



**Far North  
District Council**



**Te Kaunihera o Tai Tokerau ki te Raki**

# **AGENDA**

## **Assurance, Risk and Finance Committee Meeting**

**Wednesday, 16 March 2022**

**Time: 1:00 pm**

**Location: Virtually via Microsoft Teams**

**Membership:**

Chairperson 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

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

<b>Name</b>	<b>Responsibility (i.e., Chairperson etc)</b>	<b>Declaration of Interests</b>	<b>Nature of Potential Interest</b>	<b>Member's Proposed Management Plan</b>
<b>Hon John Carter QSO</b>	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
<b>John Vujcich (Chair)</b>	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
<b>Bruce Robertson (Deputy)</b>	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.	
<b>Deputy Mayor Ann Court</b>	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
<b>Ann Court - Partner</b>	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.
<b>Mate Radich</b>	No form received			
<b>Kelly Stratford</b>	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
<b>Kelly Stratford - Partner</b>	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
<b>Rachel Smith</b>	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		
<b>Rachel Smith (Partner)</b>	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		
<b>Moko Tepania</b>	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-Iwi o Ngāpuhi	As a descendent of Te Rūnanga ā-Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-Iwi o Ngāpuhi Council relations.	Declare a perceived conflict
<b>Mike Edmonds</b>	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
<b>Adele Gardner</b>	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.			
<b>Partner of Adele Gardner</b>	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 16 March 2022 at 1:00 pm**

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**Te Paeroa Mahi / Order of Business**

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5.7	Level of Service KPI Quarter 2 Performance Report for 2021-2022 .....	88
5.8	Assurance, Risk and Finance Committee Action Sheet Update March 2022 .....	110
<b>6</b>	<b>Te Wāhanga Tūmataiti - Public Excluded</b>	<b>111</b>
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<b>7</b>	<b>Karakia Whakamutunga – Closing Prayer.....</b>	<b>112</b>
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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**

Troy Churton

## 4 CONFIRMATION OF PREVIOUS MINUTES

### 4.1 CONFIRMATION OF PREVIOUS MINUTES

**File Number:** A3612443

**Author:** Rhonda-May Whiu, Democracy Advisor

**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 2 February 2022 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. 2022-02-02 Assurance, Risk and Finance Committee Minutes - A3572441 [↓](#) 



**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 <a href="#">Council's Significance and Engagement Policy</a>	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 VIRTUALLY VIA MICROSOFT TEAMS  
ON WEDNESDAY, 2 FEBRUARY 2022 AT 9.30 AM**

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

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

**1 KARAKIA TIMATANGA – OPENING PRAYER**

Chair Vujcich commenced the meeting and opened with a karakia.

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

Apologies were received from His Worship the Mayor and from Member Adele Gardner for early departure at 12pm. Apologies for late arrival also received from Cr Rachel Smith.

**3 NGĀ TONO KŌRERO / DEPUTATION**

There were no deputation requests for this meeting.

**4 CONFIRMATION OF PREVIOUS MINUTES**

**4.1 CONFIRMATION OF PREVIOUS MINUTES**

Agenda item 4.1 document number A3525653, pages 12 - 19 refers.

**RESOLUTION 2022/1**

Moved: Cr Kelly Stratford

Seconded: Member Adele Gardner

**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.**

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

Against: Nil

**CARRIED**

**5 REPORTS**

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

Agenda item 5.1 document number A3545470, pages 20 - 26 refers.

**RESOLUTION 2022/2**

Moved: Member Bruce Robertson

Seconded: Chairperson John Vujcich

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

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

Against: Nil

**CARRIED**

## **6 INFORMATION REPORTS**

Attendance: 10:05 am Cr Rachel Smith joined the meeting.

### **6.1 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2021**

Agenda item 6.1 document number A3542579, pages 27 - 48 refers.

#### **RESOLUTION 2022/3**

Moved: Deputy Mayor Ann Court

Seconded: Cr Kelly Stratford

**That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 30 November 2021.**

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

Against: Nil

**CARRIED**

### **6.2 FEBRUARY 2022 RISK MANAGEMENT REPORT**

Agenda item 6.2 document number A3547055, pages 49 - 75 refers.

#### **RESOLUTION 2022/4**

Moved: Cr Kelly Stratford

Seconded: Member Bruce Robertson

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

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

Against: Nil

**CARRIED**

### **6.3 REVENUE RECOVERY REPORT - 31 DECEMBER 2021**

Agenda item 6.3 document number A3550161, pages 76 - 80 refers.

#### **RESOLUTION 2022/5**

Moved: Cr Kelly Stratford

Seconded: Cr Rachel Smith

**That the Assurance, Risk and Finance Committee receive the report Revenue Recovery report - 31 December 2021.**

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

Against: Nil

**CARRIED**

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

Agenda item 6.4 document number A3559202, pages 81 - 82 refers.

**RESOLUTION 2022/6**

Moved: Chairperson John Vujcich

Seconded: Cr Rachel Smith

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

*NOTE: Program Darwin Working Group action update to be included in the ARF Action Sheet (Requested by Cr Smith).*

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

Against: Nil

**CARRIED**

**7 TE WĀHANGA TŪMATATI / PUBLIC EXCLUDED**

**RESOLUTION TO EXCLUDE THE PUBLIC**

**RESOLUTION 2022/7**

Moved: Cr Rachel Smith

Seconded: Member Adele Gardner

**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
<b>7.1 - Confirmation of Previous Minutes</b>	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
<b>7.2 - Technology Update Report</b>	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
<b>7.3 - February 2022 Audit and Assurance Report</b>	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
<p><u>In Favour:</u> Deputy Mayor Ann Court, Crs John Vujcich, Member Bruce Robertson, Mate Radich, Rachel Smith, Moko Tepania, Members Mike Edmonds and Adele Gardner</p> <p><u>Against:</u> Nil</p> <p style="text-align: right;"><b>CARRIED</b></p> <p>The meeting adjourned at 10:54 am – reconvened at 11:00 am.</p>		

#### 7.4 CONFIRMATION OF DECISIONS TO BE RELEASED IN PUBLIC

<p><b>RESOLUTION 2022/4</b></p> <p>Moved: Cr Kelly Stratford</p> <p>Seconded: Member Adele Gardner</p> <p><b>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.</b></p> <ul style="list-style-type: none"> <li>• 7.2 Technology Update Report</li> <li>• 7.3 February 2022 Audit And Assurance Report</li> </ul> <p><u>In Favour:</u> Deputy Mayor Ann Court, Crs John Vujcich, Member Bruce Robertson, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania, Members Mike Edmonds and Adele Gardner</p> <p><u>Against:</u> Nil</p> <p style="text-align: right;"><b>CARRIED</b></p>	
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#### 8 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

Cr Moko Tepania closed the meeting with a karakia.

#### 9 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 11:44 am.

The minutes of this meeting will be confirmed at the Assurance, Risk and Finance Committee Meeting held on 16 March 2022.

.....  
**CHAIRPERSON**

## 5 INFORMATION REPORTS

### 5.1 ELECTED MEMBERS SENSITIVE EXPENDITURE

**File Number:** A3580285

**Author:** Rhonda-May Whiu, Elected Member Administrator

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

#### TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide information on all expenses incurred by Elected Members this period that are considered sensitive.

#### WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

All Elected Member Sensitive Expenditure incurred from 1 October to 31 December 2021 was \$1,412.59.

#### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report Elected Members Sensitive Expenditure for the period ending 31 December 2021.**

#### TĀHUHU KŌRERO / BACKGROUND

Formal reporting of all Elected Member expenses is a best practice recommendation from Audit New Zealand. Reimbursement of expenses processed as part of the fortnightly pay claim process are also included in the attached figures. This report reflects the months in which payments were processed and do not necessarily reflect the months when the expenses were incurred. Elected Member Sensitive Expenditure is any council expenditure where there may be a perceived personal benefit to an Elected Member.

Elected Member Sensitive Expenditure year to date for the 2021-2022 financial year:

1 July to 30 September 2021	\$ 5,430.39
1 October to 31 December 2021	\$ 1,412.59
Financial Year Total	\$ 6,842.98

#### MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This information will be reported quarterly to the Assurance, Risk and Finance Committee.

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

This report identifies financial expenditure that has occurred from 1 October to 31 December 2021.

#### ĀPITIHINGA / ATTACHMENTS

1. Elected Member sensitive expenditure Oct - Dec 2021 - A3618447  

<b>Elected Member Expenses 1 October 2021 to 31 December 2021</b>		
<b>Purpose</b>	<b>Elected Member</b>	<b>Amount (excluding gst)</b>
Reimbursement September 2021 phone account	Mayor John Carter	\$ 168.62
Reimbursement October 2021 phone account	Mayor John Carter	\$ 198.72
Parking expense	Ann Court	\$ 6.00
Reimbursement November 2021 phone account	Mayor John Carter	\$ 196.76
Reimbursement - Meeting incidentals	Ann Court	\$ 332.50
Risk Training Parking	John Vujcich	\$ 49.10
Airport Parking - LGNZ Conference	John Vujcich	\$ 54.79
Airport Parking - Rural and Provincial Sector Meeting	Mayor John Carter	\$ 28.70
Airport Parking - Rural and Provincial Sector Meeting	David Clendon	\$ 28.70
Airport Parking - LGNZ Conference	Mayor John Carter	\$ 80.87
Kerikeri Meeting Accommodation	Mayor John Carter	\$ 147.83
Bereavement Flowers	Bay of Islands-Whangaroa CB Members	\$ 120.00
<b>Total</b>		<b>\$ 1,412.59</b>

**5.2 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 OCTOBER - 31 DECEMBER 2021****File Number:** A3600993**Author:** Mia Haywood, People and Capability Data and Systems Specialist**Authoriser:** Jill Coyle, Chief People Officer**TAKE PŪRONGO / PURPOSE OF THE REPORT**

The purpose of this report is to present the Audit, Risk and Finance Committee with the quarterly update for People and Capability.

**WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY**

Included in the report is information on:

- Staff Turnover.
- Exit Interviews and Analysis.
- Personal Grievances; and
- Disciplinary Actions and Costs.

**TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report People and Capability Quarterly Update: 1 October - 31 December 2021.**

**TĀHUHU KŌRERO / BACKGROUND**

This report will be presented to the Audit, Risk and Finance Committee on a quarterly basis.

**MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**

This report is Information only.

**ĀPITI HANGA / ATTACHMENTS**

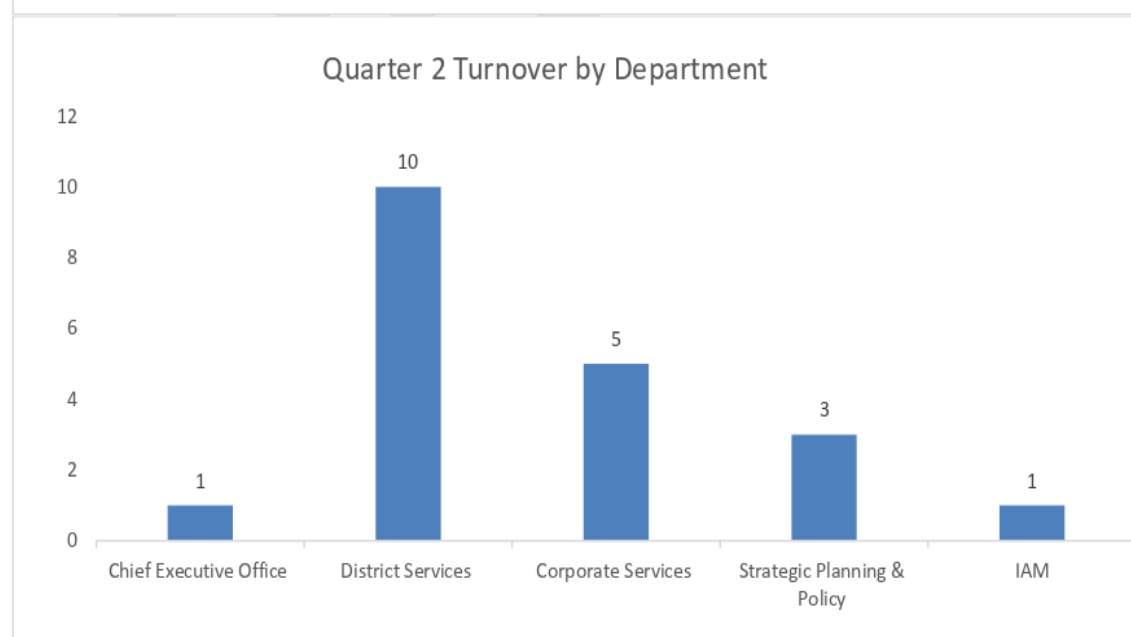
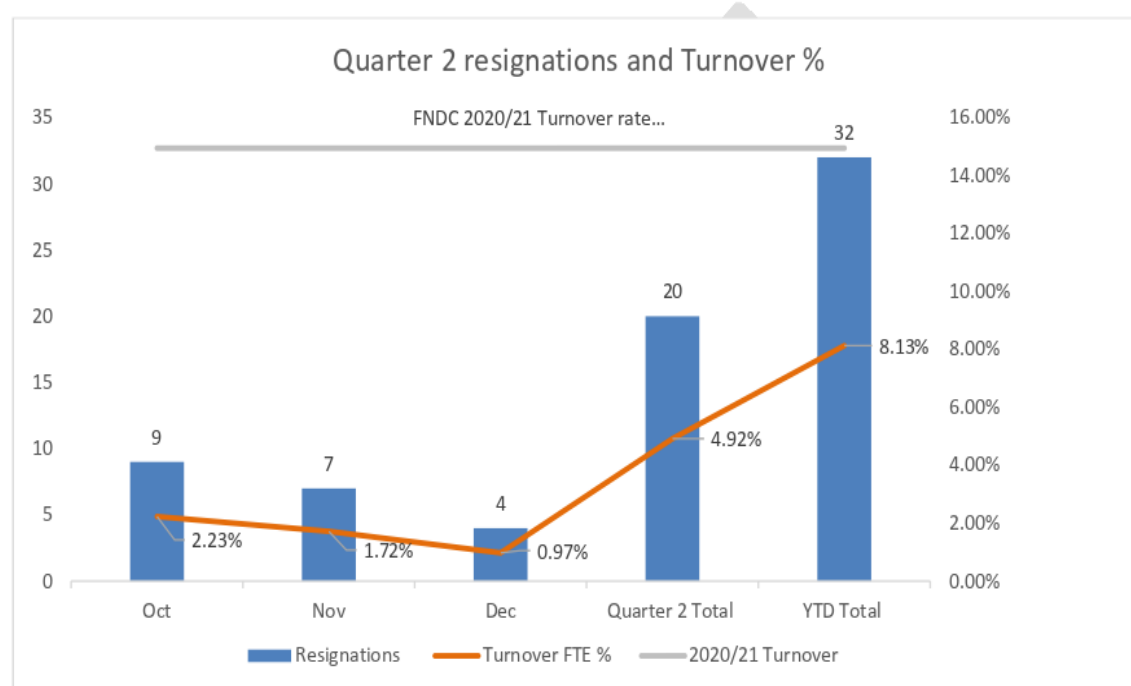
1. ARF Turnover Report 1 October 2021 31 December 2021 - A3600985  

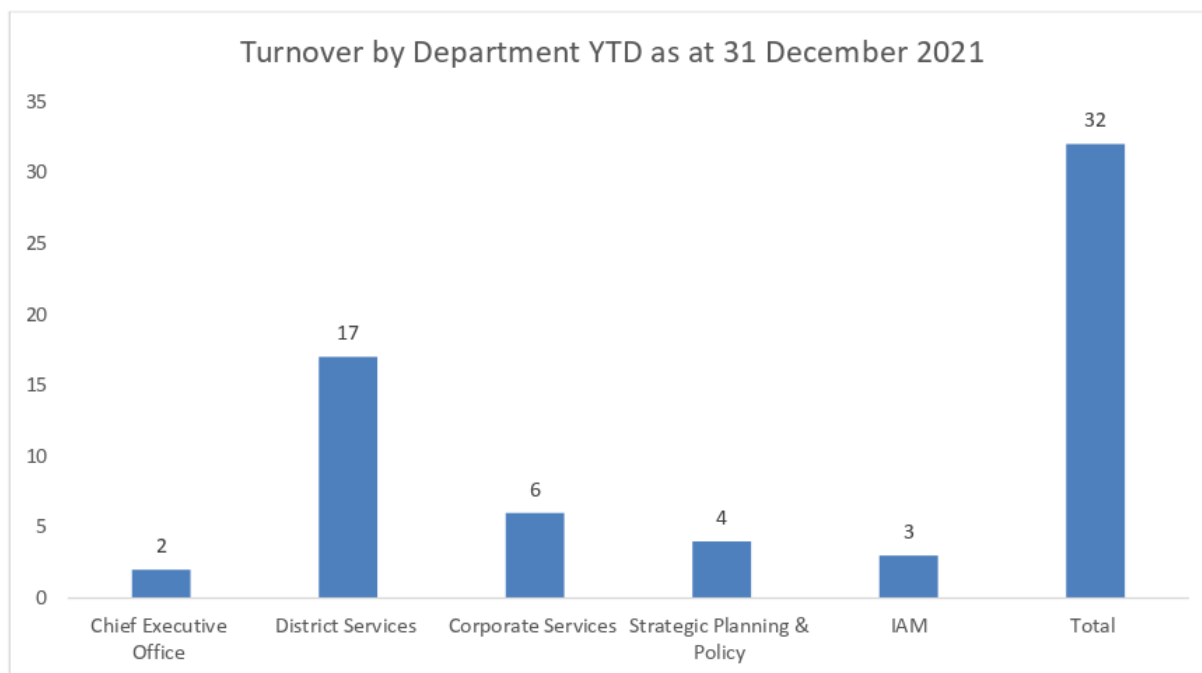


## People and Capability Report to Assurance, Risk and Finance Committee Period 1 October– 31 December 2021

### Staff Turnover

During quarter two, there were twenty staff that left Far North District Council. This has resulted in a quarterly turnover rate of 5.16%. Our year to date turnover rate is currently 8.13%.





Quarter two has seen ten staff members leave District Services team, these resignations have been spread across all areas of District Services. We have seen six staff members leave the Community and Customer Care team, there have been one resignation each in Building Services and Resource Consents, one in Animal Management and one in Environmental Services Administration. While the turnover rate in District Services continuing to track high, it is pleasing to see that compared to last quarter there has not been the same level of turnover in Building Services and Resource Consents.

The Infrastructure and Asset Management Team has seen one staff member leave from the from the Northland Transport Alliance.

Corporate Services had one team member from Financial Services and one from Data Insights and Programme Delivery.

Strategic Planning & Policy had one staff member from the Te Hono team leave, one for the Strategy Development Team and one Casual staff member.

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## Exit Interviews and Analysis

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Of the twenty leavers from this period eleven have completed the exit survey. The total survey responses for this financial year is 15. The People and Capability Team continue to actively encourage all departing staff members to complete the Exit Survey and provide us with their honest feedback.

By using the year-to-date survey data the following findings have been identified.

Top reasons to leave FNDC;

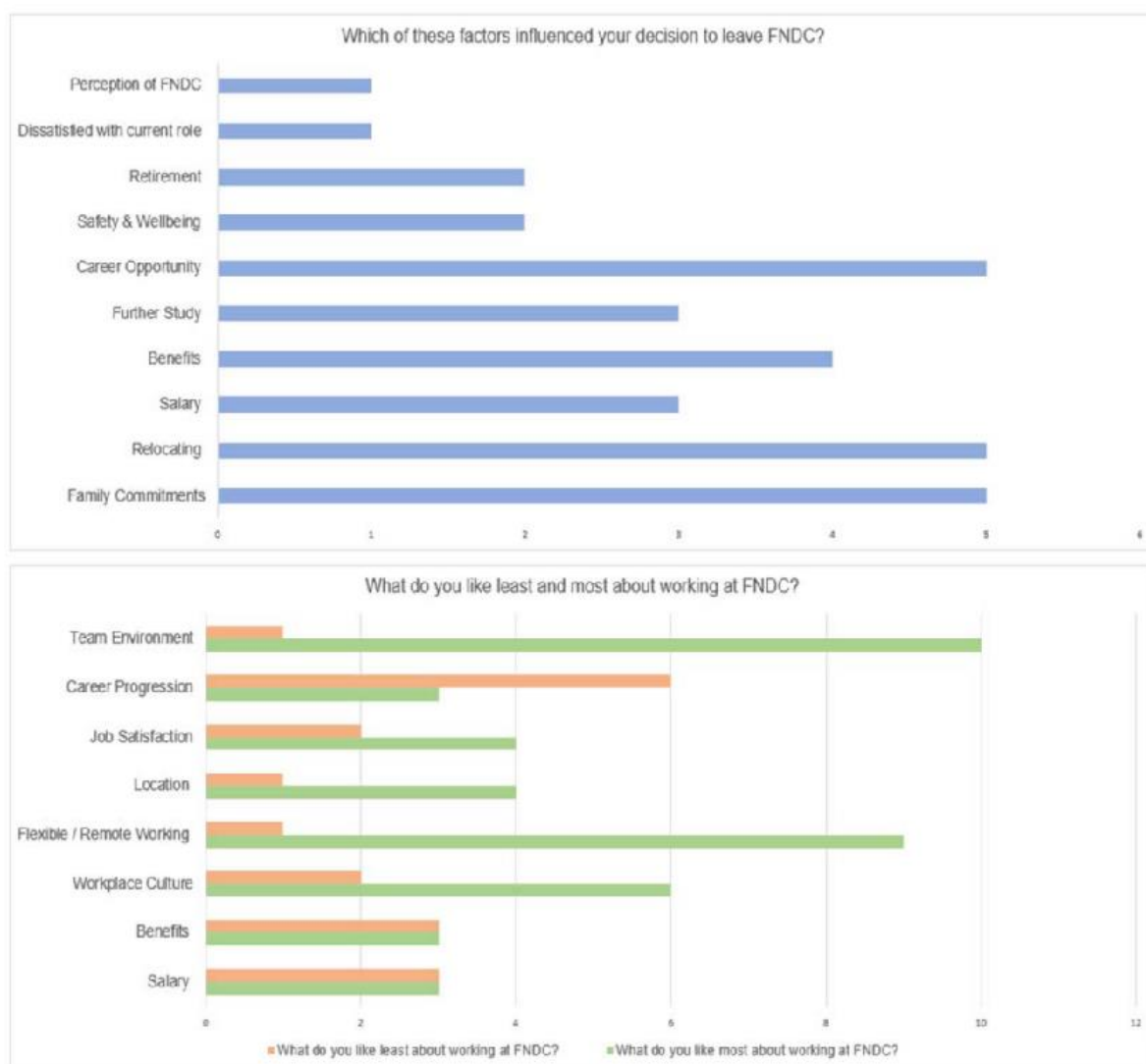
- Career Opportunity
- Relocating
- Family Commitments

What staff liked most about working at FNDC:

- Team Environment
- Flexible/Remote Working
- Workplace Culture

What staff liked least about working at FNDC:

- Career Progression
- Salary Benefits



It is also important to note that the majority of our departing staff members will recommend FNDC as an employer of choice, along with this 67% of survey responders rate FNDC's culture to be quite good or great.



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## Personal Grievances

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There have been no personal grievances for this quarter.

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## Retention and Recruitment Issues

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Quarter two has bought about issues gaining suitable talent resulting in readvertising roles specifically in IT, Resource Consents and some roles seconded to the Northland Transportation Alliance. It is still very evident that we share the nationwide struggle to fill roles. People & Capability are actively working with People Leaders to obtain data in regards to our employee's Succession Plans. This data will assist our Council to create better career progression & development opportunities. Such opportunities will have a positive effect on staff retention.

As full vaccination status became nationally promoted and required in some cases, The Far North District Council was on the forefront of developing and implementing a COVID-19 Vaccination Position Statement in late November. Risk assessments were carried out Council-wide to determine which of our roles will be deemed as high risk. When a position is deemed as high risk, the employee/s in that role will be mandated to be fully vaccinated. Consultation with those impacted individuals began in December 2021 to obtain feedback on the risk assessment. Feedback was then taken into consideration and redeployment conversations commenced on 13 December 2021. FNDC provided a notice of termination (if no vaccine pass is submitted) & provided additional duties to the affected staff for a period of eight weeks. This notice period will end 12 February 2022. The District Services Group, who holds most of our customer facing, high risk roles were impacted mostly by this vaccination mandate. In the next quarter we will be in the position to report on success stories where redeployment took place.

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## Disciplinary Actions and Costs

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During this period there has been three formal disciplinary processes, two of which ended with dismissal and one resolved.

### **5.3 RISK PROGRESS REPORT FOR PROGRAMME OF EXTERNALLY FUNDED PROJECTS.**

**File Number:** A3602959

**Author:** Tanya Reid, Business Improvement Specialist

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

#### **TAKE PŪRONGO / PURPOSE OF THE REPORT**

To provide a risk progress report on the risks associated with the programme of the externally funded “shovel ready” projects that form part of the Governments economic response to the COVID-19 pandemic. No decision is required.

#### **WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY**

As a part of the current government’s economic response to the COVID-19 pandemic Council have secured external project funds. The goal of this funding is to provide economic stimulus and employment opportunity within the Far North District.

This risk progress report provides an up-date to inform the Assurance, Risk and Finance Committee, in their governance role, how we are managing the uncertainty associated with this programme of externally funded projects.

As these externally funded projects are completed the funding risk to Council will continue to diminish.

#### **TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report Risk progress report for programme of externally funded projects.**

#### **TĀHUHU KŌRERO / BACKGROUND**

As part of the government response to the expected negative economic impact of the COVID-19 pandemic, central government provided a number of infrastructure funds to stimulate the economy. Council bid, and won, funding for a programme of “externally funded” projects. (These projects are also known as “ESEO” (economic stimulus, employment opportunity) projects and for clarity will be referred to, within this report, as externally funded.

The characteristics of these externally funded projects are:

- that they are either wholly, or partially, externally funded
- may involve multiple funding streams
- with different funding requirements and conditions
- have multiple stakeholders, who may also be the project lead
- have short milestone timelines associated with the delivery of the projects the funding is intended for.

Four externally funded project risks were identified and presented to the Assurance, Risk and Finance Committee in October 2020. These risks are (see table 1 for a full description):

1. Complexity external funding
2. Funding gap
3. Impact on rates
4. Disruptions

These four risks are classified as organisational risks in the Operational/Financial category (whole of business view of FNDC performance including service/services delivery, risk, finance, environmental). Organisational risks may impact on council achieving its vision, mission and community outcomes. Each of the risks has been assessed as medium impact and likely to occur. The risks are recorded in the IAMs Risk Register where Treatment owners and progress is also recorded.

**FNDC:**

Council is leading number of projects with funding agreements funded through central government infrastructure funds which were released to stimulate the economy after the first COVID-19 2020 lockdown. It is currently delivering on six funding agreements (A); has completed four funding agreements (B); deferred one project (C); two NTA led projects have been completed (D):

A. By funding agreement, projects Council is currently **delivering** are:

1. Te Hiku Revitalisation
2. Waipapa Sports Hub
3. Kerikeri Domain
4. Strategic Roads – Priority 1 Routes (Ngapipito Rd & Peria Rd) to provide supplementary tarmacked routes for logging and agricultural trucks
5. Ruapekapeka roading upgrade
6. \*Lindvart Park Sports Hub

Lindvart Park Sports Hub was added to the original programme of “externally funded” projects of funded projects at the request of the CEO.

B. Externally funded projects which are now **completed** are:

1. Otiria Rugby Club
2. Innovating streets:
  - a. Kawakawa safety and streetscape improvement
  - b. Tai Tokerau Kaikohe Safe Streets
  - c. Moerewa Safe Streets

C. Externally funded projects **deferred** to a later date, as agreed by Council 16/12/2021:

1. \*NAX Kawakawa to Opua Rail restoration *with Council funded cycle trail*.  
\*the funding was awarded directly to the Bay of Islands Vintage Railway Trust. This was a joint project with Council undertaking the construction of a parallel cycleway. The cycleway (deferred) was to be solely funded by FNDC.

D. NTA led projects, **completed**

1. Minor Roding and Parks clearance works
2. Storm water repair programme.

Additional to the funding agreements above central government infrastructure funds are supporting:

1. Te Ha o te Ao – this is a community led project (inflight)
2. Inflight capital delivery projects (one Provincial Development funding agreement)
  - a. Northern Animal Shelter (completed)
  - b. Southern Animal Shelter (inflight).

**Far North Holdings Limited:**

FNHL is also leading projects funded through central government infrastructure funds released to stimulate the economy after the first COVID-19 2020 lockdown. These are:

1. Mangonui Waterfront Development
2. Paihia Waterfront Development
3. Ngawha Innovation Park
4. Pukenui Wharf
5. Rangitane Boat Ramp
6. Unahi Jetty

The FNHL led projects pose a different risk to Council (than do the funding agreements where we are the lead). Whereas the Council led projects posed more of delivery risk, the FNHL projects risk is more financial and reputational for Council, being more aligned to risk 2, Funding Gap, and risk 3, Impact on rates statements, see table one below. Further work, to understand Council's risk position, could be provided in the next risk progress report.

### **MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**

This risk progress information report provides a high-level risk update in four parts:

- A. Treatment progress by risk
- B. Reporting
- C. High level organisational risk assessment against each of the funding agreements
- D. Progress on achieving Government's overarching goals

A. A range of treatments, for each of the four externally funded project risks, have been implemented. Most of these risks are now fully mitigated. A summary is provided in **table 1**, below:



Table 1: Externally funded project risks statements, treatments and status of progress:

<b>Risk</b>	<b>Score</b>	<b>Because of ....</b>	<b>There is a chance that....</b>	<b>Leading to....</b>	<b>Treatments:</b>
1 Complexity external funding	29	The high level of complexity of the ESEO externally funded FNDC led projects:  short timelines to complete CAPEX projects  multiple funding pots  multiple external parties/stakeholders involved  different funding requirements  different external parties can be leading the projects e.g., FNHL	Projects may not proceed, may be delayed or not completed.	Loss of funding;  Reputational risk;  Uncompleted projects;  Legal / compliance disputes;  Extended timelines; and/or  Requirement for additional FNDC funding.	In place: Central register capturing key governance and management information.  In place: Establish Programme Steering Group.  In place: Utilise project management methodology with risk analysis.  Completed: Appoint professionally qualified project managers;  In place: Using standard Council procurement strategy.  Completed: Contractor engagement/information workshop held  In place: Separate team to deliver the externally funded projects.  In place: consultation plan and process for all projects.  In place: Council approved amendments to FNDC process
2 Funding gap	29	Projects are not fully funded, or funding agreements are not honoured or able to be honoured by the legal entities who sign the funding agreements with Government.	Council may need to find additional funding to complete projects or projects may be abandoned	Council's reputational damage;  Increased borrowing to fund;  Funding re-allocated from planned work; so annual plan objectives are not met;  Increase risk to Council of asset failures; and/or  Council has white elephants on the books.	Completed: Review project funding commitments mid-September before.  Completed: As the funding applicant understand Council's obligations to funding providers;  In place: Elected Member engagement strategy; monthly reporting into MBIE and discussions both local and in Wellington.  In place: Funding agreements are in place for all projects we are in control of.
3 Impact on rates	25	Impact to long term rate payer funding requirements due to	There may be a need to increase rates to fund	Additional costs to rate payers (as increased rates)	Completed: Model financial implications to understand future operational

Risk	Score	Because of ....	There is a chance that....	Leading to....	Treatments:
		operational budget requirements / depreciation and upgrading of new assets.	OPEX, depreciation and CAPEX requirements	impacting affordability across the district and negatively impacting current growth forecasts.	<p>requirements/costs, which includes costs to fund any community entity via a grant to manage an asset, including depreciation and renewal costs and their impact on rates;</p> <p>To be completed: Model the economic benefits to the ratepayers, their ability to earn greater income in the future from these projects (affordability metric);</p> <p>Ongoing: Internal appointment of dedicated financial accountant. Weekly reporting into finance team.</p>
4 Disruptions	21	<p>Disruption(s), out of our control (e.g., Drought / COVID-19), to agreed project timeline</p> <p>disrupted supply chains;</p> <p>shortages of required goods and services; and/or</p> <p>need to halt the project as we are unable to work.</p>	We may not be able to deliver to, or renegotiate, the agreed milestones	<p>Failure to deliver the project as project milestones that are linked to the funding payments are not achieved; or</p> <p>Additional cost to rate payers to complete the project</p>	<p>Ongoing: Focus on local business reduces risk of supply chain disruptions.</p> <p>Ongoing: Monitor external environment and modify project plans as required.;</p> <p>Ongoing: Follow H&amp;S protocols.</p>

B. To support and monitor this programme of work a three-part structured reporting programme is in place:

1. The Programme Steering Group meets four weekly to receive a brief report on each of the externally funded projects and to decide key legal and funding arrangements such as ownership of assets created
2. Regular monthly reporting to SLT Performance Meeting
3. Regular monthly reporting into IAMs Business Report.

C. High level organisational risk assessment against each of the funding agreements

The highest organisational risk would be not meeting the funding agreement milestones. To date this has been well managed, with quick delivery supported by good reporting to MBIE; and as required timelines have been renegotiated with MBIE. We are fully up to date with invoicing against all milestones, on all projects.

A by project organisational risk assessment has been completed for each of the externally funded projects. This information is captured in Table 2 which also provides a high-level status.

Table 2: Organisational risk assessment by funding agreement:

Funding Agreement	Status	Organisational risk assessment
1. Te Hiku Revitalisation	Multiple projects	Low risk No issues
2. Waipapa Sports Hub	Physical works started	Medium risk Issue: waiting for resource consent to be issued
3. Kerikeri Domain	Construction 65% complete Remaining 35% construction will be completed by May 22	Low risk No issues
4. Innovating streets: a. Kawakawa safety and streetscape improvement b. Tai Tokerau Kaikohe Safe Streets c. Moerewa Safe Streets	Completed	No risk – funding received.
5. Otiria Rugby Club	Completed	No risk – funding received.
6. Strategic Roads – Priority 1 Routes (Ngapipito Rd & Peria Rd)	Delivery phase 95% complete	Low risk Slip damage repair work to be completed
7. Ruapekapeka roading upgrade	Delivery phase 60% complete	Low risk
8. NAX Kawakawa to Opua Rail restoration with Council funded cycle trail.	Deferred	
9. Lindvart Park Sports Hub.	Design	High risk Insufficient budget to undertake the planned works. A request has been made by Council to review and reverse engineer a number of the costs overrun items of scope.

Funding Agreement	Status	Organisational risk assessment
		*Note since this report was drafted council has received a workshop type briefing on Lindvart Park.

D. The Government goals for this funding are to generate economic stimulus and employment opportunity within the Far North District. These goals can be categorised as:

1. Jobs and careers
2. Arresting and reversing environmental degradation
3. Partnering with Tangata Whenua
4. Growing the local market
5. Ratepayer affordability

The dashboard below provides the latest update on achieving these goals:



### Kaitia wins 2021 Most Beautiful Small Town

Keep NZ Beautiful awards winners demonstrate a strong community spirit and have created an environment that other towns and cities would aspire to. This award acknowledges the positive actions that have been taken by councils to protect and enhance their local environments and is judged across criteria such as litter prevention/waste minimisation, community beautification projects, recycling projects and sustainable tourism attractions.

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

This report does not identify nor request additional budgetary provision.

### ĀPITIHINGA / ATTACHMENTS

Nil

## **5.4 MARCH 2022 RISK MANAGEMENT REPORT**

**File Number:** A3605379

**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 three of the top organisational risks. This includes the first risk progress reports for ARF015 Climate Change Organisation Transition Risk and ARF016 Climate Change Community Transition Risk. The risk trend is stable for all scheduled risk progress reports.

Additionally, the Assurance, Risk and Finance Committee agenda includes an information risk progress report on the externally funded project risks.

Within Council risk management at a group and departmental level continues as does identifying essential services to be supported by business continuity plans. This report includes an up-date on our progress to implement a legislative compliance system and establishment of the Affordability Risk reference Group.

### **TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report March 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. These risks are categorised into three themes – Climate Change, Enterprise Governance and Infrastructure and Asset Management Risks.

**Table 2** details the 2022 deep dive programme and risk progress report schedule, as agreed by Assurance, Risk and Finance Committee. The schedule has synchronised risk progress reports to enable the Assurance, Risk and Finance Committee to view reports on interconnected risks.

Table 1: Top organisational risk dashboard

Risk ID:	Risk title	Inherent risk score	Residual risk score	The risk trend is:	Months since risk trend last changed:	High level risk treatment progress:
ARF015	Climate Change Organisation Transition Risk	31		Stable	0	The Climate Change Risk Reference Group is working to develop an understanding of treatments in place, in progress and gaps/opportunities.
ARF016	Climate Change Community Transition Risk	39		Stable	0	The Climate Change Risk Reference Group is working to develop an understanding of treatments in place, in progress and gaps/opportunities.
ARF017	Climate Change Direct Risk to Council Physical and Natural Assets	37		Stable	2	The Climate Change Risk Reference Group is working to develop an understanding of treatments in place, in progress and gaps/opportunities.
ARF018	Failure to understand and capture climate-related opportunities	29				The Climate Change Risk Reference Group is working to develop an understanding of opportunities.
ARF003	Health & Safety Vulnerabilities	46	34	Increasing	14	Not all treatment plan progress is to schedule; increase in threatening behavior from the public; ongoing non-compliance with Health and Safety at Work Act regulations across our assets.
ARF005	Affordability Risk	45	26	Increasing	21	An Affordability Risk Reference Group has been established with a work programme which includes theming and prioritizing the organisational Affordability risk(s). Terms of reference have been agreed.
ARF010	Data Governance Risks	39	14	Increasing	3	While good progress has been made to implementing treatments, cyber security remains an ongoing risk.
ARF004	Asset Management Risks	45	18	Decreasing	2	Asset Management Plans and project management framework are implemented with good progress made against other treatments.
ARF006	Project Priorities Deliveries Delays	45	14	Increasing	2	The external environment is impacting this risk with issues being experienced such as contractor availability and increasing cost of labour and materials.

ARF007	Compliance NRC Abatements	45	18	Increasing	3	NRC are increasing the use of abatement notices as a key part of their compliance strategy. Legislative and regulatory change currently being faced.
ARF012	Contract Management Risks	39	14	Stable	21	Treatments such as the new contracts register, and contract management framework are progressing.
ARF013	Drinking Water Resilience	35		Stable	15	Updated Water Safety Plans (due 31 March 2022) will inform our understanding of the resilience issues faced by each scheme along with an improvement plan for those issues.
ARF014	Programme Darwin	35	13	Increasing	4	Treatments to reduce either the impact or probability of this risk are yet to be confirmed or implemented.

Table 2: 2022 Deep dive programme and risk progress report schedule

	2022 ARF meeting date:	02/02	16/03	27/04	22/06	31/08
	Deep Dive Programme:			Review <a href="#">Risk Management Policy</a> Affordability risks	Climate Change – Treatment mapping / residual risk	Infrastructure & Asset Management risks
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				✓	
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**

To address the legal compliance risk of our rapidly evolving and complex regulations Council has entered into an agreement with ComplyWith. ComplyWith provides a generic legal compliance system with the content needed for local government (the Obligations Register), mapping these obligations to the responsible staff member. Council can then complete surveys to determine compliance. Sharing of this information is supported by dashboards, reporting and tracking of corrective actions. It is expected to have the implementation and the first survey completed by end May 2022.

**Emergent 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.
5. Potential impact of the Worksafe decision, in December 2020, to charge 13 parties over the Whakaari/White Island tragedy; and the government <a href="#">review of WorkSafe New Zealand's performance of its regulatory functions in relation to activities on Whakaari White Island</a> .	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.
6. Ngapuhi Mana Whakahono ā Rohe.	Feb 2022	This emergent risk is focussed on our ability to meet the statutory timeframe to review all Council policies and process within six months of completing a Whakahono ā Rohe. 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.

**Organisational risk progress reports:**

A cross organisation Affordability Risk Reference Group has been established. Terms of reference and work programme have been agreed. The work programme includes theming and prioritising the organisational Affordability risk(s).

### **Risk progress reports – highlights and analysis:**

1. ARF013 Drinking Water Resilience Risk Progress Report. The inherent risk rating trend has been assessed as **stable** with up-dating of water safety plans on track to be completed by 31 March 2022.
2. ARF015 Climate Change Organisation Transition Risk Progress Report. The inherent risk rating trend has been assessed as **stable** with the Climate Change Risk Reference Group working to develop an understanding of treatments in place, in progress and gaps/opportunities. The implementation of ComplyWith will support Council to understand both our climate change obligations and reporting requirements.
3. ARF016 Climate Change Community Transition Risk Progress Report. The inherent risk rating trend has been assessed as **stable** with the Climate Change Risk Reference Group working to develop an understanding of treatments in place, in progress and gaps/opportunities.

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

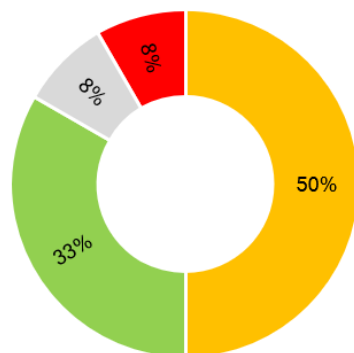
### District Services Risk Dashboard

Review Date: 23/02/2023

24 risks

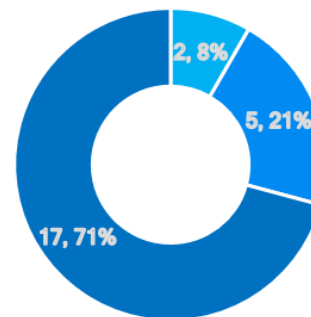
Risk by impact score

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

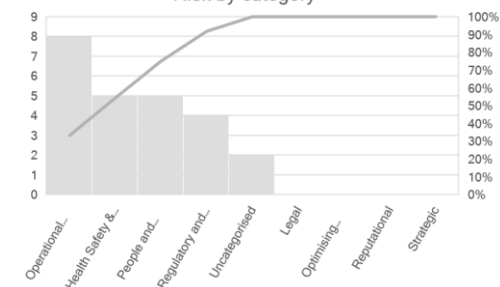


Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category



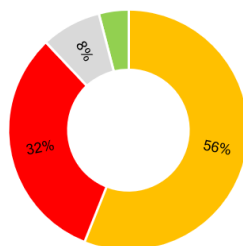
### IAM Group Risk Dashboard

Review Date: 23/2/2022

25 risks

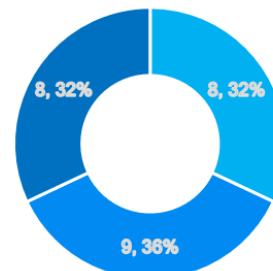
Risk by impact score

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



Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category

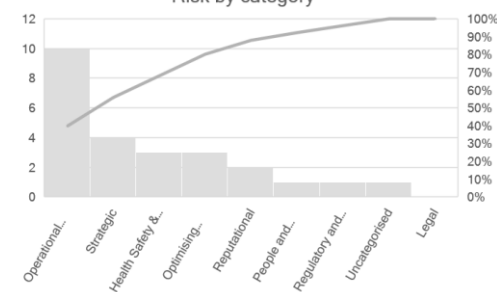


Table 4: Key to risk category

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 up-dating protocols as the Government has introduced new measures in response to Omicron.

**Progress to refresh Council's business continuity arrangements:**

Corporate Services: Essential services have been identified and agreed for development of Business Continuity Plans. These are now being drafted by the responsible teams.

IAM: District Facilities have identified and agreed essential services for development of Business Continuity Plans. These are now being drafted by the responsible teams.

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 15 business continuity plans have been completed.

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

No additional budgetary provision is requested.

**ĀPITIHINGA / ATTACHMENTS**

1. **2022 03 ARF013 Drinking Water Resilience Risk Progress Report - A3603024** [!\[\]\(11a0966cbb90b5c1d6ebfc666ec75f78\_img.jpg\)](#) [!\[\]\(2f6f35750fca7eca6b879311cf96b8dc\_img.jpg\)](#)
2. **2022 03 ARF015 Climate Change Organisation Transition Risk Progress Report - A3605282** [!\[\]\(c237bda00463bf57e48185035f38d966\_img.jpg\)](#) [!\[\]\(2367f36409b262791061a351c71d2472\_img.jpg\)](#)
3. **2022 03 ARF016 Climate Change Community Transition Risk Progress Report - A3605284** [!\[\]\(e16fb8491e76a2731c6f6dcb80900de6\_img.jpg\)](#) [!\[\]\(3f4e8e6873c7aebee97fde339448968c\_img.jpg\)](#)



**HE ARA TĀMATA**  
**CREATING GREAT PLACES**  
*Supporting our people*

## ARF013 Drinking Water Resilience

### Risk Status Progress Report March 2022

Prepared: 17/02/2022

#### Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the “Drinking Water Resilience” risk was adopted at the 05/07/20 Council meeting as a top organisational risk. This risk was scored and prioritised using Council’s bespoke IDEATE methodology.

Council own and operate eight drinking water schemes supplied by 14 primary and supplementary sources and nine water treatment plants.

The primary source for Kaikohe, Kaitaia, Opononi, Rawene, Kawakawa and Paihia are surface water takes from local rivers and streams. Kerikeri also relies heavily on surface water as its secondary source. For each of these surface water takes Council hold a consent issued by the Northland Regional Council. The consents have conditions relating to many things but most importantly:

- the volume of water FNDC is authorised to take, and
- the instantaneous residual flow we are required to leave in the environment.

Surface water takes are impacted by droughts. Droughts typically cover a large geographical area; not just a single catchment or community. Irrespective of the volume of water FNDC is consented to take, there is a 20 percent chance each year that we will not be authorised to take water from the surface water sources for a week or more.

Group / SLT	Risk level	Inherent Risk	Risk description	Because of	There is a chance that...	leading to...
Infrastructure and Asset Management	Organisational	35	Strategic	Lack of freshwater resilience - long-term trends in rainfall coupled with changing and increasing consumer demands	Current freshwater supply systems will continue to not meet demand both now and into the future	Critical impact on our communities i.e. lengthy water restrictions; no/interrupted supply; costly economic consequences (affordability); extensive Health & Safety impacts across the district; economic and reputational risk from a failure to supply adequate potable and fresh water; negative environmental impacts.

The “Drinking Water Resilience” risk has been analysed as both an organisational and a strategic risk. A score of 35 or greater is in the high-risk category. Drinking Water Resilience scored 35:

To ensure clarity this risk excludes “Action for healthy waterways” new rules and regulations aimed to:

- stop further degradation of New Zealand's freshwater resources and improve water quality within 5 years
- reverse past damage and bring New Zealand's freshwater resources, waterways, and ecosystems to a healthy state within a generation.

#### Existing Treatments

1. Professionally managed water source and networks.
2. Asset management plans.
3. Treated Water Supply Bylaw - this allows us to make water restrictions.
4. Water Shortage Management Plan – this outlines the processes and provides guidance on how water restrictions can be implemented to manage demand.
5. Water Shortage Management Committee is established with internal technical specialists who monitor and make recommendations on water restrictions to GMIAM.
6. Drought Communication Plan.
7. Ability to enact a dedicated drought response team (as used in the 19/20 drought).

#### High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Water Shortage Management Plan, Committee and Drought Communication Plan	21/22 following Water Shortage Management Plan. No water restrictions imposed so far this year.
2021/2031 Long Term Plan.	A programme of work for water infrastructure has been adopted. Activities for year 1 have now been or are being scoped for delivery. The Kerikeri clarifier project is now with the project delivery team for replacement in 2022
Programme Darwin – to understand asset knowledge to refine investment planning.	The Asset Condition Assessment programme of work is progressing well with tenders out for work across 3 Waters and District Facilities. Procurement has been approved for drinking water pipe condition assessment (potholing), condition assessment of pipe bridges and seismic assessment of dams and reservoirs.
Crown 3-waters reform funding.	MOU signed.  Funding agreement and delivery plans have been approved.  The Funding Agreement and Delivery Plan included a portfolio of projects to be completed prior to June 2022. The projects are split roughly 60% capital in nature, and 40% operational. Of the 18 projects, 13 of these projects will improve resilience.  Key projects include: <ul style="list-style-type: none"> <li>• Kaitaia new water source</li> <li>• Kaikohe new water source</li> <li>• Update water safety plans across the district</li> <li>• Network model upgrades</li> <li>• Enhanced water leak management</li> <li>• Enhanced water monitoring capability and data capture</li> </ul>

Water Safety Plans	Water Safety Plans are being updated. This is on track for completion by 31 March 2022. This work will inform our understanding of the resilience issues faced by each scheme along with an improvement plan for those issues.
--------------------	--

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

The June 2021 deep dive was a rapid immersion into our drinking water resilience risk. At the session Elected Members wanted to understand resilience in regard to changing conditions and operations, and how our thinking around resilience has matured. What the acceptable level of risk is, for each water scheme and the residual risk profile, is yet to be determined. Whilst previous workshops with Elected Members were unable to assess the residual risk score, those workshops and ongoing work identified three aspects to understanding our adaptive capacity – source, treatment and network, of which there are a number of contributing factors towards achieving resilience.

Water Safety Plans are being updated. When completed this assessment, along with capacity analysis as part of the network modelling and any other available relevant information, can then be used to inform the Assurance, Risk and Finance Committee discussion to develop a residual risk profile.

The solutions to the gaps identified below will become clearer as 3-water reforms become more advanced and with the enactment of the Water Services Bill. These gaps are:

- What are Council obligations in respect of non-public schemes?
- If a private scheme starts to impact ratepayer health what is Council's responsibility?
- Council needs to determine what level of residual risk are we prepared to accept.
- There is uncertainty about the future ownership and management of water supply assets due to the proposed three waters reforms.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	March 2020	Report frequency:
	Stable		Responsible:	GM IAMs	Date accepted:	05/07/20	Three monthly



## ARF015 Climate Change Organisation Transition Risk

Risk Status Progress Report March 2022

Prepared: 22/02/2022

### Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the “Climate Change Organisation Transition Risk” was adopted, as a top organisational risk ARF015, 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 Organisation Transition Risk.

Group / SLT	Risk level	Inherent Risk	Risk description	Cause “Because of...”	Risk “There is a chance that...”	Effect “leading to...”
Strategic Planning & Policy	Organisational	31	Strategic	This is a wicked problem and we are a complex organisation. We need to transition our organisation to meet the requirements of a lower carbon, climate-resilient economy while ensuring prudent management, regulatory compliance and full disclosure to our communities of vulnerabilities to climate change.	Not understanding, or implementing, treatments.	Failure to comply with regulatory requirements; legal challenge resulting in fines and penalties; poor decision-making which negatively impacts our communities and Council; impact on our financial sustainability, and reputational damage.

The Climate Change Risk Reference Group scored the inherent risk for the Climate Change Organisation Transition Risk. 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 medium impact risk with a score of 31. The likelihood of the risk materialising is assessed as “will happen”.

Climate Change Organisation Transition 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: ARF015 Climate Change Organisation Transition Risk inherent risk impact score using the organisational risk impact and likelihood statements:

	Financial			Customer			Reputational			Compliance/Legal			Health and Safety		
High Intolerable		7			7										9
Medium								7							
Low- none										1					
	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen

Relationship of ARF015 Climate Change Organisation Transition Risk to organisational risks.

ARF015 Climate Change Organisation Transition Risk is one of four distinct organisational climate change risks. It exists together with:

- 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

ARF015 Climate Change Organisation Transition Risk impacts, and is impacted by, most of our top organisational risks (see table 5).

Table 5: Impact of ARF015 Climate Change Organisation Transition Risk on organisational risks.

ARF015 impacts:	ARF015 is impacted by:
ARF004 Asset Management Risks	ARF004 Asset Management Risks
ARF005 Affordability Risk	ARF005 Affordability Risk
ARF006 Project Priorities Deliveries Delays	ARF014 Programme Darwin
ARF007 Compliance NRC Abatements	
ARF012 Contract Management Risks	
ARF013 Drinking Water Resilience	

### Existing Treatments

The Climate Change Risk Reference Group is working to develop an understanding on how we will actively manage each risk. A number of treatments have been identified to mitigate this risk. These are identified in table 6. For each risk the treatments have been organised by progress:

1. Treatment in place
2. Treatment in progress
3. Treatment planned or opportunity identified for a treatment

Work continues to:

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 risk theme.

The regional strategy (subject to a separate report to the Strategy & Policy Committee) seeks to mitigate this risk through the following priority actions:

- Avoid increasing risk from new development and redevelopment in areas exposed to projected hazards
- Embed climate change risks and adaptation planning into strategic spatial plans
- Ensure integrated coastal management and adaptation objectives are met in region-wide policy
- Ensure consistent consideration of climate change issues across individual councils through joint climate change policy
- Embed climate change objectives across individual council policies, strategies, plans and processes

Table 6: High level treatment plans

Treatment	Link to Regional Strategy	Link to LTP	Notes
<b>Treatment in place</b>			
1. Northland Regional Council Hazard mapping			eLIMS to be up and running by Easter 2022 Property files LIM – need to provide any public information District Plan
2. Carbon Inventory Report FNDC 2018/19			
3. FNDC Sustainable Procurement Framework			
<b>Treatment in progress</b>			
4. Draft District Plan			Enabler across the organisation Current flood mapping is non-statutory Responsiveness to regulatory requirements
5. Apply Northland Regional Council Hazard mapping		No	Draft District Plan needs to be published Policy framework to support District Plan to be developed.
6. Climate Assessment Policy (master document stating our policy positions)			Major initiative which will guide the organisation
7. Legislative compliance system <ul style="list-style-type: none"> <li>Simpson Grierson letter of advice on climate change obligations in district plan review</li> </ul>		No	Regulation changes e.g. – NBA / Spatial Planning Business case and procurement plan have been approved. Agreement is signed. An implementation plan and timetable is being developed.
8. Climate Change Engagement Strategy			Align with CATT (regional) approach
9. Te Ao Maori decision-making framework <ul style="list-style-type: none"> <li>Cultural welfare</li> </ul>			Responsibility of one of our Northland Council partners.
10. Te Tai Tokerau Regional Comms and Engagement			Needs to align with FNDC approach. Brand identity for CATT part of the engagement to show unified approach.
11. Internal Comms and Engagement Plan			Planning underway
12. Adoption of climate adaptation Te Tai Tokerau strategy and priority actions plan <ul style="list-style-type: none"> <li>Technical appendix looking at risk across the community</li> </ul>		Informs future LTPs	Need to tease out the action plans Need an execution plan Opportunity to workshop this with the Climate Change Risk Reference Group
13. Climate change risk assessment of assets <ul style="list-style-type: none"> <li>NRC led</li> <li>FNDC led</li> </ul>			

Treatment	Link to Regional Strategy	Link to LTP	Notes
14. Coastal Erosion CAPEX Framework			
15. Asset spending prioritization matrix for CAPEX.			
16. Carbon Reduction Plan			Meet regulatory requirements Reduce reputational risk
17. Spatial planning			
18. Programme Darwin		Linked	Subject to separate updates to Assurance, Risk and Finance Committee.
<b>Treatment planned / opportunity</b>			
19. Improved consideration of climate change in asset management plans and associated operational procedures			
20. In depth assessment of risk and consequence of natural hazards by asset			
21. Climate change risk assessment for new or renewal design and build then operation of assets for elected member decision making			
22. Available data sets are not feeding into planning through the organisation: <ul style="list-style-type: none"> <li>Coastal Community Profiles</li> <li>Northland Regional Council Hazard mapping</li> </ul>			
23. Scenario planning			
24. Internal Workshop – implementation of Climate Change Adaptation Te Taitokerau Strategy			
25. S-map		No	Inform land use planning

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

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

## ARF016 Climate Change Community Transition Risk

### Risk Status Progress Report March 2022

Prepared: 22/02/2022

#### Description of risk and impact

In accordance with our Risk Management Policy, adopted by Council August 2019, the "Climate Change Community Transition Risk" was adopted, as a top organisational risk ARF016, 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 Community Transition Risk.

Group / SLT	Risk level	Inherent Risk	Risk description	Cause "Because of..."	Risk "There is a chance that..."	Effect "leading to..."
Strategic Planning & Policy	Organisational	39	Strategic	Not working with communities to identify vulnerabilities, to things of value in those communities, due to potential changes in the climate.	We do not work with communities to identify solutions to drive targeted action and investment in adaptation and mitigation.	Inequitable transition of our communities; and may worsen pre-existing inequities. We do not meet our community wellbeing obligations. Exposure of the community to rapid market disruption. We miss out on potential opportunities.

The Climate Change Risk Reference Group scored the inherent risk for the Climate Change Community Transition Risk. 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 39. The likelihood of the risk materialising is assessed as "will happen".

Climate Change Community Transition 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: ARF016 Climate Change Community Transition Risk inherent risk impact score using the organisational risk impact and likelihood statements:

	Financial			Customer			Reputational			Compliance/Legal			Health and Safety		
High - Intolerable		7				9			9						9
Medium										5					
Low- none															
	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen	Unlikely	Probable	Will Happen

Relationship of ARF016 Climate Change Community Transition Risk to organisational risks.

ARF016 Climate Change Community Transition Risk is one of four distinct organisational climate change risks. It exists together with:

- ARF015 Climate Change Organisation Transition Risk
- ARF017 Climate Change Direct Risk to Council Physical and Natural Assets
- ARF018 Failure to understand and capture climate-related opportunities

ARF016 Climate Change Community Transition Risk impacts, and is impacted by, a number of our top organisational risks (see table 5).

Table 5: Impact of ARF016 Climate Change Community Transition Risk on organisational risks.

ARF016 impacts:	ARF016 is impacted by:
ARF004 Asset Management Risks	ARF004 Asset Management Risks
ARF005 Affordability Risk	ARF005 Affordability Risk
ARF006 Project Priorities Deliveries Delays	ARF014 Programme Darwin
ARF007 Compliance NRC Abatements	
ARF012 Contract Management Risks	
ARF013 Drinking Water Resilience	

### Existing Treatments

The Climate Change Risk Reference Group is working to develop an understanding on how we will actively manage each risk. A number of treatments have been identified to mitigate this risk. These are identified in table 6. For each risk the treatments have been organised by progress:

1. Identify treatments in place
2. Identify treatments in progress
3. Identify treatments planned

Work continues to:

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.

The regional strategy (subject to a separate report to the Strategy & Policy Committee) seeks to mitigate this risk through the following priority actions:

- Ensure widespread community awareness and interaction on adaptation issues
- Improve public access to adaptation planning processes, information and documents
- Ensure community adaptation plans are embedded in regulatory instruments
- Ensure community adaptation planning processes are aligned with council funding processes.
- Develop a programme of coastal adaptation planning projects aligned with community needs
- Improve community water resilience through water tank programmes



Table 6: High level treatment plans

Treatment	Link to Regional Strategy	Link to LTP	Notes
<b>Treatment in place</b>			
Northland Regional Council Hazard mapping			eLIMs to be up and running by Easter 2022 LIM – need to provide any public information District Plan
<b>Treatment in progress</b>			
Draft District Plan			Enabler across the organisation Current flood mapping is non-statutory Responsiveness to regulatory requirements
Apply Northland Regional Council Hazard mapping		No	Draft District Plan needs to be published Policy framework to support District Plan to be developed.
Climate Assessment Policy (master document stating our policy positions)			Major initiative which will guide the organisation
Climate Change Engagement Strategy			Align with CATT (regional) approach
Community Engagement Plans			
Dynamic Adaptive Planning Process Enabling-Coastal-Adaptation Biodiversity Cultural welfare			
Te Ao Maori decision-making framework Cultural welfare			Responsibility of one of our Northland Council partners.
Te Tai Tokerau Regional Comms and Engagement			Needs to align with FNDC approach. Brand identity for CATT part of the engagement to show unified approach.
Adoption of climate adaptation Te Tai Tokerau strategy and priority actions plan Technical appendix looking at risk across the community		Informs future LTPs	Need to tease out the action plans Need an execution plan Opportunity to workshop this with the Climate Change Risk Reference Group
Climate change risk assessment of assets NRC led FNDC led			
Coastal Erosion CAPEX Framework			
Asset spending prioritization matrix for CAPEX.			
Carbon Reduction Plan			Provide ideas for community use

Treatment	Link to Regional Strategy	Link to LTP	Notes
Spatial planning			
Programme Darwin		Linked	Subject to separate updates to Assurance, Risk and Finance Committee.
<b>Treatment planned / opportunity</b>			
1. Improved consideration of climate change in asset management plans and associated operational procedures			
2. In depth assessment of risk and consequence of natural hazards by asset			
3. Climate change risk assessment for new or renewal design and build then operation of assets for elected member decision making			
4. Scenario planning			
5. S-map		No	Inform land use planning

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

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

**5.5 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 JANUARY 2022****File Number: A3607406****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 of 31 January 2022.

**TE WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY**

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

**NGĀ TŪTOHUNGA / RECOMMENDATION**

That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 31 January 2022.

**TE TĀHUHU KŌRERO / BACKGROUND**

This report provides financial information as of 31 January 2022.

**TE MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**

The report is for information only.

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

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

**NGĀ ĀPITI HANGA / ATTACHMENTS**

1. Council Financial Report Jan 2022 (Pd7) FINAL - A3613060  



Far North District Council

## **Council Financial Report**

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for the period ending **31-January-2022**

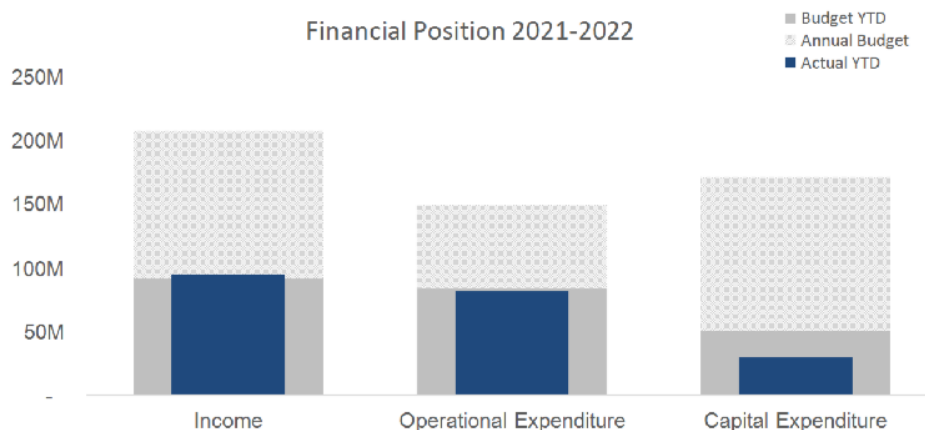


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## Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-January-2022.



### Year to Date

Actual Position as at 31-January-2022

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	95.0M	91.4M	3.6M	4%
Operational Expenditure	81.1M	83.3M	-2.1M	-3%
<b>Net Operating Position</b>	<b>13.8M</b>	<b>8.1M</b>	<b>5.7M</b>	<b>71%</b>
<b>Capital Expenditure</b>	<b>29.4M</b>	<b>50.1M</b>	<b>-20.7M</b>	<b>-41%</b>

### Year End

Forecast Position as at 30-June-2022

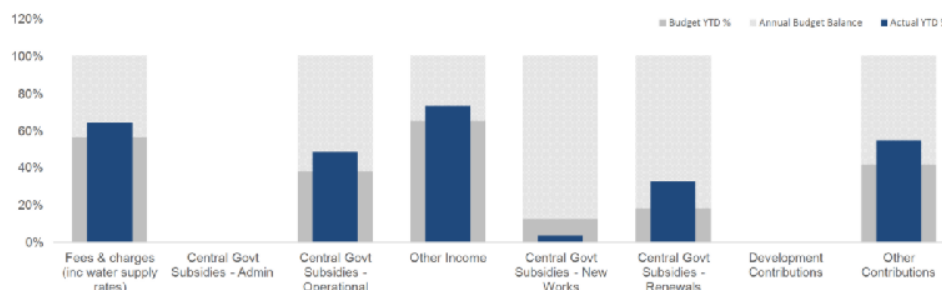
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	207.4M	207.8M	-0.3M	0%
Operational Expenditure	150.1M	149.1M	1.0M	1%
<b>Net Operating Position</b>	<b>57.3M</b>	<b>58.7M</b>	<b>-1.4M</b>	<b>-2%</b>
<b>Capital Expenditure</b>	<b>162.4M</b>	<b>170.9M</b>	<b>-8.5M</b>	<b>-5%</b>

*\*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
40.3M	36.3M	4.0M	11%	113.0M	112.7M	0.3M	0%



### Highlights:

#### Fees & Charges

- Income received from the Hokianga Ferry recorded a surplus with the rise in local tourism across the district during the summer holiday period.
- Income received from refuse transfer stations are higher with increased volumes and extended opening hours during the summer holiday period.
- There has been a large number of resource consent applications processed and the team is meeting statutory timeframes. Discounts applied to customers has been low 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

- Wastewater and Stormwater are over budget due to unspent subsidies/contributions from last year that have been moved into this year.
- Income has been received from the sale of the Ngawha Springs, Council owned property.
- The 3-Waters Department of Internal Affairs (DIA) funding is now under budget, there further claims 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.
- Grant funding has been received for the Mayors Taskforce for Jobs.

#### **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.
- Waka Kotahi (NZTA) has now approved funding for the September/October 2021 storm damage and will be claimed under the emergency event work category.
- 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 & Doubtless Bay 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.

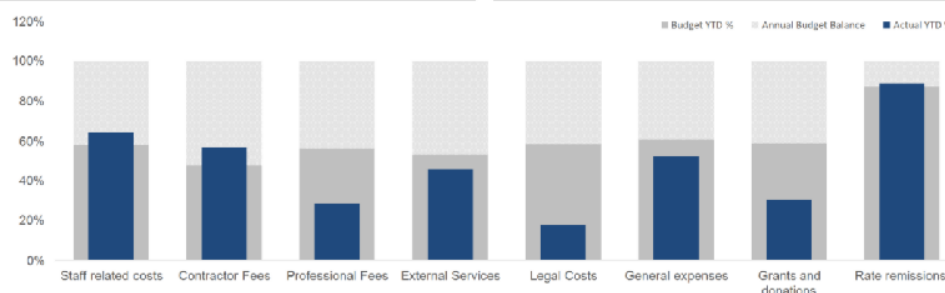
**Other Contributions**

- 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 are further DIA claims 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
58.1M	60.0M	1.9M	-3%	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.
- Waka Kotahi (NZTA) have approved funding for the September/October 2021 storm damage and would be claimed under the emergency event work category.
- The wastewater variance is attributed to the unbudgeted, increased operational costs for the new Kerikeri Wastewater Treatment Plant; unbudgeted, increased operational costs for Paihia Wastewater Treatment Plan with chemical dosing and above average network pump failures with rag blockages. In addition, some costs have been coded incorrectly and should be Stormwater external services. A plan is in place to address the cost variance.

#### 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.
- 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.

**Legal Costs**

- Legal costs are tracking well except for District Plan, this budget will be drawn upon to support a range of external professional services required to deliver the proposed district plan.

**General Expenses**

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

**Grants & Donations**

- There is a timing issue with the MN10 Matawii Dam, the funds will be utilised in one payment prior to year-end, this is for the Dam design and development in Kaikohe.
- Sport Northland has not invoiced for the annual management fee for Kawakawa swimming pool.
- Annual cycletrail grant has been paid to the Pou Herenga Tai Twin Coast Cycle Trail Trust.
- Community boards fund account received less applications received than usual due to COVID-19 restrictions causing uncertainty with our community.

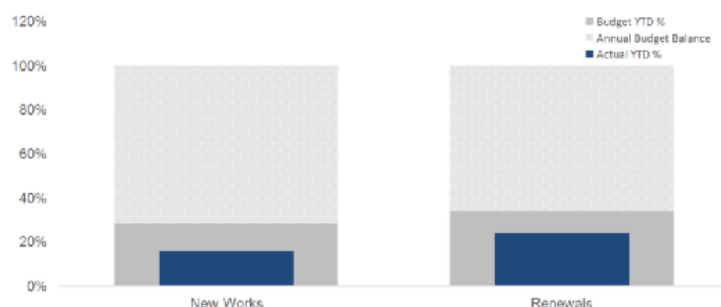
**Rate Remissions**

- 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
29.4M	50.1M	- 20.7M	● -41%	170.9M	162.4M	- 8.5M	● -5%



### 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 has been brought forward to complete these.
- Kaitia New Source (Sweetwater) is behind budget but fully committed. Construction has progressed well with approximately 10,900 of pipe installed by means of directional drilling. The physical construction completion date is scheduled for May. Access agreement has been reached with Ngai Takoto which has been signed by the QEII Trust.
- Monument Hill Deep Bore project is behind budget. The project team has met with Waikotahi Trust to explain the modelling that was done and also to get consent to submit the resource consent application to use both existing and new bore for delivery. Approval was received subject to certain conditions that have been accepted by FNDC. Detailed design for stage 3 has progressed and the mechanical design for the headworks and construction and manufacturing drawings are 95% complete. Construction will start after tender evaluation which is planned to start in March.
- The Kerikeri WTP Clarifier project is behind budget, a closed tender has been approved in November and works are expected to commence in April.
- The Fire Flow Upgrades, Skudders Beach project is being reassessed as latest testing shows a different solution is needed.
- The MN10 Matawii Dam project is dependent on a water supply agreement and subscription agreement which is likely to be finalised after March.
- Healthy homes upgrades are in design stage and funds have been reforecasted to next financial year.
- 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 and Te Hiku Ward footpath loop project 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.
- The Southern Animal Shelter tender evaluations commenced in January and milestone dates have been amended with MBIE. Construction is expected to commence in March.

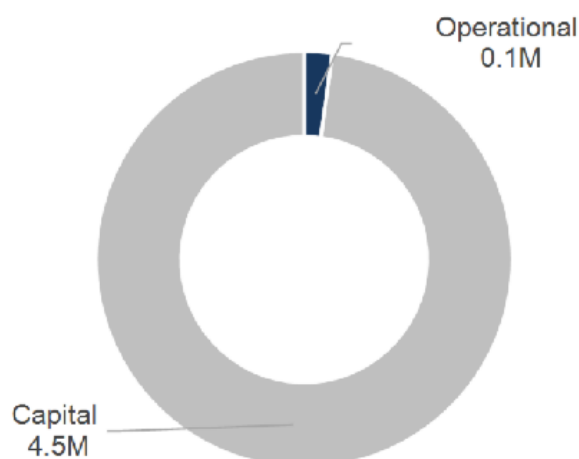
### Renewals

- Delivery of motor vehicles have been delayed due to COVID-19 disruptions.
- Opononi hall renewals is behind budget at this stage due to delays in getting a designer and electrical & roofing reports to identify the scale of work required. Works would roll over into next financial year with anticipated completion in Spring.
- 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 49% complete against the reseal programme for 2021/22 and anticipate to complete works in autumn, pavement rehabilitation for North area has completed 500 metres of sealing with 970 metres ready to be sealed in late summer out of the total programme of 1.7 kilometres in North. All rehabilitation design has been approved and works are progressing satisfactorily.
- 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 as need and solutions are still being determined by the asset management team. 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 as at 31-January-2022

*\*Expenditure over \$100K approved by Council (in grey)*

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
		<b>99,885</b>

Unbudgeted Capital Works		Amount
<b>Kaitaia New Source (Sweetwater) - 3 Waters Reform</b>	<b>CAPEX New Works Contract Services</b>	<b>4,391,629</b>
HFTE Oxford Street Kaitaia, Planned Renewals(DFP1074)	External Services	60,000
		<b>4,451,629</b>

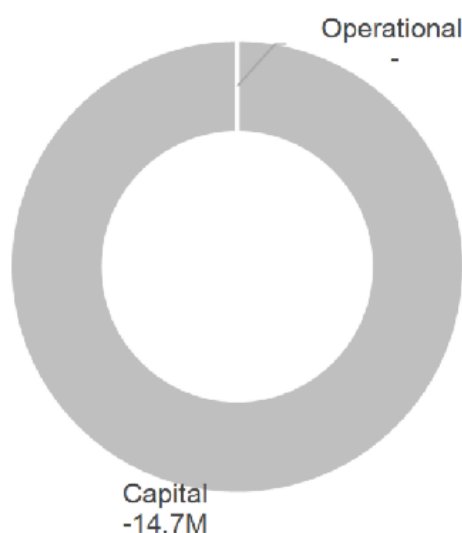
Unbudgeted Roading		Amount
Kaimaumau Road Traffic Calming - Speed	CAPEX New Works Contract Services	50,000
Powell Road Culvert Extension, Cable Bay	CAPEX New Works Contract Services	25,000
		<b>75,000</b>

**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).

The figures that follow exclude the \$5M Roding budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget.



### Budget Movements as at 31-January-2022

Project Ledger	Comment	Amount
Kerikeri WTP New Clarifiers - 3 Waters	Tfr Future Budget GM Corporate Approved	400,000
Hihi WWTP Construction	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	150,000
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 Procur	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
Air conditioning units	Forecast of Renewals Bud for AC unit in	4,890
HFTE Horeke, Reactive Renewals(DFP0494)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-5,000
Omapere Freese Park	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-10,000
Russell Transfer Station Renewals	IAM Reforecast Out to FY24-25 Delivery Schedule Update Rakesh	-11,571



HFTE Awanui, Planned Renewals(DFP1077)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-11,667
East Coast Kotare Drive Stormwater Renewals	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-15,000
Parks & Reserves Eastern	IAM Reforecast - Release Budget Delivery Schedule Update Rakesh	-15,415
Accessible Carparks Eastern	IAM Reforecast - Release Budget Delivery Schedule Update Rakesh	-15,415
Te Kao Transfer Station Renewals	IAM Reforecast Out to FY24-25 Delivery Schedule Update Rakesh	-17,005
Russell Resource Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-17,750
Kerikeri WWTP Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-21,883
Taipa Transfer Station Renewals	IAM Reforecast Out to FY24-25 Delivery Schedule Update Rakesh	-22,108
Kao WWTP Flow Balance Tank UV	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-26,633
Parks & Reserves Western	Western Ward Softfall trf out budget on Delivery Schedule Update Rakesh	-26,635
Tii Beach Seawall - Paihia	IAM Reforecast Out to FY28-29 Delivery Schedule Update Rakesh	-27,698
Russell Resource Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-32,250
Jaycee Park/Centennial Park	IAM Reforecast - Release Budget Delivery Schedule Update Rakesh	-32,724
Proposed Dog Park, Kerikeri	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-34,000
Kaitaia PS	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-36,300
Kerikeri Domain - PGF	Kerikeri Domain Savings towards salary for Principal Advisor Sustainable Procur	-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
Cemeteries Management	Corp reforecast out to FY22-23 schedule update by Jaime & Jason	-45,000
Hihi Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-45,000
Kao Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-45,000
Kaikohe Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-46,699
Parks & Reserves Eastern	IAM Reforecast - Release Budget Delivery Schedule Update Rakesh	-48,535
Digital Mailroom	Corp reforecast - release budget schedule update by Jaime & Jason	-50,000
Moerewa WS Renewals (Pembroke/Massey/Ranfurley/Reed)	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-50,000
RFID Installation	Professional Fees Savings 2022 Software Licence Fees Savings 2022	-53,000

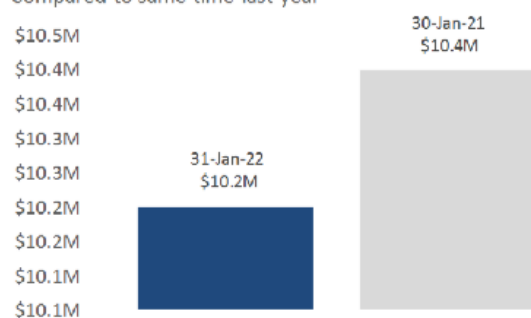
Kaikohe Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-53,301
Kerikeri Reservoir	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-54,707
HFTE Kawakawa, Planned Renewals(DFP1081)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-56,667
HFTE Ahipara, Planned Renewals (DFP1076)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-58,000
HFTE Kohukohu, Planned Renewals(DFP1083)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-63,333
Kaitaia Parkdale Crescent Stormwater Renewals	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-65,000
External Delivery - Public Facing	Corp reforecast out to FY22-23 schedule update by Jaime & Jason	-70,000
Parks & Reserves Northern	Northern Ward Softfall trf out budget on Delivery Schedule Update Rakesh	-70,543
Cyber Security	Corp reforecast - release budget schedule update by Jaime & Jason	-75,000
HFTE Waima, Planned Renewals(DFP1086)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-76,667
Contact Centre Improvement	Corp reforecast out to FY22-23 schedule update by Jaime & Jason	-100,000
Robotic Process Automation	Corp reforecast - release budget schedule update by Jaime & Jason	-100,000
Kawakawa Stormwater Improvements	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Kaitaia Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Reservoir Safety Fall Protection Upgrade	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Archives Digitisation	Corp reforecast - release budget schedule update by Jaime & Jason	-105,000
Paihia PS1 upgrade	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-127,098
HFTE Rawene, Planned Renewals(DFP1085)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-141,667
District Wide Sludge Management	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-145,980
Water treatment plant relocation of plant and new source, Pa	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-150,000
HFTE Oxford Street Kaitaia, Planned Renewals(DFP1074)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-153,333
East Coast Adamson St Stormwater	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-175,000
Kohukohu Hall	IAM Reforecast Out to FY23-24 Delivery Schedule Update Rakesh	-183,000
Wastewater Telemetry	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-195,074
Moerewa Pembroke St Stormwater Improvements	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-208,763
Mains replacement Paihia	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-277,057

HFTE Omapere, House Renovations	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-300,000
Opononi Treatment Plant Improvements	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-300,000
HFTE Puckey Avenue Kaitaia, Planned Renewals(DFP1080)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-306,667
Programme Flight Plan - PPM	Corp reforecast - release budget schedule update by Jaime & Jason	-350,000
Paihia Mains Baffin Street Stage 1	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-354,000
HFTE Kaikohe, Planned Renewals(DFP1079)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-433,333
Wastewater Telemetry	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-614,343
Stormwater Imps Moerewa	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-735,713
Kaitaia Commerce Street Stormwater Line	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-1,270,000
HFTE Upgrade Programme(DFX0029)	IAM Reforecast Out to FY22-23 & 23-24 Delivery Schedule Update Rakesh	-1,495,688
Hihi WWTP Construction	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-2,500,000
District Sludge Management Equipment	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-2,904,543
		<b>-14,708,813</b>
		<b>-14,708,813</b>

## Treasury Report

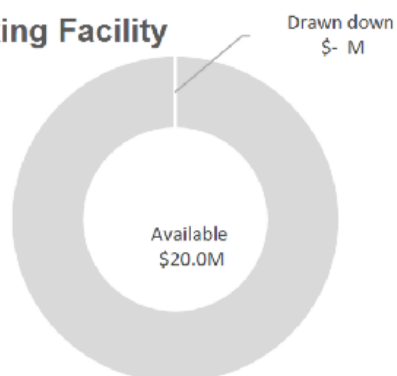
### Cash Position

Compared to same time last year



	31-Jan-22	30-Jan-21
ASB General Fund	\$ 5.1M	\$ 5.3M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ - M	\$ - M
<b>Total Cash</b>	<b>\$ 10.2M</b>	<b>\$ 10.4M</b>

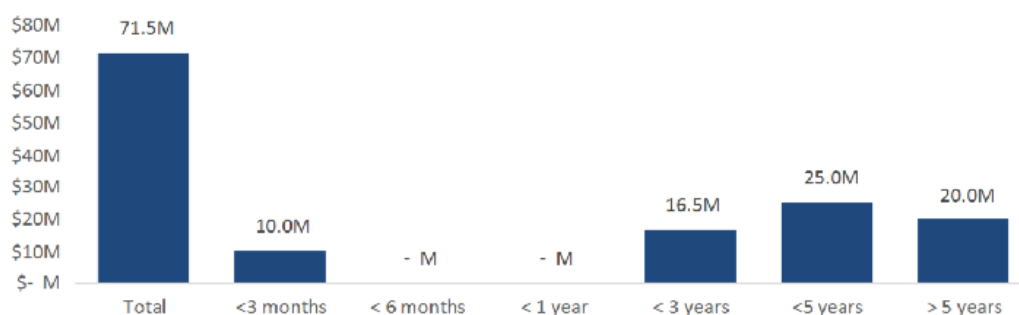
### Banking Facility



<b>Banking Facility</b>	<b>\$ 20.0M</b>
Drawn down	\$ - M
Available	\$ 20.0M

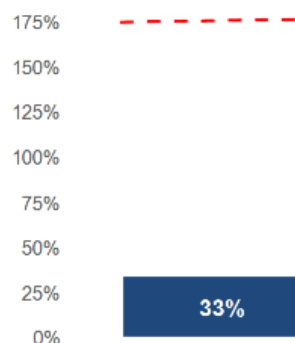
### Public Debt

#### Loans by Maturity Date



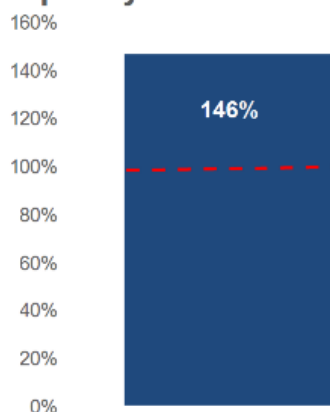
## Treasury Compliance

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



Net Debt	\$ 61.3M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	33%
Policy Maximum	142%

**Liquidity** - Access to funds must be greater than 110%



External Debt	\$ 71.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	\$ - M
<b>Total Committed Public Debt</b>	<b>\$ 91.5M</b>
Liquid Investments Cash at Bank	\$ 10.2M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	<b>\$ 104.7M</b>
Access to Funds	146%
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 Jan 2022 (Pd7)

	Year To Date (\$000's)				Full Year (\$000's)						
	YTD Actual	Total Budget YTD	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance	
Operational Income											
Rates - general (excl water supply rates)	54,123	54,058 -	66	92,675	-	92,675	38,552	58%	92,675	-	
Rates - penalties	560	1,032	472	2,063	-	2,063	1,504	27%	2,063	-	
Fees & charges (inc water supply rates)	11,289	9,930 -	1,360	17,590	-	17,590	6,301	64%	17,590	-	
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-	
Central Govt Subsidies - Operational	7,311	5,756 -	1,555	14,445	677	15,122	7,810	48%	15,138	16	
Other Income	5,341	4,750 -	591	2,244	5,071	7,315	1,974	73%	8,215	900	
Capital Income											
Central Govt Subsidies - New Works	1,403	5,138	3,735	39,491	2,417	41,908	40,505	3%	30,132 -	11,776	
Central Govt Subsidies - Renewals	3,034	1,690 -	1,344	8,947	394	9,341	6,307	32%	11,182	1,841	
Development Contributions	-	-	-	-	-	-	-	0%	-	-	
Other Contributions	11,908	9,021 -	2,887	10,799	10,944	21,744	9,835	55%	30,425	8,682	
Total Operating Income	94,971	91,375 -	3,596	188,254	19,503	207,758	112,787	46%	207,421 -	337	
Operational Expenditure											
Staff related costs	22,149	19,900 -	2,249	34,476	-	34,476	12,327	64%	34,679	203	
Contractor Fees	18,647	15,634 -	3,013	32,873	-	32,873	14,226	57%	32,927	55	
Professional Fees	4,727	9,329	4,602	11,930	4,744	16,675	11,947	28%	16,305 -	369	
External Services	3,535	4,102	566	6,135	1,605	7,740	4,205	48%	8,315	575	
Legal Costs	154	509	355	873	-	873	719	18%	872 -	1	
General expenses	6,339	7,332	992	11,965	150	12,115	5,775	52%	12,712	597	
Grants and donations	728	1,416	688	2,385	15	2,400	1,672	30%	2,375 -	26	
Rate remissions	1,852	1,816 -	36	2,087	-	2,087	235	89%	2,087	-	
Allocations (direct and indirect)	-	0	0	0	-	0	0	0%	0	-	
Interest costs	820	1,331	511	2,282	-	2,282	1,462	36%	2,282	-	
Sub total	58,952	61,369	2,416	105,007	6,515	111,521	52,569	53%	112,556	1,034	
Depreciation and other asset costs	21,597	21,915	319	37,569	-	37,569	15,973	57%	37,569	-	
Gain/Loss on Disposal	595	- -	595	-	-	- -	595	100%	-	-	
Total Operational Expenditure	81,145	83,284	2,139	142,576	6,515	149,091	67,946	54%	150,125	1,034	
Net Operating Surplus	13,826	8,091	5,735	45,678	12,989	58,667	44,841		57,296 -	1,371	

## Statement of Capital Performance

for the period ending Jan 2022 (Pd7)

	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	8,611	17,513	8,901	62,816	8,606	71,422	62,811	12%	67,349	4,074
Environmental Management	139	528	389	981	327	1,308	1,169	11%	1,308	-
Roading and Footpaths	10,391	10,009	- 383	43,276	7,282	50,558	40,167	21%	53,302	2,744
Wastewater	656	4,919	4,263	13,047	1,926	14,973	14,316	4%	7,911	7,062
Stormwater	141	138	- 3	3,672	311	3,983	3,842	4%	1,413	2,569
Solid Waste Management	112	487	375	767	155	922	810	12%	756	166
Water Supply	527	3,156	2,629	6,722	907	7,629	7,102	7%	6,643	986
Governance & Strategic Administration	697	1,463	766	3,407	1,942	5,349	4,652	13%	4,339	1,010
Customer Services	298	521	223	993	906	1,899	1,601	16%	1,967	68
Strategic Planning & Policy	15	-	- 15	-	-	-	15	100%	120	120
3 Waters	7,826	11,382	3,556	4,852	8,024	12,876	5,050	61%	17,267	4,392
<b>Total Capital Expenditure</b>	<b>29,415</b>	<b>50,117</b>	<b>20,703</b>	<b>140,633</b>	<b>30,386</b>	<b>170,919</b>	<b>141,605</b>	<b>17%</b>	<b>162,376</b>	<b>8,544</b>

## Analysis of Controllable 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	6,956	4,553 -	2,403	30,266	5,111	35,377	28,421	-20%	33,241	2,136
Environmental Management	4,783	3,487 -	1,296	5,748	-	5,748	965	-83%	5,748	-
Roading and Footpaths	15,960	13,760 -	2,200	46,055	4,463	50,518	34,558	-32%	52,375	1,857
Wastewater	182	176 -	7	301	-	301	119	-61%	301	-
Stormwater	100	- -	100	-	-	-	100	-100%	-	-
Solid Waste Management	1,064	924 -	141	1,478	-	1,478	413	-72%	1,420	58
Water Supply	4,384	3,937 -	447	7,017	-	7,017	2,633	-62%	7,017	-
Governance & Strategic Administration	914	633 -	281	1,999	21	2,020	1,106	-45%	2,020	-
Customer Services	278	323	45	577	-	577	299	-48%	577	-
Strategic Planning & Policy	318	44 -	275	75	-	75	243	-425%	75	-
3 Waters	5,348	8,450	3,102	-	9,909	9,909	4,581	-54%	9,909	-
<b>Total Operating Income</b>	<b>40,287</b>	<b>36,285 -</b>	<b>4,002</b>	<b>93,515</b>	<b>19,503</b>	<b>113,019</b>	<b>72,732</b>	<b>36%</b>	<b>112,682</b>	<b>337</b>

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	4,443	5,877	1,435	9,441	372	9,813	5,370	45%	10,423	610
Environmental Management	5,579	5,776	197	9,972	-	9,972	4,393	56%	9,972	-
Roading and Footpaths	14,141	10,482 -	3,659	26,934	578	27,512	13,371	51%	27,512	-
Wastewater	4,349	4,550	201	7,145	767	7,912	3,563	55%	7,912	-
Stormwater	926	1,755	830	3,014	-	3,014	2,088	31%	3,014	-
Solid Waste Management	2,571	2,537 -	34	4,348	-	4,348	1,777	59%	4,348	-
Water Supply	3,534	3,526 -	7	6,004	-	6,004	2,470	59%	6,004	-
Governance & Strategic Administration	13,598	13,912	314	22,559	21	22,580	8,982	80%	22,548	32
Customer Services	3,230	3,264	34	5,599	-	5,599	2,370	58%	5,590	9
Strategic Planning & Policy	3,028	4,188	1,160	7,221	-	7,221	4,193	42%	7,286	65
3 Waters	2,734	4,170	1,436	486	4,778	5,264	2,529	52%	5,884	400
<b>Total Direct Costs</b>	<b>58,132</b>	<b>60,037</b>	<b>1,905</b>	<b>102,724</b>	<b>6,515</b>	<b>109,239</b>	<b>51,107</b>	<b>53%</b>	<b>110,273</b>	<b>1,034</b>



## Capital Spend Analysis

as at 31-Jan-2022

	YTD (\$000's)		Full Year (\$000's)							
LTP Group	YTD Actual	Commitments	LTP Budget	Carry Forward Budget	Total Annual Budget	Actual vs Budget %	Total Annual Forecast	Actual vs Forecast %	Forecast vs Budget %	Forecast vs Budget Variance
District Facilities	2,507	2,815	18,292	5,509	23,801	10.5%	20,350	12.3%	86%	(3,450)
Wastewater	656	737	13,047	1,926	14,973	4.4%	7,911	8.3%	53%	(7,062)
Water Supply	527	770	6,722	907	7,629	6.9%	6,643	7.9%	87%	(986)
Stormwater	141	132	3,672	311	3,983	3.5%	1,413	10.0%	35%	(2,569)
Solid Waste	112	19	767	155	922	12.1%	756	14.8%	82%	(166)
<b>Project Delivery Team Subtotal</b>	<b>3,943</b>	<b>4,474</b>	<b>42,500</b>	<b>8,808</b>	<b>51,307</b>	<b>7.7%</b>	<b>37,074</b>	<b>10.6%</b>	<b>72%</b>	<b>(14,234)</b>
Roading & Footpaths	6,425	10,978	31,827	4,177	36,004	17.8%	38,747	16.6%	108%	2,744
<b>IAM Total</b>	<b>10,369</b>	<b>15,452</b>	<b>74,327</b>	<b>12,985</b>	<b>87,311</b>	<b>11.9%</b>	<b>75,821</b>	<b>13.7%</b>	<b>87%</b>	<b>(11,490)</b>
Environmental Management	57	5	28	0	28	205.0%	28	205.0%	100%	0
Governance & Strategic Administration	697	742	3,407	1,932	5,338	13.1%	4,328	16.1%	81%	(1,010)
Customer Services	298	365	1,431	917	2,348	12.7%	2,416	12.3%	103%	68
Strategic Planning	15	0	0	0	0	0.0%	120	12.9%	0%	120
<b>Other Total</b>	<b>1,068</b>	<b>1,112</b>	<b>4,865</b>	<b>2,848</b>	<b>7,714</b>	<b>13.8%</b>	<b>6,891</b>	<b>15.5%</b>	<b>89%</b>	<b>(822)</b>
<b>Sub Total</b>	<b>11,436</b>	<b>16,564</b>	<b>79,192</b>	<b>15,833</b>	<b>95,025</b>	<b>12.0%</b>	<b>82,712</b>	<b>13.8%</b>	<b>87%</b>	<b>(12,312)</b>
<b>DIA Projects</b>										
Water Supply	7,826	4,929	4,852	8,024	12,876	60.8%	17,267	45.3%	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
<b>Total DIA Projects</b>	<b>7,826</b>	<b>4,929</b>	<b>4,852</b>	<b>8,024</b>	<b>12,876</b>	<b>60.8%</b>	<b>17,267</b>	<b>45.3%</b>	<b>134%</b>	<b>4,392</b>
<b>ESEO Projects</b>										
District Facilities	6,105	4,348	44,086	3,098	47,184	12.9%	46,561	13.1%	99%	(623)
Environmental Management	82	0	953	327	1,280	6.4%	1,280	6.4%	100%	0
Roading & Footpaths	3,966	8,874	11,449	3,105	14,555	27.2%	14,555	27.2%	100%	0
<b>Total ESEO Projects</b>	<b>10,152</b>	<b>13,222</b>	<b>56,489</b>	<b>6,529</b>	<b>63,019</b>	<b>16.1%</b>	<b>62,396</b>	<b>16.3%</b>	<b>99%</b>	<b>(623)</b>
<b>Total</b>	<b>29,415</b>	<b>34,715</b>	<b>140,533</b>	<b>30,386</b>	<b>170,919</b>	<b>17.2%</b>	<b>162,376</b>	<b>18.1%</b>	<b>95%</b>	<b>(8,544)</b>

### Comments:

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

The above completion % are based solely on the actual spend to 31 Jan 2022.

## Capital spend Analysis by %

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

### Capital Spend Analysis

as at 31-Jan-2022

Actual + commitments against total forecast budget	
LTP Group	YTD Actual (%)
District Facilities	26.2%
Wastewater	17.6%
Water Supply	19.5%
Stormwater	19.3%
Solid Waste	17.4%
Project Delivery Team Subtotal	22.7%
Roading & Footpaths	44.9%
IAM Total	34.1%
Environmental Management	22.0%
Governance & Strategic Administration	33.3%
Customer Services	27.5%
Strategic Planning	12.9%
Other Total	31.6%
Sub Total	33.9%
DIA Projects	
Water Supply	73.9%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	73.9%
ESEO Projects	
District Facilities	22.4%
Environmental Management	6.4%
Roading & Footpaths	88.2%
Total ESEO Projects	37.5%
Total	39.5%

**5.6 FAR NORTH HOLDINGS LTD - HALF YEAR FINANCIAL REPORT 2021/22****File Number: A3613506****Author: Janice Smith, Chief Financial Officer****Authoriser: William J Taylor MBE, General Manager - Corporate Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

To report the financial position of Far North Holdings Limited (FNHL) as at 31 December 2021

**WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY**

This report is the half year report for the financial year 2021/22.

**TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report Far North Holdings Ltd - Half Year Financial Report 2021/22.**

**TĀHUHU KŌRERO / BACKGROUND**

In line with the Council resolution of 23 April 2020 in which Council resolved the following:

**RESOLUTION 2020/21**

Moved: Mayor John Carter

Seconded: Cr Dave Collard

**That Council:**

- a) accept the Half Year Report from Far North Holdings Limited:**
- b) request that future reports contain the following information.**
  - i) annual and Year to Date budget,**
  - ii) commentary on any significant variances, and**
  - iii) detail of significant income and expenditure, for example fees & charges and salaries to aid the shareholder understanding of the financial position.**

The December 2021 half year financial report is the second report received for the current financial year.

**MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**

There is confidence that Stage 1 of Ngawha Innovation and Enterprise Park will open by the end of 2022 despite supply chain issues with building materials. Work is progressing with all aspects of the buildings, with consent applications being lodged with Council for the new Department of Corrections facility and the first crop of berries from Kaikohe Berryfruit Ltd expected later this year.

The Kamo Road housing project is expected to open in Feb 2022, and a new partnership has been established to build 60 units on the RSA site in Kaikohe, work expected to start after 1st July 2022.

Interest rate cover ratio represents how many times the company can pay its obligations using earnings – it improved from 2.34 at 31 Dec 2020 to 3.4 at 31 Dec 2021, but it slightly deteriorated from 3.59 at 30 Sep 2021.

Equity/asset ratio illustrates how the company pays for its assets, so the lower it is, the more debt the company has used to pay for them – it was largely the same as reported at 31 Dec 2020 at 52.77% versus 52.4% as at 31 Dec 2021 and decreased from 54.28% at 30 Sep 2021.

Covid continues to hinder tourism in Northland, so rent relief is still being provided to the effected tenants, and further support is expected to be provided to those tenants that continue to be affected.

Operating surplus decreased from \$879k to \$868k between 31 Dec 2020 and 31 Dec 2021, a reduction of 1.25%, but compared to budget, it was significantly reduced by 23% against the \$1,124k budgeted for due to:

- Reduction in Rental income, from \$1,997k to \$1,802k, 10% - due to rent relief and delay to rental of Kamo Road housing development due to Covid lockdowns.
- Increase in Commission, \$6k budget to \$33k actual, 451% - due to marina berth demand, for which FNHL receive a commission on each sale that is made.
- Reduction in Finance income, from \$3k budget to (\$6k) actual, 270% reduction due to reversal of finance charges to debtors through non-payment.
- Increase in Employee benefit expenses, \$1,678k budget to \$1,994k actual, 19% - due to staff being retained on full pay during lockdowns, but working additional hours once returned to work so overtime costs increased, and a tight labour market and wage inflation has resulted in higher salaries, together with the living wage being adopted as a minimum wage.
- Reduced inventories from \$802k budget to \$700k actual, 13% and reduced goods sold \$1,004k budget to \$916k actual, 9% - both are attributable to fuel purchases. A combination of reduced tourism operations in the BOI and consolidation within the market with the sale of Intercity to Explore who have alternative fuel suppliers.
- Increased Finance expenses \$594k budget to \$675k actual, 14% - due to working capital requirements and project spend being earlier than anticipated.

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

There are no financial implications arising from this report.

#### **ĀPITIHINGA / ATTACHMENTS**

1. **FNHL Half Year Report 21.22 - A3613480** [↓](#) 



**Far North  
Holdings Limited**

## **Half Year Report 2021/2022**



**1 July 2021 to 31 December 2021**

## FAR NORTH HOLDINGS LIMITED

STATEMENT OF FINANCIAL PERFORMANCE  
For Six Months Ended 31 December 2021

	Actual 6 months to 31-Dec-21 \$	Budget 6 months to 31-Dec-21 \$	Budget vs Actual Variance		Actual 6 months to 31-Dec-20 \$
			%	\$	
Goods sold	916,294	1,004,244	-9%	(87,950)	881,655
Services	3,897,629	3,881,140	0%	16,489	4,165,792
Rental income	1,801,861	1,996,500	-10%	(194,639)	1,777,769
Recoverables	305,173	325,242	-6%	(20,069)	261,055
Commission	33,043	6,000	451%	27,043	7,826
Wage Subsidy	112,040	-	0%	112,040	-
Finance income	(5,939)	3,498	-270%	(9,437)	12,717
<b>Total Revenue</b>	<b>7,060,102</b>	<b>7,216,624</b>	<b>-2%</b>	<b>(156,522)</b>	<b>7,106,814</b>
Employee benefit expenses	1,993,707	1,677,820	19%	315,887	1,856,994
Director compensation	65,298	79,602	-18%	(14,304)	63,729
Corporate overheads	241,958	266,202	-9%	(24,244)	236,289
Donations	23,208	29,752	-22%	(6,544)	67,073
Other operating expenses	1,376,566	1,366,497	1%	10,069	1,653,592
Direct expenses from investment property	706,006	807,504	-13%	(101,498)	658,270
Inventories	700,282	802,368	-13%	(102,086)	649,467
Impairment of receivables	10,691	32,502	-67%	(21,811)	3,505
Depreciation and amortisation	399,063	436,734	-9%	(37,671)	389,734
Finance expenses	674,896	594,114	14%	80,782	649,410
<b>Total Expenses</b>	<b>6,191,676</b>	<b>6,093,095</b>	<b>2%</b>	<b>98,581</b>	<b>6,228,063</b>
<b>Operating Surplus</b>	<b>868,426</b>	<b>1,123,529</b>	<b>-23%</b>	<b>(255,103)</b>	<b>878,751</b>
Tax on items that will not be reclassified to profit or loss	-	-	-	-	-
<b>Profit/(loss) for the period</b>	<b>868,426</b>	<b>1,123,529</b>	<b>(255,103)</b>		<b>878,751</b>

## FAR NORTH HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION  
As at 31 December 2021

	31-Dec-21	30-Jun-21	31-Dec-20
<b>Equity</b>			
Share capital	18,000,000	18,000,000	18,000,000
Reserves	9,573,689	10,031,991	7,884,244
Retained earnings	46,176,367	45,214,022	37,523,919
	<b>73,750,056</b>	<b>73,246,013</b>	<b>63,408,163</b>
<b>Current Assets</b>			
Cash and cash equivalents	31,573	87,282	902,315
Trade receivables & prepayments	4,672,997	3,837,729	3,698,748
Inventories	1,674,869	1,690,653	1,587,883
Other investments	573,768	573,768	570,717
Properties intended for sale	-	1,558,678	-
	6,953,208	7,748,110	6,759,662
<b>Non Current Assets</b>			
Intangible assets	100,000	100,000	100,000
Biological assets	1,184,150	1,184,150	1,603,560
Property, plant & equipment	25,545,547	25,413,261	26,552,717
Investment properties	104,879,920	100,409,919	85,053,476
Investments in equity accounted associates	1,232,203	1,232,203	-
Loans	665,000	-	-
	133,606,820	128,339,533	113,309,753
<b>Total Assets</b>	<b>140,560,027</b>	<b>136,087,643</b>	<b>120,069,415</b>
<b>Current Liabilities</b>			
Current Loans	10,500,000	1,671,240	-
Payables, accruals and income in advance	5,405,570	10,389,351	4,036,209
	15,905,570	12,060,591	4,036,209
<b>Non Current Liabilities</b>			
Loans	36,220,955	37,124,992	38,871,017
Deferred tax liability	3,334,213	3,428,132	2,849,253
Income in advance	11,349,233	10,227,914	10,904,772
	50,904,401	50,781,038	52,625,043
<b>Total Liabilities</b>	<b>66,809,971</b>	<b>62,841,629</b>	<b>56,661,252</b>
	<b>73,750,056</b>	<b>73,246,014</b>	<b>63,408,163</b>





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## **Half Year Report**

### **For the 6 months ended 31 December 2021**

In accordance with Part 5, Section 67 of the Local Government Act 2002 and Far North Holdings Limited ("FNHL") Statement of Intent for the three years to June 2024 the Directors hereby report on the activities of the company for the 6 months from 1 July 2021 to the 31 December 2021.

FNHL's Statement of Financial Position at 31 December 2021 and Statement of Financial Performance for the 6 months to 31 December 2021 are attached.

FNHL's financial performance is below budget as expected given the impacts of the global pandemic on New Zealand's economy, and our tenants. Despite this, FNHL continues to operate within its banking covenants with interest cover at 3.4 (minimum ratio of 1.5) and equity/asset ratio favourable at 52.4% (permissible ratio of 50%).

As Covid continues to hinder tourism in Northland, the company continues to provide rent relief to the effected tenants and continues to forecast reduced income from its tourism and hospitality related assets. Further support is expected to be provided to those tenants that continue to be affected by the pandemic over the coming months.

Given Covid uncertainty, and the economic outlook FNHL will continue to manage finances prudently whilst continuing to facilitate and develop commercial and infrastructural assets, and business growth in the Far North District.

### **Significant Variances**

Significant variances are determined as variances over (+/-) \$25,000 and 10%.

Rental income is below budget due to rent relief provided, as previously identified, and reflecting the delayed start for rental for the Kamo Rd housing development due to Covid lock-downs both regionally and in Auckland.

Marina berth commission sales are higher than budgeted due to the high level of domestic demand for marina berths, for which FNHL receives commission on each sale that is made within Bay of Islands Marina.

Employee benefit expenses are higher than budget. During lockdowns, employees at FNHL were retained on full pay, but once able to return to work, they worked additional hours to recover time lost and meet the demands of our customers, increasing overtime costs. A tight labour market and wage inflation has resulted in higher salaries, together with the adoption of a living wage policy for all employees as a minimum wage.

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Low inventories spend and goods sold is attributable to fuel purchases. This is a combination of reduced tourism operations in the Bay and consolidation within the market with the sale of Intercity to Explore who have alternative fuel suppliers.

Finance expenses are above budget due to working capital requirements and project spend being earlier than anticipated.

### **Project Updates**

#### ***Ngawha Innovation and Enterprise Park***

Ngawha Innovation and Enterprise Park (NIEP) is advancing with Regent, Northtec and the Innovation Centre buildings all under construction and the Corrections house building compound is in for resource consent. The project, like most in the construction industry, is suffering from supply chain issues in respect of building materials which is creating delays in respect of the final completion dates, which is also compounded by wet weather. We remain confident that Stage 1 will be open by the end of 2022 and are closely managing project finances to deliver within budget.

Kaikohe Berryfruit Limited, a partnership between Ngāpuhi Asset Holdings Ltd and FNHL, continue the search for another partner(s) to contribute horticulture expertise and / or equity investment. There is strong horticultural interest and negotiations continue and the first crop is expected to be planted this year.

The Innovation & Education Centre is progressing well despite some structural steel and material procurement setbacks. The roof and window frames are fitted, and practical completion is currently expected December 2022.

The Regent Training Centre roof and wall cladding are fitted with internal framing underway. Covid and weather delays have been minimal to this project and completion is still on track for August 2022.

The metal platform has been completed for the NorthTec building. Despite weather and covid issues, works have progressed well. The steel frame and roof are expected to be complete early 2022.

A new agreement with the Department of Corrections has been executed which sees FNHL building and leasing a purpose-built training facility within the NIEP development. Consent applications have been lodged and work should begin early to mid-2022.

#### ***Community Housing Projects***

FNHL's 18-unit community housing development in Kamo Road was affected by Covid lockdowns and has experienced delays with prefabricated units being constructed in Auckland. Completion is expected in February 2022.

FNHL has entered into a partnership with Te Hau Ora o Ngāpuhi (THOON) to build sixty units on part of the former RSA site in Kaikohe. The accommodation will be a mix of one, two and three bedroom units, set up in different configurations to cater for the disabled, the elderly and families with small children. The units are to be for short to medium term accommodation rather than permanent homes. FNHL will own 36 one-bedroom units and THOON will own the remaining, with THOON managing the entire complex upon completion. Resource Consent has been submitted and it is hoped to start on site in the third quarter of 2022.

### **Maritime Projects**

The Hokianga maritime projects were completed and available for use during the summer period. These projects complete the upgrade of wharves at Te Karaka and, Mangungu, the installation of a new pontoon at Motuti and the construction of a new concrete wharf at Rangī Point. The official opening is in February 2022.

The renewal of Pukenui and Unahi commercial wharves is progressing well. Pukenui is complete and Unahi is due to be completed early 2022. These projects include demolition of the existing structures and construction of a replacement concrete wharf, new pontoons, wharf mooring piles, service berth, and seawall repairs. The tender for both was awarded to Total Marine Services Ltd. They are employing Pukenui Excavators and Stonecraft as local subcontractors.

FNHL is project managing the Mangonui Waterfront Development which includes extension of the waterfront boardwalk. The design includes dual walking and cycling boardwalks to connect the village with the harbour and the provision of a new jetty and pontoon to provide access to the water for recreational activities, including boating, fishing and swimming. The project is the culmination of five years of work by the Mangonui Waterfront Facilities Working Group that included input from Kenana Marae.

Construction of a reclamation in Rangitane to provide approximately 19 trailer parks and 8 car parking spaces is experiencing further delays as FNHL work with the Ngāpuhi Rununga and Ngati Rehia over the CIA requirements as prescribed by the EPA. The development proposes the construction of a new double width boat ramp with a launching pontoon, renewal of the existing jetty and installation of a pontoon and gangway. FNHL continue to work with residents and hapu to ensure the progression of this essential development for the community.

Paihia Waterfront Development is the construction of rock breakwaters to provide a calmer wave environment in the Paihia Basin thereby protecting state highway and Council infrastructure. Part of the development sees the replenishment of Horotutu Beach which not only plays an integral part in helping wave reduction but also creates a beach for public enjoyment and to protect Council infrastructure from major weather events and improve resilience. The development also includes landscaping, footpaths, and dredging to relocate the navigation channel to Paihia Wharf. Progress on the project is taking time reflecting the complexity of the project.

**General projects**

The rental car facility at Bay of Islands Airports being built for Avis Building Group is progressing well. The 1745sqm site will contain a 300sqm building and include 44 car parks. The structural frame is complete and the roof is on.

Bay of Islands Marina Boatyard is currently being sealed. The seal will be a significant environmental improvement to the yard, removing any dust and residual contamination going to ground and capturing run off through 360 filtration equipment. This will be a great asset to the company and a statement of the companies position on leading the marine industry in its investment in such infrastructure, and the marine tenants in the Opuā area are excited and proud to see this happen.

The finger piles are being replaced in the marina. This is to strengthen the structural integrity and lengthen the life of the marina. It is also increasing the height of the piles to improve resilience with predicted sea-level rises and bring into line with stage 2 of the marina.

**5.7 LEVEL OF SERVICE KPI QUARTER 2 PERFORMANCE REPORT FOR 2021-2022****File Number:** A3613719**Author:** Jarna Sherry, Accounting Support Officer**Authoriser:** Janice Smith, Chief Financial Officer**PURPOSE OF THE REPORT**

The purpose of this report is to present the Level of Service KPI Performance Report for the Assurance, Risk and Finance Committee's consideration.

**EXECUTIVE SUMMARY**

This report is to present the level of service KPI performance report for the Assurance, Risk and Finance committee's consideration.

**RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 2 Performance Report for 2021-2022.**

**BACKGROUND**

An overview of staffing and financial data is included to give an overall picture of the activity groups, and what factors may have an influence on performance.

**DISCUSSION AND NEXT STEPS**

This report is for information only.

**FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION**

There are no financial implications or budgetary provision needed as a result of this report.

**ATTACHMENTS**

1. Level of Service Report Q2 2021-2022 - A3612225 [↓](#) 



## **Quarterly Performance Report:**

**Quarter : October - December 2021**

### **Performance of Service Level Results**

## Introduction

Welcome to the performance report for the second quarter of 2021/2022.

This report measures the key Long Term Plan KPIs that we report in the Annual Report, along with some internal performance measures.

Service Level KPIs are reported together by activity group, we have also included an overview of staffing and financial data to give an overall picture of the activity groups and what factors may have an influence upon performance.

## Roading

To maintain the District's roading network in a satisfactory condition and in accordance with national safety and engineering standards

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number	31 Total 5 Fatal 26 Serious Injury crashes Actual increase in serious injuries and fatalities is 1	No increase	No increase	Fatalities/serious injury crashes 2021/22	6	9	8	23	37
				Fatalities/serious injury crashes 2020/21	3	2	5	10	
				Variance	3	7	3	13	
The average quality of ride on a sealed local road network, measured by smooth travel exposure	94%	≥87%	≥87%	Quality of ride on a sealed local road network 2021/22	N/A	N/A	N/A	N/A	0.0%
				Quality of ride on a sealed local road network 2020/21	0.0	0.0	0.0	-	
					0.0%	0.0%	0.0%	0.0%	
				Q2 Performance Comments:					
				Smooth Travel Exposure (STE) is an indication of the percentage of vehicle kilometers travelled on a road network with roughness below a defined roughness threshold. The results are generated at the end of the financial year.					
The percentage of the sealed local road network that is resurfaced	8.3%	≥9% of the sealed network resurfaced per annum	≥9% of the sealed network resurfaced per annum	Length resurfaced km	6.379	10.692	5.886	23.0	2.6%
				Total length sealed road network	877.2	877.2	877.2	877.2	
				%	0.7%	1.2%	0.7%	2.6%	
Resurfacing of the roading network as outlined in the Council's roading programme	100.0%	≥95% of planned work completed	≥95% of planned work completed	Length completed work km	6.379	10.692	5.886	22.957	100.0%
				Total length planned	6.379	10.692	5.886	22.957	
				%	100.0%	100.0%	100.0%	100.0%	

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The percentage of customer service requests relating to roads to which the territorial authority responds within the time frame specified:									
Emergency / Public Safety - within 3 hours	98.7%	≥95%	≥95%	No. responded within timeframe	52	23	14	89	96.9%
				Total incidences	53	23	14	90	
				%	98.11%	100.0%	100.0%	99.37%	
Urgent - within 7 days	83.3%			No. responded within timeframe	16	12	8	36	87.4%
				Total incidences	17	15	10	42	
				%	94.1%	80.0%	80.0%	84.71%	
Non-urgent - within 14 days	79.4%			No. responded within timeframe	265	317	168	750	81.9%
				Total incidences	325	393	214	932	
				%	81.5%	80.7%	78.5%	80.23%	
The Hokianga Ferry Service will run in accordance with the advertised timetable	96.8%	≥95%	≥95%	No. runs on time	890	867	881	2638	97.7%
				Total scheduled crossings	908	884	910	2702	
				%	98.0%	98.1%	96.8%	97.64%	
				Q2 Performance Comments:					
				Peak season typically sees high demand for the service during this quarter. The international and AKL border did somewhat reduce the tourism demand on the service during this peak season quarter, but still slight impact on on-time salings %.					



## Footpaths

To maintain the District's footpath network and infrastructure to high standards

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result		
The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).		Maintain / Increase	Maintain / Increase	217,113 condition assessments meet standard	0	0	0	0	0.0%		
				218,770 condition assessments undertaken	0	0	0	0			
				Baseline established in 2021 : RAMM Grade 1 - 98559m (44.08%) , RAMM Grade 2 - 77958m (34.86%) , RAMM Grade 3 - 40699m (18.20%) , RAMM Grade 4 - 5673m (2.54%) , RAMM Grade 5 - 1483m (0.32%)	Q2 Performance Comments:				The Strategy and Planning Team confirmed the list of footpath renewals in November 2021.		
Resurface and extend the footpath network as planned	100.0%	≥95% of planned work completed	≥95% of planned work completed	Length completed work	0	0	0	0	0.0%		
				Total length planned	0	0	0	0			
				%	0.0%	0.0%	0.0%	0%			
				Q2 Performance Comments:							
								The strategy and planning team has confirmed the list of footpath renewals in November 2021. This is now with the maintenance contractors to provide estimates and programme of work which will be completed this financial year.			

Emergency / Public Safety - within 3 hours	No incidences to report	≥95%	≥95%	No. responded within timeframe	0	0	0	0	No incidences to report
				Total incidences	0	0	0	0	
				%	0.0%	0.0%	0.0%	0.0%	
Urgent - within 7 days	No incidences to report			No. responded within timeframe	0	0	0	0	No incidences to report
				Total incidences	0	0	0	0	
				%	0.0%	0.0%	0.0%	0.0%	
Non-urgent - within 14 days	93.6%			No. responded within timeframe	14	15	20	49	81.7%
				Total incidences	17	19	24	60	
				%	82.4%	78.9%	83.3%	81.7%	

## Water Supply

To provide reliable and sustainable water supply, ensuring sustainable development and adequate water supply in times of emergency.

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The extent to which the local authority's drinking water supply complies with:  (a) part 4 of the drinking-water standards (bacteria compliance criteria)	All schemes compliant	Each scheme continuously meets the required standards for drinking water	Each scheme continuously meets the required standards for drinking water	Kaikohe Compliant Y/N	Y	Y	Y	100%	100%
				Kerikeri Compliant Y/N	Y	Y	Y	100%	100%
				Paihia Compliant Y/N	Y	Y	Y	100%	100%
				Kawakawa Compliant Y/N	Y	Y	Y	100%	100%
				Kaitaia Compliant Y/N	Y	Y	Y	100%	100%
				Opononi Compliant Y/N	Y	Y	Y	100%	100%
				Rawene Compliant Y/N	Y	Y	Y	100%	100%
The extent to which the local authority's drinking water supply complies with:  (b) part 5 of the drinking-water standards (protozoal compliance criteria)	All schemes compliant	Each scheme continuously meets the required standards for drinking water Each scheme to be reported on separately	Each scheme continuously meets the required standards for drinking water Each scheme to be reported on separately	Kaikohe Compliant Y/N	Y	Y	Y	100%	100%
				Kerikeri Compliant Y/N	Y	Y	Y	100%	100%
				Paihia Compliant Y/N	Y	Y	Y	100%	100%
				Kawakawa Compliant Y/N	Y	Y	Y	100%	100%
				Kaitaia Compliant Y/N	Y	Y	Y	100%	100%
				Opononi Compliant Y/N	Y	Y	Y	100%	100%
				Rawene Compliant Y/N	Y	Y	Y	100%	100%
The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this)	28%	<26%	<26%	Total Nett Metered	2,502,417	2,502,417	2,528,308	7,533,142	27.3%
				Total Nett Production	3,413,720	3,413,720	3,459,600	10,287,040	
				%	26.7%	26.7%	26.92%	26.77%	

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:									
(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site	0.8 hours	< 2 hours	< 2 hours	Median attend time	0.8	0.9	0.8	0.8	0.8
(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	2.78 hours	< 4 hours	< 4 hours	Median response time	4.1	5.9	5.9	5.87	4.7
(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site, and	0.3 Working days	< 2 working days	<2 Working days	Median attend time	0.7	0.7	0.3	0.7	0.8
(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	0.8 Working days	<3 working days	<3 working days	Median response time	0.8	0.7	0.6	0.7	0.8
The total number of complaints received by the local authority about any of the following: (a) drinking water clarity (a) drinking water taste (b) drinking water odour (c) drinking water pressure or flow (d) continuity of supply, and (e) the local authority's response to any of these issues expressed per 1000 connections to the local authority's networked reticulation system.	78.11	100	Less than 100 complaints per 1000 properties	Complaints YTD	72.0	101.0	132.0	132.0	12.81
				Monthly complaints	16.0	29.0	31.0	76	
				Number connected properties	10307	10307	10307	10,307	
				Total per 1000 properties	6.99	9.80	12.81	12.81	
The average consumption of drinking water per day per resident within the territorial authority district	310.78L	≤ 350L per person per day	≤ 350L per person per day	Volume consumed this month	2,502,417	2,502,417	2,528,308	2,511,047	187.04
				No of residents	24,221	24,221	24,221	24,221	
				Consumption per resident	283	283	286	104	

## Wastewater

To provide reliable waste water infrastructure, protecting the environment and community

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system	2.59	≤ 12 per 1000 connections	≤ 12 per 1000 connections	Number affected	5	6	9	20	0.94
				Number connected properties	12002	12002	12002	12002	
				Total per 1000 properties	0.42	0.50	0.75	1.67	

Compliance with the territorial authority's resource consents for discharge from its sewerage system, measured by the number of:

(a) abatement notices	2	1 or less	2 or less	Number of notices	0	0	0	0	2
(b) infringement notices	2	0	1 or less	Number of notices	0	0	0	0	7
(c) enforcement orders	0	0	0	Number of notices	0	0	0	0	0
(d) convictions	0	0	0	Number of notices	0	0	0	0	0
					<b>Q2 Performance Comments:</b>				
					There have been no abatement, infringement or enforcement notices issued during this quarter.				

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following MEDIAN response times are measured:

a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	1.2	≤ 2 hours	≤ 2 hours	Median attend time (hours)	1.4	1.5	1.5	1.47	1.58
				Achieved/Not Achieved:	Achieved	Achieved	Achieved	Achieved	
b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	3.20 hours	≤ 4 hours	≤ 4 hours	Median response time (hours)	3.4	3.5	3.5	3.5	3.96
				Achieved/Not Achieved:	Achieved	Achieved	Achieved	Achieved	

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Where Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following response times are measured:									
a) attendance	64%	≥ 95% responded in ≤ 2 hours	≥ 95% responded in ≤ 2 hours	No. attended in 2 or less hours	8	4	4	16	59.1%
				Total incidences	9	9	10	28	
				%	88.9%	44.4%	40.0%	57.1%	
b) resolution to prevent overflow	78%	≥ 95% responded to in ≤ 4 hours	≥ 95% responded to in ≤ 4 hours	No. resolved in 4 or less hours	7	4	3	14	51.5%
				Total incidences	9	9	10	28	
				%	77.8%	44.4%	30.0%	50.0%	
The total number of complaints received by the territorial authority about any of the following: (a) sewage odour (b) sewerage system faults (c) sewerage system blockages, and (d) the territorial authority's response to issues with its sewerage system, expressed per 1000 connections to the territorial authority's sewerage system	25.01	≤ 50 per 1000 connections	≤ 50 per 1000 connections	Number affected	22	20	25	67	5.58
				Number connected properties	12002	12002	12002	12002	
				Total per 1000 properties	1.83	1.67	2.08	5.58	

## Stormwater

To enable sustainable development through urban storm water infrastructure, protecting the environment and community

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The number of flooding events that occur in a territorial authority district	1	0	0	Number of events	0	0	0	0	0
For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's Stormwater system.)	.19 per 1000	0 per 1000	0 per 1000	Number affected	0	0	0	0	3
				Number connected properties	15607	15607	15607	15607	
				Total per 1000 properties	0%	0%	0%	0%	
(a) abatement notices	0	1 or less	1 or less	Number of notices	0	0	0	0	0
(b) infringement notices	0	0	0	Number of notices	0	0	0	0	0
(c) enforcement orders	0	0	0	Number of notices	0	0	0	0	0
(d) convictions	0	0	0	Number of notices	0	0	0	0	0
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site	4 hours	≤ 48 hours	≤ 48 hours	Median response time (hours)	No events recorded	No events recorded	No events recorded	No events recorded	4 hours
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
The number of complaints received by a territorial authority about the performance of its Stormwater system, expressed per 1000 properties connected to the territorial authority's Stormwater system	24.89	0	0.00	Number complaints	23	22	15	60	9.12
				Number connected properties	15607	15607	15607	15607	
				Total per 1000 properties	1.47	1.41	0.96	3.84	
				Q2 Performance Comments:					
				Despite the process for completing stormwater requests being in regular improvement, Far North Waters are currently suffering a shortage of stormwater field staff and are sourcing from general reticulation. This has led to a delay in requests' being actioned.					
The response time to attend a flooding event resulting from the failure of Council's urban storm water system. Measured from the time that the Council receives notification to the time that service personnel reach the site. Response time is set at 2 working days.	100%	≥ 95% responded to within set timeframe	≥ 95% responded to within set timeframe	No. responded within timeframe	0	0	0	0	100.0%
				Total incidences	0	0	0	0	
				%	100.0%	100.0%	100.0%	100.0%	

## Solid Waste Management

To decrease the proportion of waste sent to landfill and increase the proportion of waste that is sent for recycling, promoting the sustainable management of resources and benefitting future generations

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Percentage by tonnage of waste from refuse transfer station that is recycled/ reused	60.5%	64.0%	63.0%	Tonnage recycled/reused	701.76	815.3	1034.55	2551.61	57.4%
				Total Tonnage	1295	1476.96	1757.01	4528.97	
				%	54.2%	55.2%	58.9%	56%	
Add at least one new community recycling facility	0	Minimum of 1 per year	Minimum of 1 per year	Number completed	0	0	0	0	1
				Q2 Performance Comments:					
				Recycling performance is being lowered by Waste Managements overall lower diversions. Northland waste is consistently achieving 62% in the northern area.					
All refuse transfer stations to be open on time	99.98%	99.5%	99.5%	No reports or complaints regarding late openings	0	0	0	0	100%
				Number of days opened across all sites per month. Summer = 662 days per month Winter = 613 day per month	613	613	662	629.3	
					100.0%	100.0%	100.0%	100.0%	

### Attending to RFS relating to illegal dumping

Attending to RPS relating to illegal dumping									
Offensive waste: pick up within 24 hours	100%	95% within set timeframe	95% within set timeframe	No. collected within timeframe	0	0	2	2	100.0%
				Total incidences	0	0	2	2	
				%	100.0%	100.0%	100.0%	100.0%	
Standard waste: pick up within 4 days	82.1%	95% within set timeframe	95% within set timeframe	No. collected within timeframe	6	17	18	41	82.1%
				Total incidences	8	18	21	47	
				%	75.0%	94.4%	85.7%	87.2%	
				Q2 Performance Comments:					
				Late pickups are largely remote or large scale dumps. Customer satisfaction scores from ask nicely remain high.					



## District Facilities

### Cemeteries

To ensure cemeteries are operated in a way that meets the community's needs

To ensure cemeteries are operated in a way that meets the community's needs									
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
All preparations are in place in time for the funeral services to take place (plots dug, and in the right place etc.)	New Measure	No complaints are received regarding the preparations for our funeral services	No more than 1 complaint received regarding our grave digging services	No. complaints received	0	0	0	0	0.0%
				Q2 Performance Comments					
				No complaints received regarding grave digging services. Audits carried out by Technical Officers' show grave digging services were carried out as per contract. Sites were left in a clean and tidy state.					

### Civic and Community Buildings

To provide buildings for public recreation and leisure

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Number of community halls per ward per annum modified to improve disability access									
All Civic and Community buildings are safe for Community use and meet all statutory legislation levels	1	All halls have appropriate certificates including BWOFF for those that require them	All halls have appropriate certificates including BWOFF for those that require them	Number uncertified	0	0	0	0	0.0%
					Q2 Performance Comments				
					All Civic & Community buildings are currently compliant with statutory legislation				

## Housing for the Elderly

To provide housing for the elderly that is affordable, safe, well maintained, and strategically located

To provide housing for the elderly that is affordable, safe, well maintained, and strategically located												
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result			
Occupancy of available units	91.1%	95.0%	95%	Occupied Units	129	132	131	392	88.4%			
				Total Units	147	147	144	438				
				%	87.8%	89.8%	91.0%	268.5%				
Percentage of faults responded within: Emergency - 12 hours	75.7%	100.0%	100%	No. responded within timeframe	2	1	2	5	100.0%			
				Total incidences	2	1	2	5				
				%	100.0%	100.0%	100.0%	100.0%				
Percentage of faults responded within: Urgent - 2 days	64.7%	100.0%	95%	No. responded within timeframe	12	14	20	46	65.7%			
				Total incidences	19	27	30	76				
				%	63.2%	51.9%	66.7%	60.5%				
Percentage of faults responded within: Non Urgent - 7 days	62.3%	≥95%	>85%	No. responded within timeframe	20	13	17	50	64.7%			
				Total incidences	28	29	27	84				
				%	71.4%	44.8%	63.0%	59.5%				
				Q2 Performance Comments								
				Coming out of the higher alert levels has seen interviews resume for vacant units and as such the occupancy rates are going up. 3 units have been demolished in Oxford Street hence the reduction in total units in December.								

## Public Toilets

Council will provide well maintained and accessible public toilets in high use areas.

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result	
Increase the number of public toilets with disabled access per annum in line with facility renewal/upgrades	3	2	2	Number completed	0	2	1	3	4	
Ensure that public toilets are maintained to an acceptable standard as per contract	97.3%	≥92%	≥90%	Number of audits met	8	10	-	18	97.7%	
				Total number of audits	8	10	-	18		
					100.0%	100.0%	0.0%	100.0%		
				Q2 Performance Comments						
				Accessibility Programme has yet to commence, expecting a delivery forecast from the Project Delivery Team (PDT) mid March 2022. 3 new toilets have been installed this financial year at Long beach, Russell, Haruru Falls, Paihia and Centennial Park, Kaitia. All to accessible standard.						

## Customer Services

Council provides the right services, in the right places, to the agreed standard

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Percentage of abandoned calls (Contact Centre)	19.2%	7%	12%	Abandoned calls	554	764	585	1,903	11.6%
				Total calls received	5541	6368	4502	16,411	
				Percentage %	10.0%	12.0%	13.0%	11.6%	
				Q2 Performance Comments					
				A good result for the second quarter with target being met despite two COVID-19 Level 3 lockdowns totalling 14 working days which disrupted usual service					
Service Centre users' satisfaction	48.30%	≥96.8	A new measure (1-5)	User satisfaction 2021/22	4.04	3.87	3.9	3.94	3.90
				Percentage change %	N/A	N/A	N/A	N/A	
				Q2 Performance Comments					
				A new customer experience programme means we are unable to report in the same manner and currently do not have previous years comparison. The new programme rates one to five, with five being an excellent service provided. Service Centres are still to receive a handout for the customer which provides a link and a QR code to use to place feedback. This has resulted in a low response to date.					

**i-SITEs**

To provide booking and information services through the District's Information Centres, influencing visitors to stay longer and spend more

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Number of visitor bookings through the Information centres will show an increase each year	-18.7%	≥1% increase on previous year	≥1% increase on previous year	Visitor bookings 2021/22	5,738	5,958	9,469	21,165	-3.9%
				Visitor bookings 2020/21	5,104	3,030	5,653	13,787	
				Percentage change %	12.4%	96.6%	67.5%	53.5%	
				Q2 Performance Comments					
				During October the i-SITEs were closed. Auckland was in Covid-19 alert level 4 lockdown so the overall visitor numbers were good, all factors considered. December saw the return of families and larger groups visiting.					
Increase net profit on retail sales by 1.5% per year (profit increase on previous year)	8.8%	Retail sales net profit ≥1% increase on previous year	Retail sales net profit ≥1% increase on previous year	Percent net profit 2021/22	33.4%	33.5%	28.3%	31.7%	-11.0%
				Percent net profit 2020/21	40.6%	37.0%	47.7%	41.8%	
				Change in percent net profit	-7.2%	-3.5%	-19.4%	-10.0%	
				Q2 Performance Comments					
				Over this period visitor numbers were reduced due to Covid-19 alert level restrictions and subsequently retail sales were down as a result.					
Customer/Visitor satisfaction	-46.2	≥1% increase on previous year	New measure (1-5)	User Satisfaction 2021/22	5	5	0	3	3.33
				User Satisfaction 2020/21	90%	99%	99%	96%	
				Percentage change %	455.6%	405.1%	-100.0%	247.2%	
				Q2 Performance Comments					
				Please note, a new unit of measurement has been implemented for this financial year. What was previously a percentage indicator is now a Likert scale measurement (a measurement between one and 5 with 5 being the greatest level of user satisfaction achievable).					

## Libraries

To provide quality library services for the benefit of all of the community

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Customer/Visitor satisfaction	94.70%	≥ to previous year	A new measure (1-5)	Visitor satisfaction 2021/22	4	4	3.6	3.9	4.05
				Q2 Performance Comments					
				Limited customer feedback is being received for Libraries via Ask Nicely, so commentray is also limited.					
Increase the percentage of online library service use	91.2%	≥1% increase on previous year	≥1% increase on previous year	Online hits 2021/22	110,401	101,514	91,178	303,093	48.5%
				Online hits 2020/21	53,027	53,985	50,844	157,856	
				Percentage change %	108.2%	88.0%	79.3%	92.0%	
				Q2 Performance Comments					
				Although there was a dip leading into Christmas, overall online use continues to be high with positive customer response to new resources.					
Increase the total library membership relevant to the population of the District	40.90%	≥ to previous year	To maintain / Increase	Membership numbers	30362	30488	30613	30,488	21.9%
				District population	69,300	69,300	69,300	69,300	
				Percentage %	43.8%	44.0%	44.2%	44%	
				Q2 Performance Comments					
				Membership growth is steady, and has been affected by impacts of Covid-19.					

## Environmental Management

### Animal Control

To ensure animal related activities are managed in accordance with legislative requirements

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Respond to reported incidents by contacting customer and arranging next steps within the following timeframes:									
Urgent within 2 hours	95.4%	≥91%	≥93%	No. responded within timeframe	58	56	33	147	94.7%
				Total incidences	59	58	34	151	
				%	98.3%	96.6%	97.1%	97.4%	
Non-urgent within 10 days	94.60%	≥91%	≥93%	No. responded within timeframe	204	251	176	631	95.9%
				Total incidences	211	257	187	655	
				%	96.7%	97.7%	94.1%	96.3%	
				Q2 Performance Comments					
				A great performance quarter by the team despite several vacancies in team					

### Environmental Health

To monitor food premises in accordance with the requirements of the Food Act, 2014.

To monitor food premises in accordance with the requirements of the Food Act, 2014.									
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Food Control Plan and National Programme audits completed as scheduled	92.0%	≥90% of all food control plans and national programs assessed	≥95% of all food control plans and national programs assessed	No. completed as scheduled	19	30	24	73	77.6%
				Total scheduled	19	30	27	76	
				%	100.0%	100.0%	88.9%	96.1%	
				Q2 Performance Comments					
				All scheduled verifications for October/November were completed. The three verifications in December that were cancelled was due to Operators availability (2), Verifier on annual leave (1).					

## Monitoring and Enforcement

To ensure compliance with Resource Management Act relating to noise pollution

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
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Respond to noise complaints within the following timeframes:

In urban areas: 1 hour	77.9%	≥90% within set timeframe	≥95% within set timeframe	No. responded within timeframe	74	58	69	201	75.5%
				Total incidences	107	71	105	283	
				%	69.2%	81.7%	65.7%	71.0%	
In rural areas: 2 hours	81.1%	185.7%	≥95% within set timeframe	No. responded within timeframe	13	2	8	23	83.3%
				Total incidences	16	2	12	30	
				%	81.3%	100.0%	66.7%	76.7%	

## District Licensing

To license and monitor the sale of liquor in accordance with the Sale and Supply of Alcohol Act, 2012.

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
All licensed premises to be visited for Host Responsibility inspections at least once every four years.	100.0%	≥25% of premises visited annually	≥25% of premises visited annually	No. premises visited	3	38	11	52	37.7%
				Total premises	233	233	233	257	
				%	1.3%	16.3%	4.7%	20.2%	



## Resource Consent Management

To administer and enforce the Resource Management Act 1991.

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Respond to compliance incidents within 10 working days	93%	≥92%	≥93%	No. responded within timeframe	14	15	15	44	84.1%
				Total incidences	24	22	18	64	
				%	58.3%	68.2%	83.3%	68.8%	
Process applications made under the Resource Management Act 1991 within statutory timeframes	90.4%	≥95%	≥95%	No. processed within timeframe	41	33	40	114	84.5%
				Total applications	44	36	54	134	
				%	93.2%	91.7%	74.1%	85.1%	
				Q2 Performance Comments					
				Reporting review in October has shown inaccuracies in the past results. Staff to be reminded of response times and how to record in pathways which should see an improvement moving forward.					

## Building Consent Management

To comply with current legislative requirements with regards to processing building consent applications

To comply with current legislative requirements with regards to processing building consent applications									
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Oct-21	Nov-21	Dec-21	Q2 Total Performance	YTD Result
Process building consents within statutory timeframes	99.4%	≥95%	≥95%	No. processed within timeframe	112	135	112	359	99.6%
				Total applications	112	137	112	361	
				%	100.0%	98.5%	100.0%	99.4%	
				Q2 Performance Comments					
				The Building Consent Authority is tracking well in terms of compliance, remaining above the 99th percentile. Consent numbers have been steady and over all numbers look to match the forecast for the year. Overs relate to human error with handing applications manually, the BCA will in the future only receive application via the portal which should remedy this.					

**5.8 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE MARCH 2022****File Number: A3618375****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 2020.

**WHAKARĀPOOTO 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 2020 have been completed.

**TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report Action Sheet Update March 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 2020 have been completed.

**2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS**

The outstanding tasks are multi-facet projects that take longer to fully complete. The Democracy Services staff are working with staff to ensure that the project completion times are updated so that action sheets provided to members differentiate between work outstanding and work in progress.

**Take Tūtohunga / Reason for the recommendation**

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

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

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

**ĀPITI HANGA / ATTACHMENTS**

Nil

**6 TE WĀHANGA TŪMATATI / 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
<b>6.1 - Confirmation of Previous Minutes</b>	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
<b>6.2 - Technology Update Report</b>	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
<b>6.3 - FNDC Current Legal Action Potential Liability Claims Report</b>	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**7 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER**

**8 TE KAPINGA HUI / MEETING CLOSE**