time data
- The asset management IT system, Infor Public Sector Suite (IPS Suite), fully integrated with all other FNDC and Alliance Partner systems enabling easy data sharing, analysis, and ultimately better information to inform decision making
- A higher level of asset management competence within existing staff, and growing a pipeline of asset management talent
- A culture of continuous development to be agile enough to flex to changing asset management requirements

Programme Darwin also impacts the management and treatment of a number of organisational risks, namely ARF001 Climate Change, ARF003 Health & Safety Vulnerabilities, ARF004 Asset Management, ARF005 Affordability, ARF010 Data Governance and ARF013 Drinking Water Resilience. Programme Darwin is a significant treatment to reduce the risk impact of ARF004 Asset Management. The District Plan Team is also reliant on asset management information to inform district planning decisions.

Since Programme Darwin is positioned as a strategic enabler for Infrastructure and Asset Management, this risk (ARF014) has a direct bearing on the inherent risk rating of ARF004. Any deterioration within the risk trend of ARF014 may well result in a subsequent increase in the risk trend of ARF004.

Existing Treatments

The Programme Darwin Steering Group (PSG) was informed of the delivery risk to the Programme if the quality element within the Asset Management System Project was not addressed. The checks and balances built around the data cleansing and migration process (to ensure the integrity of the data loaded into the Infor Asset Management system), have resulted in both a significant extension to the delivery timeline, as well as to the associated execution cost. Also, the mandate around the Three-waters Reforms subsequently created uncertainty around the scope of the migration of Three-waters asset groups and related system configuration requirements.

A decision, adopted by the Programme Darwin Steering Group and subsequently endorsed by the Strategic Leadership Team, to pursue a course of action whereby the extended delivery timeline would be reduced by 16 months at an unbudgeted cost of \$2.009m, with the scope reduced by de-emphasizing three-waters assets. On 16 December 2021 a decision report, with the preceding recommendation, was presented to Council for Elected Members' approval. This report requested additional funding to reduce the overall delivery risk. After much deliberation Elected Members' agreed **"that the item is left to lie on the table"** and voted on an amendment:

"That Council request a working group be established and a terms of reference be developed, in collaboration with CEO and relevant staff, reporting to the ARF Committee for governance oversight of Programme Darwin".

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Identify the gaps in the programme resourcing, processes (e.g. Business Requirements Specification), Scoping, Impact Analysis, Costing, Scheduling, etc., for the various programme workstreams.	An options paper was presented to the Strategic Leadership Team on 15 November 2021 and a subsequent decision report tabled at the Council Meeting of 16 December 2021 (which Elected Members "left to lie"). A number of scenarios have been identified and further analysis will be resumed subject to the recommendations from the working group (to be established early 2022). The Assurance, Risk and Finance Committee will provide Programme Darwin governance oversight.
A SharePoint communications platform will be developed for the Programme. The stakeholder register will serve as a point of reference to channel relevant communications to particular stakeholder groups.	The Programme Manager is working with the PMO Project & Change Specialist and P&C Business Partner to develop a SharePoint communications platform to articulate to stakeholders the organisational value that the Programme will unlock.
A SharePoint communications platform will be developed for the Programme. The platform will serve as the <i>de facto</i> source of Programme information.	The communications platform under development will serve as the official information source for stakeholders, describing the Programme's objectives, progress, and delivery roadmap.

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

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	08/09/2021	Report frequency:
	Increase		Responsible:	Programme Manager - EAM	Date accepted:	08/09/2021	Three monthly



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ARF017 Climate Change Direct Risk to Council Physical and Natural Assets

Risk Status Progress Report February 2022

Prepared: 20/12/2021

Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the "Climate Change Direct Risk to Council Physical and Natural Assets" risk was adopted, as a top organisational risk ARF017, at the 01/12/2021 Assurance, Risk and Finance Committee meeting. This risk was scored and prioritised using Council's bespoke IDEATE methodology. The risk is described below in Table 1.

Table1: Description of the Climate Change Direct Risk to Council Physical and Natural Assets risk.

Group / SLT	Risk level	Inherent Risk	Risk description	Cause	Risk	Effect
Strategic Planning & Policy	Organisational	37	Strategic	"Because of..." Neither identifying the physical hazards and vulnerabilities, nor engaging with our communities, to plan for and mitigate the impacts of climate change on our infrastructure and levels of service.	"There is a chance that..." Infrastructure may be exposed and vulnerable. Natural assets may become eroded/damaged.	"leading to..." Leading to damaged/lost infrastructure impacting levels of service, community wellbeing, environmental damage and financial cost to communities and Council. Ecosystem services may reduce, placing increased risk on operational costs.

The Climate Change Risk Reference Group scored the inherent risk for the Climate Change Direct Risk to Council Physical and Natural Assets. The risk was scored by identifying both the risk impact for five organisational areas (see Table 2) and the likelihood of the risk occurring (see Table 3). For each organisational area, the risk impact is given a score of "High to Intolerable", "Medium" or "Low to None" and the likelihood is rated as either "Will happen", "Probable" or "Unlikely" (see table 4) making this a high impact risk with a score of 37. The likelihood of the risk materialising is assessed as "will happen".

Climate Change Direct Risk to Council Physical and Natural Assets risk is classified as both organisational and strategic risk with the GM-SPP responsible for risk governance.

Table 2: Description of risk impact for each organisation area

Organisation area	Description
Financial	Impact on Budget, Department or Team; and /or Impact on annual Council budget
Customer	Financial impact to customer due to loss of a provision of essential service, or essential piece of infrastructure
Reputational	The impact on FNDC's reputation
Compliance/Legal	The legal impact on FNDC's legal adherence / regulatory compliance
Health and Safety	The impact to people(s) health & safety arising from FNDC operations or a situation where FNDC are liable

Table 3: Description of likelihood

Likelihood	Description
Will happen	The risk is likely to occur. There is frequent exposure to the risk. There are external influences that make managing this risk ineffective.
Probable	The risk will possibly occur e.g. once in every 2 year event There is an exposure to the risk. There are external influences that make managing this risk difficult.
Unlikely	The risk is unlikely to occur e.g. once in every 10 year event There is a low exposure to the risk.

Table 4: ARF017 Climate Change Direct Risk to Council Physical and Natural Assets inherent risk impact score using the organisational risk impact and likelihood statements:

	Financial			Customer			Reputational			Compliance/Legal			Health and Safety		
High Intolerable			9			9			9	5			5		
Medium															
Low- none															
	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen

Relationship of ARF017 Climate Change Direct Risk to Council Physical and Natural Assets to organisational risks.

ARF017 Climate Change Direct Risk to Council Physical and Natural Assets is one of four distinct organisational climate change risks. It exists together with:

- ARF015 Climate Change Organisation Transition Risk
- ARF016 Climate Change Community Transition Risk
- ARF018 Failure to understand and capture climate-related opportunities

ARF017 Climate Change Direct Risk to Council Physical and Natural Assets impacts, and is impacted by, most of our top organisational risks (see table 5).

Table 5: Impact of ARF017 Climate Change Direct Risk to Council Physical and Natural Assets on organisational risks.

ARF017 impacts:	ARF017 is impacted by:
ARF003 Health & Safety Vulnerabilities	ARF004 Asset Management Risks
ARF004 Asset Management Risks	ARF005 Affordability Risk
ARF005 Affordability Risk	ARF014 Programme Darwin
ARF006 Project Priorities Deliveries Delays	
ARF007 Compliance NRC Abatements	
ARF009 Customer Service Delivery	
ARF012 Contract Management Risks	
ARF013 Drinking Water Resilience	
ARF003 Health & Safety Vulnerabilities	

Existing Treatments

On 25 January 2022 the Climate Change Risk Reference Group will workshop the climate change risk themes to develop an understanding on how we will actively manage each risk. At this workshop we intend to

1. Identify treatments in place
2. Identify treatments in progress
3. Identify treatments planned
4. Identify links to Long Term Plan
5. Quantify impact of each treatment against risk
6. Analyse and sequence what is mission critical
7. Develop understanding of how the treatments are connected to each of the risk theme.

An organisational scan has identified the following treatments and opportunities:

High level treatment plan and progress up-date:

High level treatment plan:	Treatment Owner	Progress update:	Implementation date:
In place			
1. Northland Regional Council Hazard mapping	NRC	Completed	Available
In progress			
2. Civil Defence Regional Lifelines climate change risk assessment	Manager Infrastructure Operations	In progress	
3. Draft District Plan	Manager – District Plan	In progress	TBC
4. Apply Northland Regional Council Hazard mapping	tbc	Draft District Plan is using this data.	
5. Adoption of climate adaptation Te Tai Tokerau strategy and priority actions plan	tbc		March 2022
6. Climate change risk assessment of assets	tbc	Commissioned	

High level treatment plan:	Treatment Owner	Progress update:	Implementation date:
<ul style="list-style-type: none"> Asset spending prioritization matrix for CAPEX. 			
7. Climate Assessment Policy	Manager – Strategy Development	First draft report due Feb 2022 Elected Member workshop scheduled	
8. Community Engagement Plan	Engagement Lead	In progress. Coastal Community Profiles, 50% complete.	Report Feb 2022
9. Coastal Erosion Management Prioritisation Framework <ul style="list-style-type: none"> this framework will provide guidance to strategically assign capital works budget across competing projects by providing criteria to develop a holistic framework that will support FNDC's decision-making. 	tbc		
Gaps/Opportunity			
10. Improved consideration of climate change in asset management plans and associated operational procedures			
11. In depth assessment of risk and consequence of natural hazards by asset			
12. Climate change risk assessment for new or renewal design and build then operation of assets for elected member decision making			
13. Available data sets are not feeding into planning through the organisation: <ul style="list-style-type: none"> a. Coastal Community Profiles b. Northland Regional Council Hazard mapping 			
14. Internal Engagement Plan			

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

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	01/12/21	Report frequency:
	Stable		Responsible:	GM ISPP	Date accepted:	01/12/21	Three monthly

6.3 REVENUE RECOVERY REPORT - 31 DECEMBER 2021

File Number: A3550161

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.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the second 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 - 31 December 2021.

TĀHUHU KŌRERO / BACKGROUND

- This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as of 31 December 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 24% and water rates by 32%.

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 have completed calling all the owners of the 5 major banks, leaving the smaller financial institutions to be contacted.
- Since the start of the year, the number of properties still qualifying for mortgage demand was reduced by 32% as part of the pre-calling and owners either setting up a direct debit or paying the arrears balance.
- Since issuing the first mortgage demand with ASB before the lockdown in August 2021, no further mortgage demand has been issued and final demand is still on hold for ASB customers.

Next actions:

- Continue mortgage demand pre-calling for the smaller financial institutions and water accounts.
- Review all accounts still qualifying for mortgage demand with the 5 major banks.
- At the start of February, decide on the approach Council will take regarding mortgage demand this rating year, considering the economic and Covid-19 situation in NZ.
- 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 do not have a payment arrangement or direct debit set up on the account.
- 36% 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.
- 52% 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. The rates debt has reduced by 2.13% since the start of the year.

Sundry debtors debt

The total sundry debtors aged debt balance has reduced since the last report, although one large invoice for \$1.2 million is still unpaid since the last report. Commitment to expedite payment this month has been received.

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. There has been a significant reduction in 30-to-60-day debt totals for both resource consents and building compared to previous reports.

Final demand letters have been issued to debtors with outstanding debt and some have been referred to Council Legal Services team to take legal action.

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.

ĀPITIHINGA / ATTACHMENTS

1. **December 2021 ARF Revenue recovery Report attachment - A3550136** [↓](#) 

General Title rates and water rates analysis by age at 31 December 2021.

General Title Rates and Water Arrears 2021-2022							
General Title Rates 31 December 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	63,979	63,866	62,600	62,444	170,261	423,149	42
Payment Arrangement	28,161	6,956	3,467	1,676	1,479	41,738	30
Deceased Rate Payer	77,696	73,752	69,731	64,215	156,549	441,942	45
Mortgage Run 2021-2022	826,221	144,403	71,441	69,310	102,027	1,213,401	525
Legal Action Commenced (external)	83,087	80,902	59,364	54,182	162,986	440,522	40
Legal Action Commenced (FNDC)	13,933	14,233	14,173	8,191	20,004	70,535	7
Liquidation	1,938	1,966	1,940	1,893	4,833	12,570	2
Direct Debit	172,804	41,202	15,292	11,870	15,518	256,686	147
Debt recovery action to commence	1,373,546	872,440	646,769	498,163	851,971	4,242,888	785
Rates Total	2,641,364	1,299,720	944,775	771,945	1,485,627	7,143,432	1,623

General Title Water 31 December 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	721	177	-	-	-	898	1
Payment Arrangement	4,208	1,915	360	3,223	-	9,706	8
Deceased Rate Payer	11,761	27,333	21,336	14,133	16,485	91,048	10
Mortgage Run 2021-2022	186,550	96,204	67,976	34,783	11,847	397,359	346
Legal Action Commenced (external)	5,653	4,046	3,147	2,696	14,083	29,625	10
Legal Action Commenced (FNDC)	3,215	3,957	1,793	3,509	1,258	13,732	1
Liquidation	-	-	-	-	-	-	-
Direct Debit	72,188	25,916	10,610	17,618	2,656	128,988	118
Debt recovery action to commence	214,662	79,245	78,653	35,014	80,056	487,630	275
Water Total	498,958	238,793	183,875	110,976	126,385	1,158,988	769

Maori Freehold Land rates and water analysis by age at 31 December 2021.

MFL Rates and Water Arrears 2021 -2022							
MFL Rates 31 December 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement	8,783	5,058	1,445	-	-	15,286	7
Deceased ratepayer	20,560	19,206	7,565	7,290	5,485	60,105	12
Direct debit	40,503	31,799	26,497	23,351	45,171	167,320	21
Abandoned Land	3,492	3,653	3,604	3,648	10,187	24,585	2
Debt recovery action to commence	2,186,087	2,073,360	968,094	840,950	2,179,691	8,248,182	1,243
Rates Total	2,259,425	2,133,077	1,007,205	875,239	2,240,533	8,515,478	1,285

MFL Water 31 December 2021	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement						-	-
Direct Debit	3,695	-	-	-	-	3,695	3
Debt recovery action to commence	69,717	49,921	53,732	50,810	73,462	297,641	43
Water total	73,413	49,921	53,732	50,810	73,462	301,337	46

Sundry Debtors by age at 31 December 2021.

Sundry Debtors Aged Period Report as at 31 December 2021						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	55,899	66,126	3,220	1,420,143	1,545,388	66%
Bookings	50	-	628	1,080	1,758	0%
Septage	29,520	-	5,340	969	35,829	2%
Refuse	-	-	-	13,110	13,110	1%
Building	38,531	16,122	12,477	173,522	240,652	10%
Resource	45,130	45,842	51,064	277,118	419,155	18%
Liquor	3,899	2,864	1,835	6,995	15,592	1%
Health	6,360	2,060	1,975	57,563	67,958	3%
Total	179,389	133,014	76,538	1,950,500	2,339,441	100%

6.4 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE FEBRUARY 2022

File Number: A3559202

Author: Marlema Baker, 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 2021.

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 decisions made by the Assurance, Risk and Finance.
- Action sheets are also in place for Council and Community Boards.
- There are no outstanding or overdue actions for the Assurance, Risk and Finance.
- All actions for the Assurance, Risk and Finance Committee from 1 January 2021 have been completed.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Action Sheet Update February 2022.

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. All actions for the Assurance, Risk and Finance from 1 January 2021 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 with an overview of outstanding committee decisions from 1 January 2021. There are no outstanding or overdue actions for the Assurance, Risk and Finance. All actions for the Infrastructure Committee from 1 January 2021 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

7 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
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 - 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
7.3 - February 2022 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

8 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

9 TE KAPINGA HUI / MEETING CLOSE