



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA


Assurance, Risk and Finance Committee Meeting

Wednesday, 27 April 2022

Time: 11:15 am
Location: Council Chamber
Memorial Avenue
Kaikohe

Membership:

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

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

Purpose

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

The Committee will review the effectiveness of the following aspects:

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

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

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

Membership

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

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

Mayor Carter

John Vujcich – Chairperson

Bruce Robertson – Deputy Chairperson and Independent Member of the Committee

Moko Tepania

Mate Radich

Rachel Smith

Kelly Stratford

Ann Court

Mike Edmonds

Adele Gardner

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

Quorum

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

Frequency of Meetings

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

Power to Delegate

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

Committees Responsibilities

The Committees responsibilities are described below:

Financial systems and performance of the Council

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

Far North Holdings Limited (FNHL)

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

Risk Management

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

Internal Audit and Controls

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

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

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

Rules and Procedures

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

Annual reporting

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

ASSURANCE, RISK AND FINANCE COMMITTEE - MEMBERS REGISTER OF INTERESTS

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Hon John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
John Vujcich (Chair)	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company services	Declare interest and abstain
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest
Bruce Robertson (Deputy)	Chair/Deputy Chair of a number of Audit and Risk Committees: Far North Auckland Bay of Plenty Regional Tauranga Thames Coromandel Hamilton Waipa Otorohanga Waitomo Environment Southland Invercargill Southland.		There is a low level of there being a potential interest conflict. An outside potential is water reform and 'discussion' of one north regional water company in loving North AKD with Watercare.	I remain aware of my roiled and will Raise any matter with the Mayor/CEO and chair of ARF should any matter potentially conflict.
	Currently None are North AKD. Previously I have Undertaken work on Okara Park with Whangarei DC.	Advisory Work.	Okara Park is a regional Stadium. Matter solely related Governance and role of DC. Low risk of conflict.	
Deputy Mayor Ann Court	Waipapa Business Association	Member		Case by case
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	Case by case

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Kerikeri Irrigation	Supplies my water		No
	District Licensing	N/A	N/A	N/A
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Property on Daroux Dr, Waipapa	Financial interest	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Flowers and gifts	Ratepayer 'Thankyou'	Bias/ Pre-determination?	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Staff	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the evidence. Be thorough, thoughtful, considered impartial and balanced. Be fair.
	Warren Pattinson	My husband is a builder and may do work for Council staff		Case by case
Ann Court - Partner	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	Shareholder	None	None
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Property on Onekura Road, Waipapa	Owner	Any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
Mate Radich	No form received			
Kelly Stratford	KS Bookkeeping and Administration	Business Owner, provides bookkeeping, administration and development of environmental management plans	None perceived	Step aside from decisions that arise, that may have conflicts

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Waikare Marae Trustees	Trustee	Maybe perceived conflicts	Case by case basis
	Bay of Islands College	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Karetu School	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Māori title land – Moerewa and Waikare	Beneficiary and husband is a shareholder	None perceived	If there was a conflict, I will step aside from decision making
	Sister is employed by Far North District Council			Will not discuss work/governance matters that are confidential
	Gifts - food and beverages	Residents and ratepayers may 'shout' food and beverage	Perceived bias or predetermination	Case by case basis
	Taumarere Counselling Services	Advisory Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
	He Puna Aroha Putea Whakapapa	Trustee	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Kawakawa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Whangaroa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	National Emergency Management Advisor Committee	Member		Case by case basis
	Te Rūnanga ā Iwi o Ngāpuhi	Tribal affiliate member	As a descendent of Te Rūnanga ā Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā Iwi o Ngāpuhi Council relations	Declare a perceived conflict should there appear to be one
	Te Rūnanga ā Iwi o Ngāti Hine	Tribal affiliate member	Could have a perceived conflict of interest	Declare a perceived conflict should I determine there is a conflict

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

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			Whaingaroa Council relations.	
	Tribal Member	Kahukuraariki Trust Board	As a descendent of Kahukuraariki Trust Board I could have a perceived conflict of interest in Kahukuraariki Trust Board Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga ā-lwi o Ngāpuhi	As a descendent of Te Rūnanga ā-lwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-lwi o Ngāpuhi Council relations.	Declare a perceived conflict
Mike Edmonds	Chair	Kaikohe Mechanical and Historic Trust	Council Funding	Decide at the time
	Committee member	Kaikohe Rugby Football and Sports Club	Council Funding	Withdraw and abstain
Adele Gardner	N/A - FNDC Honorarium			
	Te Hiku Education Trust	Trustee		
	Te Ahu Charitable Trust	Trustee		
	ST Johns Kaitaia Branch	Trustee/ Committee Member		
	Te Hiku Sports Hub Committee	Committee Member		
	I know many FNDC staff members as I was an FNDC staff member from 1994-2008.			
Partner of Adele Gardner	N/A as Retired			

Far North District Council
Assurance, Risk and Finance Committee Meeting
will be held in the Council Chamber, Memorial Avenue, Kaikohe on:
Wednesday 27 April 2022 at 11:15 am

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1 KARAKIA TIMATANGA – OPENING PRAYER**2 NGA WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST**

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

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

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

3 TE TONO KŌRERO / DEPUTATION

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

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A3667630

Author: Joshna Panday, Democracy Advisor

Authoriser: William J Taylor MBE, General Manager - Corporate 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 16 March 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. 2022-03-16 Assurance, Risk and Finance Committee Minutes - A3625802** [↓](#) 

Compliance schedule:

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

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

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

5 INFORMATION REPORTS

5.1 APRIL RISK MANAGEMENT REPORT

File Number: A3650572

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 reports on organisational risk management. emergent risk, scheduled risk progress reports for the top organisation's and business continuity planning.

No decision is required.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Risk progress updates are provided for four of the five scheduled reports on top organisational risks. The risk trend is stable for two of these risks and increasing for three.

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 April 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, 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	Date Risk adopted	Inherent risk score	Residual risk score	The risk trend is:	Months since risk trend last changed:	High level risk treatment progress:
Climate Change							
ARF015	Climate Change Organisation Transition Risk	01/12/22	31		Stable	3	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	01/12/22	39		Stable	3	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	01/12/22	37		Stable	4	The Climate Change Risk Reference Group is progressing work to identify treatments in place, in progress and gaps/opportunities such as need to integrated Climate change adaption and mitigation planning into Infrastructure Planning, Asset Management Planning and Financial Planning.
ARF018	Failure to understand and capture climate-related opportunities	01/12/22	29				The Climate Change Risk Reference Group is working to develop an understanding of opportunities.
Enterprise Governance							
ARF003	Health & Safety Vulnerabilities	30/05/19	46	34	Increasing	20	A 90-day Health Safety and Wellbeing review has commenced. This review includes existing projects; progress to complete Council's 5-year Health, Safety and Wellbeing strategic plan; calendar of core Health Safety and Wellbeing activities; progress of treatments; and an audit of health and safety processes and records.

Risk ID:	Risk title	Date Risk adopted	Inherent risk score	Residual risk score	The risk trend is:	Months since risk trend last changed:	High level risk treatment progress:
ARF005	Affordability Risk	30/05/19	45	26	Increasing	18	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	30/05/19	39	14	Increasing	6	Good progress has been made to implement treatments. Cyber security risk, is intensifying with growing digital dependency and increasing geopolitical disruptions.
Infrastructure and Asset Management							
ARF004	Asset Management Risks	30/05/19	45	18	Decreasing	4	Asset Management Plans and project management framework are implemented with good progress made against other treatments.
ARF006	Project Priorities Deliveries Delays	30/05/19	45	14	Increasing	4	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	30/05/19	45	18	Increasing	6	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	30/05/19	39	14	Stable	23	Treatments such as the new contracts register, and contract management framework are progressing.
ARF013	Drinking Water Resilience	05/07/20	35		Stable	18	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.

Risk ID:	Risk title	Date Risk adopted	Inherent risk score	Residual risk score	The risk trend is:	Months since risk trend last changed:	High level risk treatment progress:
ARF014	Programme Darwin	08/09/21	35	13	Increasing	6	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 Risk Management Policy Affordability risks	Climate Change – Treatment mapping / residual risk	Infrastructure & Asset Management risks
Climate Change risk progress reporting schedule						
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				✓	
Enterprise Governance risk progress reporting schedule						
ARF003	Health & Safety Vulnerabilities	✓		✓		✓
ARF005	Affordability Risk				✓	
ARF010	Data Governance Risks				✓	
Infrastructure and Asset Management risk progress reporting schedule						
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**

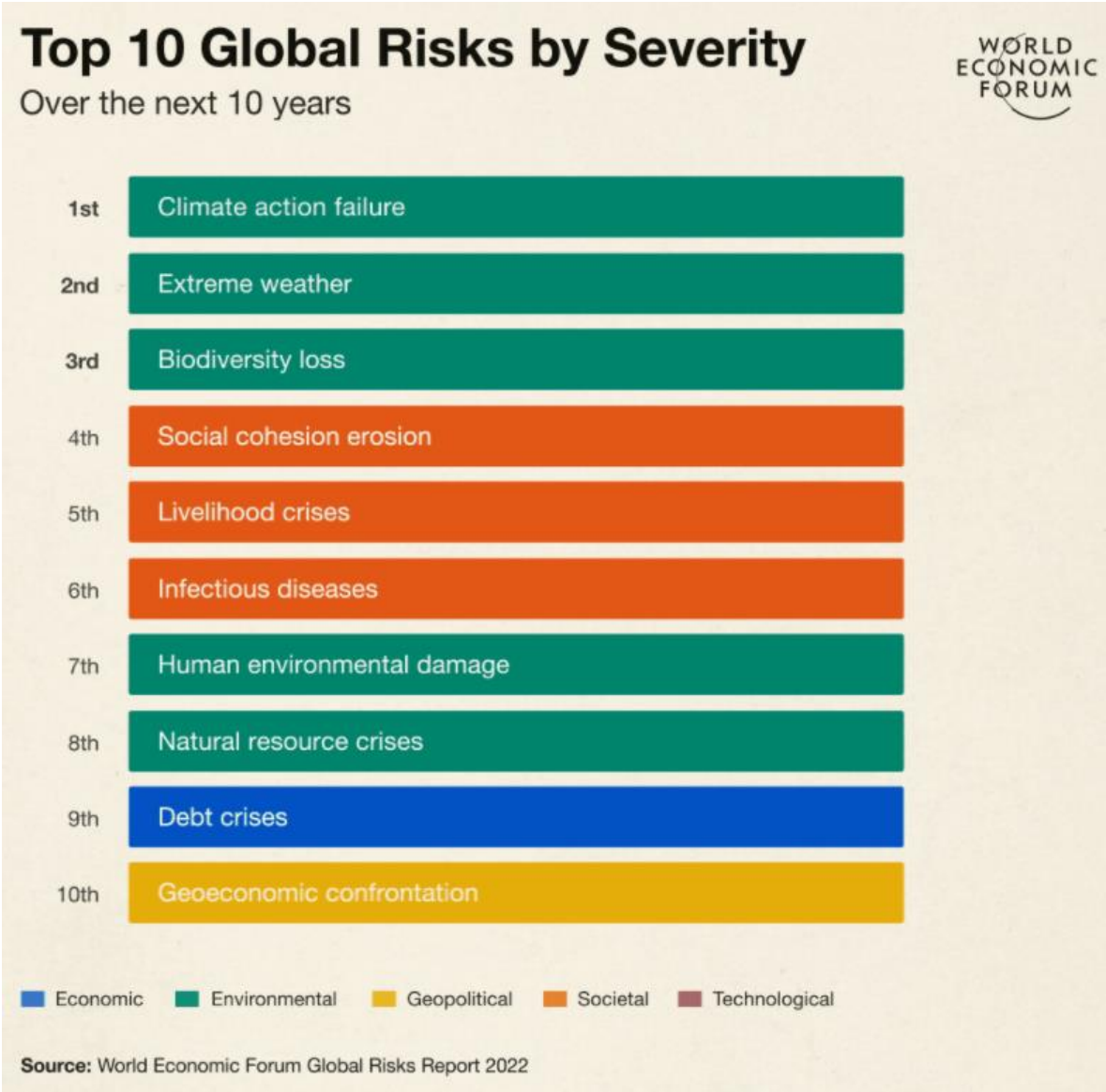
Council continues to experience external environment influences which are aggravating a number of organisational risks:

- Impact of inflation due to two major trends (reduction of the effect of the dis-inflationary force of globalisation; and the transition to factoring in the full cost of producing and delivering goods and services); COVID-19-related impact on supply chains (including the move from just in time to just in case); and the effects of sanctions on Russia and their invasion of Ukraine
- COVID-19-related disruptions to supply chains including rising commodity prices
- Labour market gaps difficulties in attracting and retaining skilled staff in specific areas where there are New Zealand wide “shortages”
- Intensifying cybersecurity risk with growing digital dependency and increasing geopolitical disruptions
- Resourcing required to respond to government led regulatory changes (climate change, local government, 3waters)
- Increasing regulatory intervention - MinterEllisonRuddWatts 2022 litigation forecast is for increasing regulatory intervention due to climate change, class actions and swift legislative change for some sectors. This includes increase focus by Health and safety regulators on ‘upstream’ duty holders; and expectation that the Office of the Privacy Commissioner (OPC) will switch gear from education to enforcement under the enhanced privacy regulatory framework (Privacy Act 2020).

The 2022 Global Risks Report

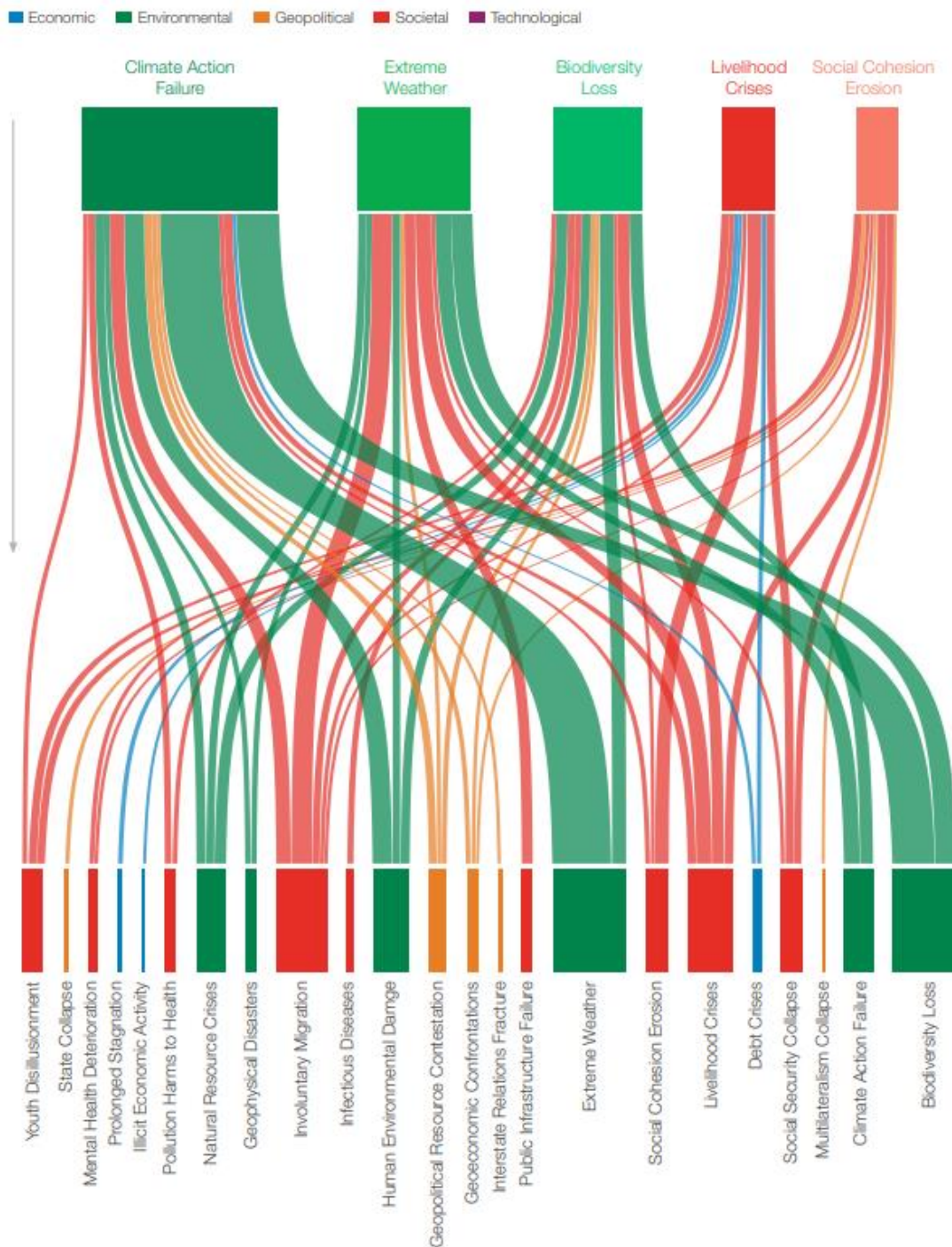
The 2022 Global Risks Report (published by the World Economic Forum) leverages the collective intelligence of an expanding community of the world’s foremost risk experts, convened by the World Economic Forum’s Global Risks Practice - the Global Risks Report Advisory Board, the Chief Risk Officers Community and the Global Future Council on Frontier Risks, as well as a series of consultations with regional and thematic experts from the public and private sectors. It also draws on the views of over 12,000 country-level leaders who identified critical short-term risks to their 124 countries, gathered through the World Economic Forum’s Executive Opinion Survey.

The following two 2022 Global Risks Report graphics identify the top ten global risks by severity and the risks the most damaging risks will aggravate.



Global Risks Effects

Most potentially damaging risks (top row) and risks they will aggravate (bottom row)*



*Line thickness scaled according to tally of links (see Appendix C: Technical Notes).

Progress to establish a legal compliance system to assist in the management of legislative risk and compliance:

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. Implementation is on track to complete 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 the March 2022 meeting
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	A progress up-date is provided under the group risk section.
4. 4. Government's Three Waters Reform programme.	December 2020	Progress on the three waters reform programme does not form part of the Assurance, Risk and Finance Committee agenda.
5. Potential impact of the Worksafe decision, in December 2020, to charge 13 parties over the Whakaari/White Island tragedy; and the government review of WorkSafe New Zealand's performance of its regulatory functions in relation to activities on Whakaari White Island.	February 2021	Impact to be considered when further information is to hand.
6. Ngapuhi Mana Whakahono ā Rohe.	February 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 Mana 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, is planned.

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 the March 2022 meeting.
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	A progress up-date is provided under the group risk section.
4. Government's Three Waters Reform programme.	December 2020	Progress on the three waters reform programme does not form part of the Assurance, Risk and Finance Committee agenda.
5. Potential impact of the Worksafe decision, in December 2020, to charge 13 parties over the Whakaari/White Island tragedy; and the government review of WorkSafe	February 2021	Impact to be considered when further information is to hand.

Emergent risks	Presented to ARF:	Progress
New Zealand's performance of its regulatory functions in relation to activities on Whakaari White Island.		
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 Mana 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, is planned.

Risk progress reports – highlights and analysis:

1. ARF003 Health & Safety Vulnerabilities Risk Progress Report. The inherent risk rating trend has been assessed as increasing. A 90-day Health Safety and Wellbeing review is underway. This review will include existing projects; progress to complete Council's 5-year Health, Safety and Wellbeing strategic plan; calendar of core Health Safety and Wellbeing activities; progress of treatments; and an audit of health and safety processes and records.
2. ARF006 Project Priorities Deliveries Delays Progress Report. The inherent risk rating trend has been assessed as **increasing**. Tenders received for two significant projects above the available budgets. Material and labour prices have risen considerably in the past 12 months and an oversupply of construction projects is impacting on availability of contractors.
3. ARF012 Contract Management Risks Progress Report. The inherent risk rating trend has been assessed as **stable** as Council continues to make progress against treatments.
4. ARF014 Programme Darwin. No risk progress report has been tabled due to the proposal (below) to provide a full Program Darwin risk report at the next Assurance, Risk and Finance Committee meeting. The inherent risk rating trend remains assessed as **increasing** with treatments to reduce either the impact or probability of this risk yet to be confirmed or implemented.
5. ARF017 Climate Change Direct Risk to Council Physical and Natural Assets The inherent risk rating trend has been assessed as stable. The Climate Change Risk Reference Group is progressing work to identify treatments in place, in progress and gaps/opportunities such as need to integrated Climate change adaption and mitigation planning into Infrastructure Planning, Asset Management Planning and Financial Planning.

Programme Darwin

Background and context: On 16 December 2021 a decision report was presented to Council. This report requested additional funding to reduce the overall delivery risk. After deliberation Elected Members agreed "that the item is left to lie on the table" and voted on an amendment:

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

A Programme Darwin Elected Members Steering Group has been established and a Terms of Reference drafted. The draft Terms of Reference has not been adopted.

The officer-level Darwin Programme Working Group agreed that an additional risk report, from the Infrastructure Asset Management team, on Programme Darwin be scheduled for the May 2022 Assurance, Risk and Finance Committee agenda. The goal of this report is to provide better clarity, for governance purposes, of the potential impacts of Programme Darwin to the organisation.

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

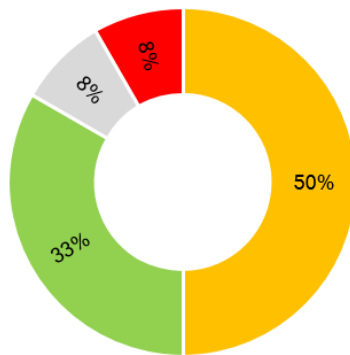
District Services Risk Dashboard

Review Date: 28/03/2023

24 risks

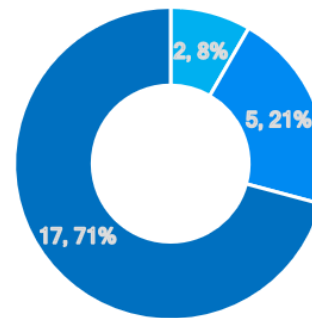
Risk by impact score

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

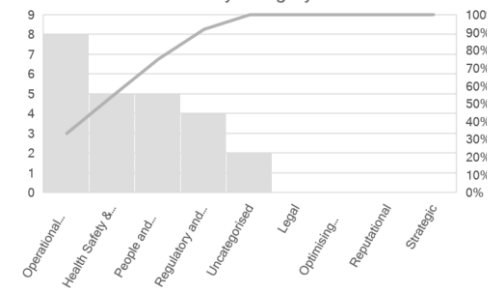


Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category



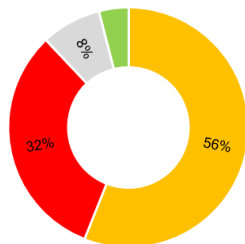
IAM Group Risk Dashboard

Review Date: 28/03/2022

25 risks

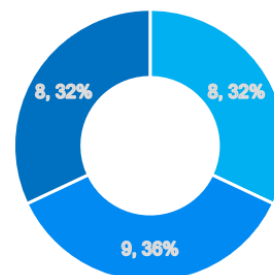
Risk by impact score

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



Risk by organisational level

■ Organisational ■ Group ■ Department



Risk by category

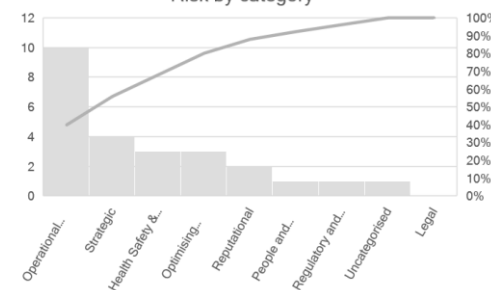


Table 4: Key to risk category

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 reviewing and up-dating protocols as the Government changes measures in response to the omicron outbreak. Currently strategic analysis and scenario setting have been completed to inform planning to manage the expected long omicron tail.

Additional work is being completed with Northland Civil Defence to manage deployment of staff to both support our civil defence responsibilities and our business continuity requirements.

Progress to refresh Council's business continuity arrangements:

Corporate Services: Essential services have been identified and agreed for development of Business Continuity Plans. One business continuity plan has drafted by the responsible team.

IAM: District Facilities have identified and agreed essential services for development of Business Continuity Plans. Four business continuity plans have been drafted by the responsible teams.

People & Capability have completed their business continuity plan.

The District Services and Strategic Planning & Policy Groups have completed their nine 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.

ĀPITI HANGA / ATTACHMENTS

1. **2022 04 ARF003 Health Safety and Wellbeing Vulnerabilities Risk Progress Report - A3653060** [↓](#) 
2. **2022 04 ARF006 Projects Priorities Delivery Delays Risk Progress Report - A3660433** [↓](#) 
3. **2022 04 ARF012 Contract Management Risks Progress Report - A3650328** [↓](#) 
4. **2022 04 ARF017 Climate Change Direct Risk to Council Physical and Natural Assets Risk Progress Report - A3652054** [↓](#) 



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ARF003 Health Safety and Wellbeing Vulnerabilities

Risk Status Progress Report for April 2022

Prepared 29/03/2022

Description of risk and impact

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

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

90-day Health Safety and Wellbeing Review

A new Health, Safety and Wellbeing Manager started March 14, 2022. They are currently working through a Health Safety and Wellbeing review. A large part of this plan involves meeting managers and staff, reviewing the existing projects listed in the handover document, and commencing a health and safety audit of existing processes and records. Included in this review is:

- Progress to complete Council's 5-year Health, Safety and Wellbeing strategic plan
- Calendar of core Health Safety and Wellbeing activities
- Progress of treatments

At the conclusion of the review the Assurance Risk and Finance Committee will receive a report outlining findings and next steps.

Health Safety and Wellbeing Audit

The Health Safety and Wellbeing team believe that thorough record keeping provides the foundation for a safe working force. An audit to investigate the quality of current Health Safety and Wellbeing record keeping will help to strengthen the current foundation.

The audit will consist of reviewing the tasks carried out by staff and contractors and viewing any standard operating procedures and risk assessments currently in place. Department and team audits will be prioritised by risk and all findings recorded. Areas of concern will be listed and addressed by a top-down approach.

Concurrently there is also a programme of work mapping legal obligations across Council to inform the implementation of ComplyWith (our legal compliance system). This will be useful to ensure clarity of who is responsible for each legal obligation.

The vision is:

- Everybody gets home to the whānau safely every day.
- All staff trained and supplied with the PPE and tools they need to work safely and efficiently
- The Health, Safety and Wellbeing team will arrange and provide all Health, Safety and Wellbeing training, PPE and tools needed by the staff e.g.
 - Site Safe
 - Driver training

- First Aid
- Conflict resolution
- Traffic management
- The Health, Safety and Wellbeing team will be responsible for the management all Health, Safety and Wellbeing records e.g.
 - Training records
 - PPE records
 - Standard operating procedures
 - Risk assessments
 - Audit reports
- Ultimately FNDC will become ISO 45001 certified.

Existing Treatments - What has been done so far?

Regular health and safety reporting, with lag and lead indicators, is included in the People and Capability section of the CEO report; FNDC's Health and Safety Committee continue to meet monthly; and all staff have a Health Safety and Wellbeing focused KPI which is reviewed and monitored quarterly. See table 1 for examples of existing health and safety treatments.

Table 1: Examples of existing treatments

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

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

- Speed of Council to bring assets up to meet legislative requirements as regulations change. FNDC has roughly 300 *Asbestos Management Plans* that are due for review by 2023 for example.
- WorkSafe's Whakaari (White Island) decision to prosecute 13 organisations for not meeting their obligations as a PCBU under the Health and Safety at Work Act (2015) has created further uncertainty. This has been identified as an emergent risk in the February 2021 risk management report.

- Development of a *Standard Operating Procedure* to improve and coordinate staff and Elected Member safety should they be compromised from external threats.
- Rescore Health, Safety and Wellbeing Vulnerability risk

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

Inherent Risk:	Trend of risk rating	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	Increase		Responsible:	Chief People Officer	Date accepted:	16/06/19	3 monthly



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ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report for April 2022

Prepared 01/04/2022

Description of risk and impact

Project / Priority delivery continues to be driven by the project lifecycle (conception and business casing through delivery and ongoing management / maintenance) and involve having robust capabilities to support each stage of this lifecycle. Deficiencies in any one of these stages have flow on effects including costs, quality and delays.

Existing Treatments

Treatments established:

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

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

Current environment:

Two significant projects have had tenders received at above the available budgets. Material and labour prices have risen considerably in the past 12 months and an oversupply of construction projects is impacting on availability of contractors.

Leading into next financial year, planning by the delivery team of bulk material orders is being considered eg: the purchase of 4km of water pipe over six projects to ensure material availability when construction is to proceed or consideration to structuring contracts with upfront material purchases.

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

ARF012 Contract Management Risks

Risk Status Progress Report for April 2022

Prepared 07/03/2022

Description of risk and impact

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

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

Existing Treatments

Treatments established:

- A. Two specialists are in place:
 - 1. Contract Management Specialist, PMO (Currently covering the Procurement Specialist)
 - 2. Contract Specialist, District Facilities Operations.
- B. Key IAM leadership roles have incumbents with highly developed contract management competencies
- C. A FNDC-wide Contracts Register is available in TK2.

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
Develop a Contract Management Framework. The Contracts Framework will cover three main contractual arrangements with the addition of AOG (All of Government) and syndicated contracts.	Completed. Waiting on endorsement by Risk Owner and SLT. Phase 1 of the roll out to IAM has commenced. No further action has taken place as the Contract Management Specialist is covering the Procurement Specialist vacancy.
Develop policy, process and templates.	Completed.
Develop process to manage "Small" contractors contract management risk (health and safety, delivery and financial risk); and contract concentration risk.	In progress. PMO is developing a new process for small contractors. The process to manage contract concentration risk has been developed and published.
Building capability	
Increase internal commercial expertise.	Ongoing.

	<p>Targeted training, in contract management, will be delivered to contract owners. Contract managers will be identified through the new contract register.</p> <p>Training, to develop contract management capability in the IAM Infrastructure & Asset Management team, continues.</p> <p>The Contract Management Specialist is providing project specific advice.</p>
<p>New treatment May 2021:</p> <p>Refresh of the contract register.</p>	<p>In progress.</p> <ul style="list-style-type: none"> • The new Contract Register has been established (a page on the PMO SharePoint site) and is now being populated • Currently completing a search for documentation to complete the register • Working to determine secure locations to hold hard and soft copies of crucial contract documents such as the contract, bonds and warranties and insurance certificates. <p>No further action has taken place as the Contract Management Specialist is covering the Procurement Specialist vacancy.</p>
District Facilitates Assurance Review	<p>This is in the internal audit pipeline for scheduling. This audit will identify potential risks associated with the large contract renewal programme and ensure they are well managed.</p>
<p>LGA Section17A reviews</p> <p>Local authorities are obliged to review the cost-effectiveness of current arrangements for meeting community needs for good quality infrastructure, local public services and local regulation. Where a review is undertaken local authorities must consider options for the governance, funding and delivery of infrastructure, local public services and local regulation.</p>	<p>Scheduled reviews:</p> <ol style="list-style-type: none"> 1. Solid Waste – Steering Group to meet 10/03/2022, terms of reference have been agreed, draft terms of reference for project to be agreed at the first Steering Group meeting, members of the working group have been appointed, Procurement Plan (for professional services) being drafted. Solid Waste contracts are in the process of being renewed for one year. 2. Security of Council buildings – to be scheduled 3. Town, parks and reserves maintenance, delayed to 2023 with the RSL contract extended for two year (to June 24)

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

Council's Waste Management Strategy is due for renewal in 2023. There is a reputational risk that we will be perceived to be reviewing our solid waste contracts without consideration of our climate change obligations which would be captured in the 2023 review of the Waste Management Strategy.

Current environment:

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

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

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

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

ARF017 Climate Change Direct Risk to Council Physical and Natural Assets

Risk Status Progress Report April 2022

Prepared 28/03/2022

Description of risk and impact

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

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

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

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

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

Table 2: Description of risk impact for each organisation area

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

Table 3: Description of likelihood

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

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

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

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

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

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

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

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

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

Existing Treatments

On 25 January 2022 the Climate Change Risk Reference Group workshopped the climate change risk themes to develop an understanding on how we will actively manage each risk. The output of this workshop was a mind map that was further updated through a workshop with elected members on 10 March 2022.

An organisational scan has identified the following treatments and opportunities:

High level treatment plan and progress up-date:

High level treatment plan:	Treatment Owner	Progress update:	Implementation date:
In place			
1. Northland Regional Council Hazard mapping	NRC	Completed	Available
In progress			
2. Civil Defence Regional Lifelines climate change risk assessment	Manager Infrastructure Operations	In progress	
3. Draft District Plan	Manager – District Plan	In progress	TBC
4. Apply Northland Regional Council Hazard mapping	Manager – Climate Change	Draft District Plan is using this data. This data will feed into the prioritisation of communities that will be taken through a process for climate change adaptation.	Will be used to workshop with elected members on 14 April 2022.
5. Adoption of the Te Tai Tokerau Climate Adaptation Strategy	General Manager – Strategic Planning and Policy	22 March 2022: Strategy and Policy Committee recommends to Council to adopt Strategy at 7 April	Priority Actions to be referenced and included in an update of the FNDC Climate

High level treatment plan:	Treatment Owner	Progress update:	Implementation date:
		2022 Council meeting.	Change Roadmap
6. Climate Assessment Policy	Manager – Strategy Development	Following the Project Management Framework for engagement and policy development – this in the conceive stage with an options paper on the agenda for the Strategy and Policy Committee on 3 April 2022	This will be determined by the option that is approved Strategy and Policy Committee on 3 April 2022.
7. Community Engagement Plan	Engagement Lead	In progress. Coastal Community Profiles, 50% complete.	July 2022
8. Coastal Erosion Management Prioritisation Framework <ul style="list-style-type: none"> this framework will provide guidance to strategically assign capital works budget across competing projects by providing criteria to develop a holistic framework that will support FNDC's decision-making. 	Manager – Major Recovery Projects	Commissioned	TBC
Gaps/Opportunity			
9. Identification of core asset data to be captured that is needed to inform decision making on climate change and resilience as part of the asset management planning process.	Policy Advisor – working on climate change policy Project Darwin		Required for next LTP
10. Identification of key measures and metrics that FNDC requires to (1) inform decision making on climate change and (2) be able to inform dashboards, Council reports and ultimately government reporting requirements on climate change adaptation and mitigation.	Policy Advisor – working on climate change policy		Required by next LTP Required when compulsory reporting on climate change is required by the Government.
11. Inclusion of specific project costings that are itemized as for climate change adaptation and/or mitigation in asset management plans and the next Long-Term Plan. Linked back to community engagement plans and FNDC's climate change policy.	TBC		Mid 2023
12. Internal Engagement Plan	Engagement Lead	Being developed concurrently with the external engagement plan.	July 2022 – aligned with the public launch of the Te Tai Tokerau Climate Adaptation Strategy

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

Climate change adaption and mitigation planning needs to be integrated and part of Infrastructure Planning, Asset Management Planning and Financial Planning. A policy position and mandate from Council for this will ensure that this is included.

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

5.2 REVENUE RECOVERY REPORT 31 MARCH 2022**File Number: A3661007****Author: Margriet Veenstra, Manager - Transaction Services****Authoriser: William J Taylor MBE, General Manager - Corporate Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

To provide quarterly reporting to the Far North District Council Assurance, Risk, and Finance Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Revenue recovery report 31 March 2022.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as of 31 March 2022 and the actions taken by the debt management team for the collection of the General Title rates and water, and sundry debt.

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

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

This document has been prepared to outline current and arrears balances for rates, water and Sundry debt as of 31 March 2022 and the actions taken by the debt management team for the collection of the General Title rates and water, and sundry debt.

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

DISCUSSION AND NEXT STEPS

The data provided is for General Title and Māori Freehold Land rates and water accounts with sundry debtors shown in a separate table. Since the 1st of July 2021, the General Title rates total arrears balance has been reduced by 30% and water rates by 38%.

General Title rates and water debt

Key actions since the last report:

- Mortgage demand was issued against 152 accounts, with more than \$2,000 in arrears, totalling \$553,328.99.
- These accounts were selected for the following reasons:
 - Mortgage Demand(s) has been issued previously which was paid by the bank
 - Have been contacted as part of pre-demand calling but have not made payments.
 - No contact details on the account and owners have not responded to letters
 - New owners (2019+), no payments since purchase, no response to letters or calls

- A review of all 70 ASB account, where first mortgage demand was issued the day before the August 2021 lockdown has been completed. We will request ASB to contact all customers, requesting full payment of arrears within 4 weeks, otherwise final demand will be issued and paid.

Next actions:

- Continue mortgage demand pre-calling for the smaller financial institutions and water accounts.
- Review properties without a mortgage and high arrears and commence demand process in collaboration with Council's Legal Services team.
- Contact owners of local businesses to offer a seasonal payment plan, providing reduced rates payments during the winter months to provide relief as tourism picks up when the borders open from May 1st. An increase in payments during the summer months will bring their rates up to date by the end of the rating year.
- Complete in-depth investigations for the first tranche of abandoned land sales and commence with the process.
- Post instalment due date calling of owners whose rates had been current but missed payment of the 4th instalment to offer support, payment plans and remittance of penalties.

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

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 36% of properties only have last year's rates in arrears and 12% have 2 years of arrears. Debt management will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 52% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team to commence legal proceedings.

Māori Freehold Land rates and water debt

The debt for Māori Freehold land has reduced since the write-offs were completed in June as per the Local Government (Rating of Whenua Māori) Amendment Act 2021. The rates debt has reduced by 2.13% since the start of the year.

Sundry debtors debt

The total sundry debtors aged debt balance has reduced by \$1.3 million since the last report, mainly due to payment of a large invoice for \$1.2 million.

The 90 day+ resource consent and building consent debt has increased and debt management continue to work with both teams to reduce this. We do continue to see a reduction 30-to-60-day debt totals for both resource consents and building consents.

Debt management continue to send final demand letters and refer them to Council Legal Services team to take legal action where possible.

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

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

ĀPITIHINGA / ATTACHMENTS

1. **31 March 2022 ARF Revenue recovery Report attachment - A3666978** [↓](#) 

General Title rates and water rates analysis by age at 31 March 2022

General Title Rates and Water Arrears 2021-2022							
General Title Rates 31 March 2022	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	58,274	59,122	58,557	58,651	168,252	402,856	40
Payment Arrangement	21,163	6,612	3,266	1,676	3,176	35,893	20
Deceased Rate Payer	76,576	73,498	69,444	63,366	154,641	437,526	45
Mortgage Run 2021-2022	640,547	112,619	54,120	56,317	91,017	954,620	411
Legal Action Commenced (external)	114,869	113,042	84,514	73,100	175,207	560,732	57
Legal Action Commenced (FNDC)	15,371	15,775	15,684	9,755	21,207	77,791	8
Liquidation	1,938	1,966	1,940	1,893	4,833	12,570	2
Direct Debit	102,772	21,681	7,645	4,035	3,100	139,233	82
Debt recovery action to commence	1,253,616	822,702	610,376	468,305	787,334	3,942,334	712
Rates Total	2,285,127	1,227,017	905,546	737,098	1,408,768	6,563,555	1,377

General Title Water 31 March 2022	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	2,288	1,611	-	2,491	-	6,390	6
Deceased Rate Payer	11,752	27,333	21,336	14,133	15,625	90,179	9
Mortgage Run 2021-2022	165,015	85,316	62,259	31,086	11,847	355,524	290
Legal Action Commenced (external)	7,552	6,303	7,187	2,696	14,083	37,821	11
Legal Action Commenced (FNDC)	4,038	4,860	3,409	6,708	1,108	20,122	2
Liquidation	-	-	-	-	-	-	-
Direct Debit	51,484	22,459	7,008	13,418	2,059	96,428	95
Debt recovery action to commence	199,562	74,859	73,590	36,500	77,966	462,476	235
Water Total	441,690	222,741	174,789	107,031	122,688	1,068,939	648

Maori Freehold Land rates and water analysis by age at 31 March 2022

MFL Rates and Water Arrears 2021 -2022							
MFL Rates 31 March 2022	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement	5,310	3,220	-	-	-	8,529	5
Deceased ratepayer	20,726	20,185	7,565	7,290	5,094	60,860	12
Direct debit	41,452	33,813	25,298	22,465	43,433	166,459	22
Abandoned Land	3,492	3,653	3,604	3,648	10,187	24,585	2
Debt recovery action to commence	2,150,615	2,053,424	962,415	835,854	2,162,483	8,164,791	1,206
Rates Total	2,221,594	2,114,295	998,881	869,257	2,221,198	8,425,225	1,247

MFL Water 31 March 2022	2020-2021	2019-2020	2018-2019	2017-2018	2016+	Total	# accounts
Payment Arrangement						-	
Direct Debit	3,153					3,153	4
Debt recovery action to commence	68,842	49,848	53,732	50,810	73,112	296,343	41
Water total	71,995	49,848	53,732	50,810	73,112	299,496	45

Sundry Debtors by age at 31 March 2022

Sundry Debtors Aged Period Report as at 31 March 2022						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	40,423	10,034	3,962	147,878	202,296	20%
Bookings	3,310	-	-	1,758	5,068	0%
Septage	22,170	-	-	891	23,061	2%
Refuse	-	-	-	13,110	13,110	1%
Building	26,959	15,429	24,341	191,808	258,537	25%
Resource	27,764	25,611	46,407	331,028	430,810	42%
Liquor	1,639	-	-	2,709	4,348	0%
Health	5,665	3,669	6,875	66,243	82,451	8%
Total	127,929	54,742	81,586	755,425	1,019,681	100%

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



HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

5.3 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2022**File Number:** A3662252**Author:** Angie Thomas, Manager - Accounting Services**Authoriser:** Janice Smith, Chief Financial Officer**TE TAKE PŪRONGO / PURPOSE OF THE REPORT**

To provide an overview and information on the current financial position and performance of the Far North District Council as at 28 February 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 28 February 2022.

TE TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at 28 February 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 Feb2022 (Pd8) FINAL - A3662256 [↓](#) 



Far North District Council

Council Financial Report

for the period ending **28-February-2022**

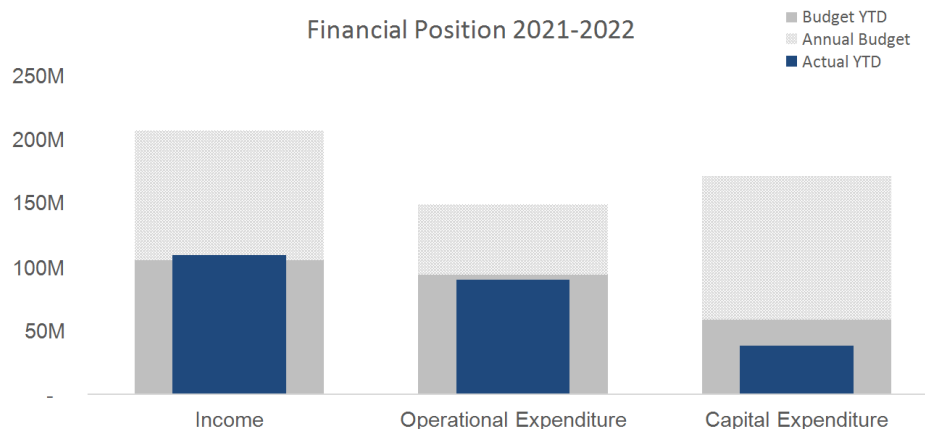
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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 28-February-2022.



Year to Date

Actual Position as at 28-February-2022

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	109.0M	105.0M	4.0M	4%
Operational Expenditure	90.0M	93.9M	-3.9M	-4%
Net Operating Position	19.0M	11.1M	7.9M	71%
Capital Expenditure	37.9M	58.3M	-20.4M	-35%

Year End

Forecast Position as at 30-June-2022

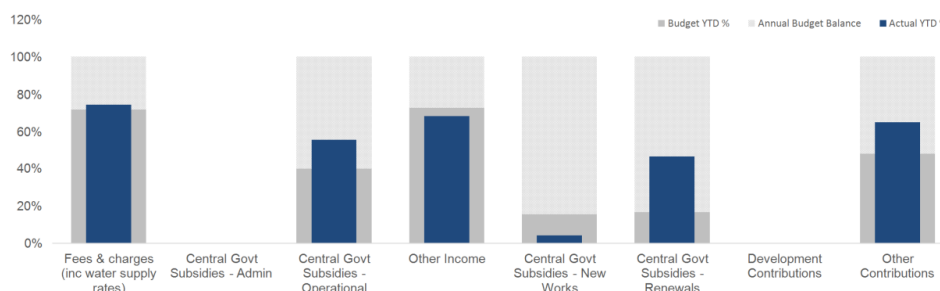
	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	188.5M	206.9M	-18.4M	-9%
Operational Expenditure	150.6M	149.1M	1.6M	1%
Net Operating Position	37.9M	57.8M	-19.9M	-34%
Capital Expenditure	120.0M	170.9M	-50.9M	-30%

**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
46.3M	42.2M	4.1M	10%	112.2M	93.8M	18.4M	-20%



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 have remained low. 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.
- Kerikeri is under budget for water by meter charges. The Kerikeri water readings had been delayed due to COVID-19 and will now be charged for a full year in March.

Other Income

- Resource Consents other income is under budget, bonds exceeding six years has now been written off under statute barred rules.
- The 3-Waters Department of Internal Affairs (DIA) funding is now under budget, there are further claims to be made once milestones are reached. These are currently being reviewed as part of the Annual Plan 2022/23 process.
- 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 and unsealed 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 2021 storm damage.
- Waka Kotahi (NZTA) has approved funding for the September/October 2021 storm damage and is claimed under the emergency event work category. The funding has now been fully used for the first response repairs.
- 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 Powell Road slip remediation, 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, physical works now complete and awaiting sign off.
- 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.

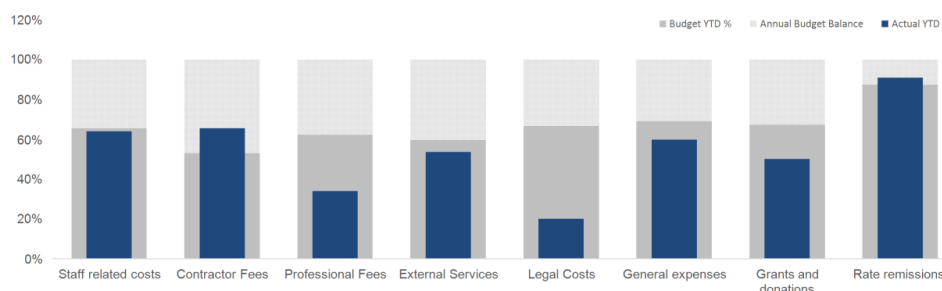
Other Contributions

- 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 were planned to be spent this financial year, however the Waipapa Sports Hub and Te Hiku projects are expected to carry-over into next 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. These are currently being reviewed as part of the Annual Plan 2022/23 process.
- Planned Provincial Growth Funds (PGF) capital grant received for road seal projects at Ruapekapeka, Ngapipito and Peria Road. Ruapekapeka sealing works will carry-over into next financial year for completion in next summer season.

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
63.9M	67.3M	3.5M	-5%	109.2M	110.8M	1.6M	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) has approved funding for the September/October 2021 storm damage and would be claimed under the emergency event work category. The funding has now been fully used for the first response repairs.
- 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.
- The 3-Water reform works are on target to be spent in full by the end of the financial 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.

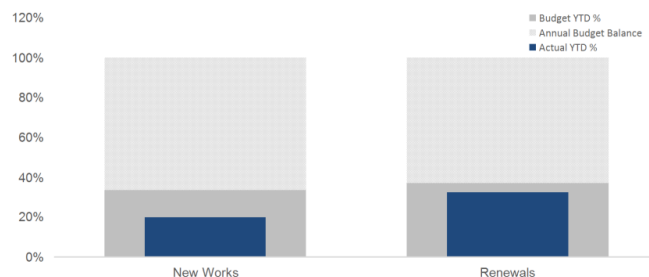
Rate Remissions

- 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
37.9M	58.3M	20.4M	-35%	170.9M	120.0M	50.9M	-42%



Highlights:

New Works

- Wastewater new minor works is under budget, due to the uncertainty of works the budget cannot be accurately timed. The majority of the under spend variance has been moved out to future years at the request of IAM.
- Kaitia New Source (Sweetwater) is behind budget but fully committed. Construction has progressed well with approximately 12,700m 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 and an update of the project to date was to be sent to Iwi representatives.
- Monument Hill Deep Bore project is behind budget. Consent application to utilise both the shallow and deep bores has been submitted to NRC. Detailed design for stage 3 is in progress and construction start dates is planned for 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 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.
- Cable Bay carpark project funded by Tourism Infrastructure Fund (TIF) is behind schedule however agreement was extended to 31 March 2022 with construction commencing in early March to complete in time.
- Works at Paihia waterfront have been tendered and anticipate an outcome in due course whether to construct this financial year or defer to next financial year.
- Whangaroa maritime land purchase at Ratcliffs Bay has been delayed due to finalising the legal documentation.

- Construction of Lake Manuwai & Te Paki Stream public toilets are funded through the Round 5 Tourism Infrastructure Fund (TIF) and is behind schedule due to COVID-19 supply chain disruptions.
- Powell Road slip remediation, 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.
- 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, physical works now complete and awaiting sign off.
- Re-route and relocation works between Taumarere to Opuia cycle trail project is ongoing from last financial year however, works would carry-over into next financial year.
- The oil separator project at the transfer stations is slightly behind however funds are committed.
- The Southern Animal Shelter tender evaluations are currently being carried out and milestone dates have been amended with MBIE. Construction is expected to commence in April.

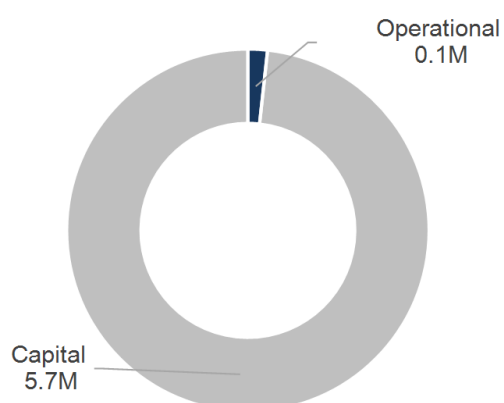
Renewals

- 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. Furthermore, works on Kohukohu hall have been deferred to next financial year for additional budget.
- Planned renewals works at Ahipara, Awanui, Kaikohe, Kaitaia, Kawakawa, Kohukohu, Rawene and Waima have been deferred to next financial year.
- Renewal of Opito Bay toilets is in detailed design stage with project now deferred to next financial year.
- 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 52% complete and North area is 50% complete against the reseal programme for 2021/22 and anticipate to complete works in autumn, pavement rehabilitation for North area has completed 1350 metres of sealing with 1300 metres ready to be sealed in late summer out of the revised total programme of 2.65 kilometres in North. All rehabilitation design has been approved and works are progressing satisfactorily.
- Structures renewal works is ongoing for general bridge repairs and construction of scour protection across the road network.
- 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.

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

**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
		99,885

Unbudgeted Capital Works		Amount
Kaitaia New Source (Sweetwater) - 3 Waters Reform	CAPEX New Works Contract Services	4,391,629
Mayors Taskforce for Jobs	External Services	250,000
Wi-Fi Network Lighting - Paihia	CAPEX New Works Contract Services	100,000
Wi-Fi Network Lighting - Russell	CAPEX New Works Contract Services	86,306
HFTE Oxford Street Kaitaia, Planned Renewals(DFP1074)	External Services	60,000
Omapere Freese Park Erosion	Professional Fees	57,000
Te Hiku o te Ika - PGF	CAPEX New Works Contract Services	35,338

Te Paki Stream Toilets	External Services	16,000
Lake Manuwai Toilet	External Services	12,000
Cape Reinga Road (Te Paki i-Site) Dump Station	External Services	12,000
District Wide Smart Bins	External Services	8,000
Wi-Fi Network Lighting - Russell	External Services	5,470
Wi-Fi Network Lighting - Paihia	External Services	4,659
Wi-Fi Network Lighting - Paihia	Grants Operational	-4,659
Wi-Fi Network Lighting - Russell	Grants Operational	-5,470
District Wide Smart Bins	Grants Operational	-8,000
Lake Manuwai Toilet	Grants Operational	-12,000
Cape Reinga Road (Te Paki i-Site) Dump Station	Grants Operational	-12,000
Te Paki Stream Toilets	Grants Operational	-16,000
Te Hiku o te Ika - PGF	Recoveries	-35,338
Wi-Fi Network Lighting - Russell	Subsidy New Works	-43,153
Wi-Fi Network Lighting - Paihia	Subsidy New Works	-50,000
Mayors Taskforce for Jobs	Grants Operational	-250,000
		4,601,782

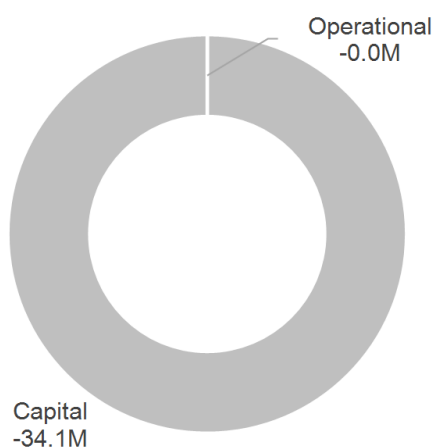
Unbudgeted Rooding**Amount**

Emergency Event Sep/Oct 2021	External Services	560,140
Kaitaia-Awaroa Road (Herekino Gorge) -	CAPEX Renewal Works Contract	426,500
Kaimaumau Road Traffic Calming - Speed Bumps	CAPEX New Works Contract Services	50,000
Powell Road Culvert Extension, Cable Bay	CAPEX New Works Contract Services	25,000
		1,061,640
		5,763,307

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 Roothing budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget.



Budget Movements

General Ledger	Comment	Amount
Infrastructure asset management - wastewater	Reforecast Journal OPEX Reforecast BM ledger	-129
Infrastructure asset management - stormwater	Reforecast Journal OPEX Reforecast BM ledger	-130
Infrastructure asset management - water	Reforecast Journal OPEX Reforecast BM ledger	-279
Infrastructure asset management - facilities	Reforecast Journal OPEX Reforecast BM ledger	-300
Infrastructure asset management - wastewater	Reforecast Journal OPEX Reforecast BM ledger	-300
Community Board Operations	Reforecast Journal OPEX Reforecast BM ledger	-500
Community Board Operations	Reforecast Journal OPEX Reforecast BM ledger	-500
Infrastructure asset management - facilities	Reforecast Journal OPEX Reforecast BM ledger	-500

Infrastructure asset management - water	Reforecast Journal OPEX Reforecast BM	-1,000
Community Board Operations	Reforecast Journal OPEX Reforecast BM	-2,000
		-5,638

Project Ledger	Comment	Amount
Paihia Maritime	Reforecast Paihia Maritime to FY22/23	6,500,000
Lindvart Park PGF Gymnasium	Reforecast Lindvart Park Funding to FY 22/23	5,801,195
Waipapa Sports Hub - PGF	Waipapa Sports Hub saving towards salary to FY22/23	983,372
Te Hiku o te Ika - PGF	Te Hiku o te Ika - Revitalisaion Project to FY22/23	884,883
Kerikeri WTP New Clarifiers - 3 Waters	Tfr Future Budget GM Corporate Approved	400,000
Kerikeri Squash Relocation	Reforecast Kerikeri Squash Relocation to FY22/23	221,551
Opua-Paihia Walkway Boardwalk	LOS Budget transfer for Opua-Paihia from FY23/24 to FY21/22	176,904
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 Procurement	41,040
Paihia PS1 upgrade	Tfr Renewal Budgets Approved by GM Corporate	30,060
Opua-Paihia Walkway Boardwalk	LOS Budget transfer for Opua-Paihia from FY23/24 to FY21/22	30,000
Kawakawa Pump Station Upgrades	Tfr Renewal Budgets Approved by GM Corporate	20,336
Procter Library Refresh	Procter Library Refresh Renewals from 2023/24	15,062
Whangaroa Pump Station	Tfr Renewal Budgets Approved by GM Corporate	7,935
Air conditioning units	Forecast of Renewals Bud for AC unit in Server Room	4,890
Building Services Fixtures & Fitting Renewals	Forecast additional CCTV cameras and upgrade system -Kaikohe HQ from FY24/25	3,110
Opua-Paihia Walkway Boardwalk	LOS Budget transfer for Opua-Paihia from FY23/24 to FY21/22	2,000
Russell Transfer Station Renewals	Reinstate budget removed in error - IAMs Russell Transfer Station Renewals	-
East Coast PS Leslie Rd	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-2,980
HFTE Horeke, Reactive Renewals(DFP0494)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-5,000
Russell WWTP UV Unit	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-5,131
Okaihau Parks & Reserves	Reforecast Okaihau Parks & Reserves to FY24/25	-6,113
Omapere Freese Park	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-10,000

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
Parks & Reserves Western	Western Ward Softfall trf out budget on Parks & Reserves Western - softfall	-16,146
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
East Coast PS Leslie Rd	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-25,609
Kaero WWTP Flow Balance Tank UV	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-26,633
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
Whatuwhiwhi PS	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-35,200
Kaitaia PS	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-36,300
Ahipara Pump Station Upgrades	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-38,136
Kohukohu PS	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-38,500
Whangaroa Pump Station	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-38,500
Kerikeri Domain - PGF	Kerikeri Domain Savings towards salary for Principal Advisor Sustainable Procur	-41,040
Kaikohe Memorial hall renewals	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-42,508
Parks & Reserves Eastern	Reinstate budget removed in error - IAMs Parks & Reserves Eastern - softfall	-43,374
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
Kaero Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-45,000

Floodgates	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-46,015
Kaikohe Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-46,699
Digital Mailroom	Corp reforecast - release budget schedule update by Jaime & Jason	-50,000
Kaitaia Reduction of Wastewater Overflows Option	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-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
Opononi Pump Stations	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-53,900
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
Parks & Reserves Northern	Reinstate budget removed in error - IAMs Parks & Reserves Northern - softfall	-58,588
Kaitaia Airport - HFE upgrade	Reforecast Kaitaia Airport - HFE upgrade to	-60,000
Russell WWTP UV Unit	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-62,730
HFTE Kohukohu, Planned Renewals(DFP1083)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-63,333
Kerikeri Maritime	Reforecast Kerikeri Maritime to FY22/23	-63,462
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
Kaikohe PS	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-71,500
Lonely Valley Road Pump Station Replacement	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-72,000
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
Property Aerial Photography	Reforecast Property Aerial Photography to	-86,016
Lonely Valley Road Pump Station Replacement	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-88,000
Kaitaia WWTP Installation of Septage Screening	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-90,000
Kawakawa Pump Station Upgrades	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-91,300
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

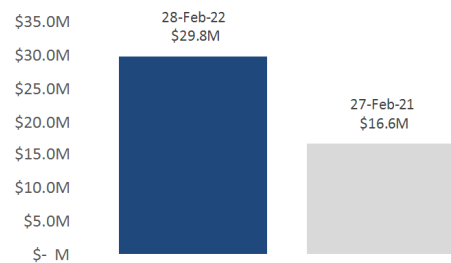
Kawakawa Stormwater Improvements	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Kaikohe Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Kaitia Discharge Consent	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-100,000
Kaitia 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
Smart District Action Plan	Reforecast Smart District Action Plan to	-125,000
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
Russell WWTP Disposal Bores	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-149,142
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 Kaitia, Planned Renewals(DFP1074)	IAM Reforecast Out to FY22-223 Delivery Schedule Update Rakesh	-153,333
Pump Stations East coast	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-163,900
East Coast Adamson St Stormwater	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-175,000
Kaikohe Septage Screen	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-175,000
East Coast WWTP	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-180,000
Opito Bay Toilets	Reforecast Opito Bay Toilets to FY22/23	-192,968
Pump Stations Paihia	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-193,600
Wastewater Telemetry	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-195,074
Kaikohe - Memorial Park Public Toilet	Reforecast Kaikohe - Memorial Park Public Toilet to FY22/23	-205,097
Moerewa Pembroke St Stormwater Improvements	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-208,763
District Wide Sludge Management	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-216,205
Russell WWTP Disposal Bores	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-223,713
Kaikohe Zonal Monitoring	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-250,000
Mains replacement Paihia	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-277,057
Kawakawa WWTP Aerator Upgrade	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-280,000
Taipa WWTP Upgrade	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-280,000

Fire Flow Upgrades, Skudders Beach	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-288,835
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
Kaikohe Memorial hall renewals	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-320,440
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
Kohukohu Hall	Reforecast Kohukohu Hall to FY22/23	-420,452
HFTE Kaikohe, Planned Renewals(DFP1079)	IAM Reforecast Out to FY22-23 Delivery Schedule Update Rakesh	-433,333
Te Haumi Seawall	Reforecast Te Haumi Seawall to FY22/23	-470,000
Mangonui Maritime Renewals	Reforecast Mangonui Maritime Renewals to FY22/23	-500,371
Kerikeri Squash Relocation	Reforecast Kerikeri Squash Relocation to FY22/23	-538,607
Wastewater Telemetry	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-614,343
Dog Pound Southern	Reforecast Dog Pound Southern to FY22/23	-700,000
Stormwater Imps Moerewa	IAM Reforecast Out of FY21-22 Delivery Schedule Update Rakesh	-735,713
Mangonui Board Walk Extension	Reforecast Mangonui Board Walk Extension	-776,000
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
Te Hiku o te Ika - PGF	Te Hiku o te Ika - Revitalisaion Project to	-2,041,040
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
Waipapa Sports Hub - PGF	Waipapa Sports Hub saving towards salary to FY22/23	-7,075,797
Lindvart Park PGF Gymnasium	Reforecast Lindvart Park Funding to FY 22/23	-8,424,915
Paihia Maritime	Reforecast Paihia Maritime to FY22/23	-9,051,465
		-34,136,157
		-34,141,795

Treasury Report

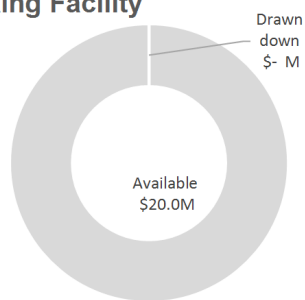
Cash Position

Compared to same time last year



	28-Feb-22	27-Feb-21
ASB General Fund	\$ 24.7M	\$ 11.5M
ASB Special Funds	\$ 5.1M	\$ 5.1M
Investments	\$ - M	\$ - M
Total Cash	\$ 29.8M	\$ 16.6M

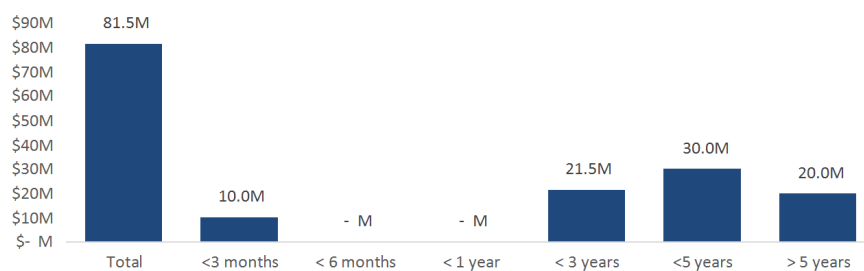
Banking Facility



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

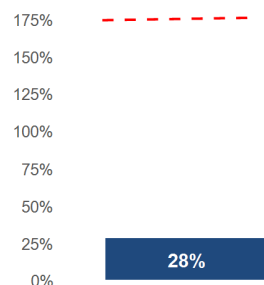
Public Debt

Loans by Maturity Date



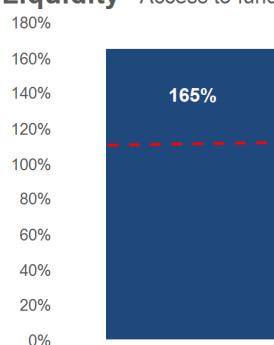
Treasury Compliance

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



Net Debt	\$ 51.7M
Budgeted Total income	\$ 184.9M
Debt Ceiling	\$ 323.5M
Net debt as % total revenue	28%
Policy Maximum	147%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 81.5M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	\$ - M
Total Committed Public Debt	\$ 101.5M
Liquid Investments Cash at Bank	\$ 29.8M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 134.3M
Access to Funds	165%
Policy Minimum	110%

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

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

Statement of Financial Performance

for the period ending Feb 2022 (Pd8)

	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)	61,847	61,781 -	66	92,675	-	92,675	30,829	67%	92,675	-
Rates - penalties	824	1,032	208	2,063	-	2,063	1,240	40%	2,063	-
Fees & charges (inc water supply rates)	13,042	12,607 -	435	17,590	-	17,590	4,548	74%	17,585	5
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	8,365	6,025 -	2,340	14,445	677	15,122	6,757	55%	15,283	161
Other Income	4,983	5,308	325	2,244	5,071	7,315	2,332	68%	8,185	870
Capital Income										
Central Govt Subsidies - New Works	1,671	6,362	4,691	38,973	2,417	41,390	39,719	4%	15,084	26,306
Central Govt Subsidies - Renewals	4,189	1,489 -	2,700	8,602	394	8,996	4,807	47%	11,028	2,032
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	14,068	10,404 -	3,664	10,799	10,944	21,744	7,676	65%	26,640	4,897
Total Operating Income	108,987	105,007 -	3,980	187,392	19,503	206,895	97,908	53%	188,544	18,351
Operational Expenditure										
Staff related costs	22,018	22,562	544	34,476	-	34,476	12,458	64%	34,680	204
Contractor Fees	21,528	17,412 -	4,116	32,873	-	32,873	11,345	65%	32,956	83
Professional Fees	5,661	10,369	4,708	11,930	4,744	16,675	11,013	34%	16,180	495
External Services	4,141	4,604	464	6,135	1,605	7,740	3,600	53%	9,048	1,308
Legal Costs	174	582	408	873	-	873	699	20%	802	71
General expenses	7,243	8,378	1,134	11,965	150	12,115	4,871	60%	12,666	551
Grants and donations	1,203	1,617	414	2,385	15	2,400	1,197	50%	2,375	26
Rate remissions	1,897	1,825 -	72	2,087	-	2,087	190	91%	2,087	-
Allocations (direct and indirect)	-	1	1	0	-	0	0	0%	0	-
Interest costs	1,019	1,522	502	2,282	-	2,282	1,263	45%	2,282	-
Sub total	64,885	68,871	3,987	105,007	6,515	111,521	46,837	58%	113,077	1,556
Depreciation and other asset costs	24,520	25,046	526	37,569	-	37,569	13,049	65%	37,569	-
Gain/Loss on Disposal	595	-	595	-	-	-	595	100%	-	-
Total Operational Expenditure	90,000	93,918	3,918	142,576	6,515	149,091	59,091	60%	150,646	1,556
Net Operating Surplus	18,987	11,089	7,898	44,816	12,989	57,804	38,817		37,898	19,907

Statement of Capital Performance

for the period ending Feb 2022 (Pd8)

	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	10,701	21,400	10,699	62,816	8,606	71,422	60,721	15%	38,035	33,388
Environmental Management	140	708	568	981	327	1,308	1,168	11%	608	700
Roading and Footpaths	14,540	11,593	2,947	43,276	7,282	50,558	36,019	29%	44,330	6,228
Wastewater	855	5,554	4,699	13,047	1,926	14,973	14,117	6%	5,343	9,629
Stormwater	157	247	90	3,672	311	3,983	3,826	4%	1,367	2,615
Solid Waste Management	113	492	380	767	155	922	810	12%	768	155
Water Supply	9,798	16,189	6,390	11,573	8,931	20,505	10,706	48%	23,372	2,867
Governance & Strategic Administration	1,175	1,595	420	3,407	1,942	5,349	4,174	22%	4,131	1,218
Customer Services	443	555	112	993	906	1,899	1,456	23%	1,967	68
Strategic Planning & Policy	23	-	23	-	-	-	23	100%	120	120
Total Capital Expenditure	37,945	58,333	20,388	140,533	30,386	170,919	132,974	22%	120,041	50,878

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	7,642	5,839 -	1,803	30,266	5,111	35,377	27,735	-22%	19,118	16,259
Environmental Management	4,892	3,939 -	953	5,748	-	5,748	856	-85%	5,743	5
Roading and Footpaths	20,087	15,101 -	4,986	45,192	4,463	49,655	29,568	-40%	47,375	2,280
Wastewater	917	1,558	641	301	1,483	1,784	867	-51%	2,308	523
Stormwater	620	1,010	390	-	1,106	1,106	486	-56%	840	266
Solid Waste Management	1,184	1,024 -	161	1,478	-	1,478	293	-80%	1,420	58
Water Supply	9,327	12,579	3,252	7,017	7,319	14,336	5,009	-65%	14,078	257
Governance & Strategic Administration	1,002	720 -	282	1,999	21	2,020	1,018	-50%	2,020	-
Customer Services	346	374	28	577	-	577	231	-60%	577	-
Strategic Planning & Policy	298	50 -	248	75	-	75	223	-398%	325	250
Total Operating Income	46,316	42,194 -	4,122	92,653	19,503	112,156	65,840	41%	93,805	18,351

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	5,738	6,768	1,030	9,441	372	9,813	4,075	58%	10,410	597
Environmental Management	5,749	6,566	806	9,972	-	9,972	4,222	58%	9,967	5
Roading and Footpaths	15,540	11,200 -	4,340	26,934	578	27,512	11,973	56%	27,831	319
Wastewater	6,684	6,663 -	20	7,263	2,250	9,514	2,830	70%	10,036	523
Stormwater	1,367	3,175	1,808	3,259	1,106	4,366	2,998	31%	4,075	290
Solid Waste Management	3,025	2,900 -	126	4,348	-	4,348	1,323	70%	4,348	-
Water Supply	4,950	6,099	1,149	6,126	2,188	8,314	3,364	60%	8,456	141
Governance & Strategic Administration	14,465	15,517	1,051	22,559	21	22,580	8,115	64%	22,535	45
Customer Services	3,240	3,708	468	5,599	-	5,599	2,360	58%	5,590	9
Strategic Planning & Policy	3,107	4,764	1,657	7,221	-	7,221	4,114	43%	7,546	325
Total Direct Costs	63,865	67,349	3,484	102,724	6,515	109,239	45,374	58%	110,795	1,556

Capital Spend Analysis

as at 28-Feb-2022

LTP Group	YTD (\$000's)	Commitments	Full Year (\$000's)							
	YTD Actual		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	3,231	2,211	18,292	5,509	23,801	13.6%	17,210	18.8%	72%	(6,590)
Wastewater	855	738	13,047	1,926	14,973	5.7%	5,343	16.0%	36%	(9,629)
Water Supply	798	791	6,722	907	7,629	10.5%	6,104	13.1%	80%	(1,525)
Stormwater	157	103	3,672	311	3,983	3.9%	1,367	11.5%	34%	(2,615)
Solid Waste	113	30	767	155	922	12.2%	768	14.7%	83%	(155)
Project Delivery Team Subtotal	5,155	3,872	42,500	8,808	51,307	10.0%	30,793	16.7%	60%	(20,514)
Roading & Footpaths	8,997	11,818	31,827	4,177	36,004	25.0%	31,926	28.2%	89%	(4,077)
IAM Total	14,152	15,690	74,327	12,985	87,311	16.2%	62,719	22.6%	72%	(24,592)
Environmental Management	57	5	28	0	28	205.0%	28	205.0%	100%	0
Governance & Strategic Administration	1,175	485	3,407	1,932	5,338	22.0%	4,120	28.5%	77%	(1,218)
Customer Services	443	257	1,431	917	2,348	18.9%	2,416	18.3%	103%	68
Strategic Planning	23	0	0	0	0	0.0%	120	19.1%	0%	120
Other Total	1,698	747	4,865	2,848	7,714	22.0%	6,684	25.4%	87%	(1,030)
Sub Total	15,850	16,437	79,192	15,833	95,025	16.7%	69,403	22.8%	73%	(25,622)
DIA Projects										
Water Supply	9,000	4,091	4,852	8,024	12,876	69.9%	17,267	52.1%	134%	4,392
Wastewater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Stormwater	0	0	0	0	0	0.0%	0	0.0%	0%	0
Total DIA Projects	9,000	4,091	4,852	8,024	12,876	69.9%	17,267	52.1%	134%	4,392
ESEO Projects										
District Facilities	7,470	3,951	44,086	3,098	47,184	15.8%	20,387	36.6%	43%	(26,798)
Environmental Management	83	0	953	327	1,280	6.5%	580	14.3%	45%	(700)
Roading & Footpaths	5,543	5,733	11,449	3,105	14,555	38.1%	12,404	44.7%	85%	(2,151)
Total ESEO Projects	13,095	9,684	56,489	6,529	63,019	20.8%	33,371	39.2%	53%	(29,648)
Total	37,945	30,212	140,533	30,386	170,919	22.2%	120,041	31.6%	70%	(50,878)

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 28-Feb-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

as at 28-Feb-2022

LTP Group	Actual + commitments against total forecast budget YTD Actual (%)
District Facilities	31.6%
Wastewater	29.8%
Water Supply	26.0%
Stormwater	19.0%
Solid Waste	18.6%
Project Delivery Team Subtotal	29.3%
Roading & Footpaths	65.2%
IAM Total	47.6%
Environmental Management	222.0%
Governance & Strategic Administration	40.3%
Customer Services	29.0%
Strategic Planning	19.1%
Other Total	36.6%
Sub Total	46.5%
DIA Projects	
Water Supply	75.8%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	75.8%
ESEO Projects	
District Facilities	56.0%
Environmental Management	14.3%
Roading & Footpaths	90.9%
Total ESEO Projects	68.3%
Total	56.8%

5.4 LEVEL OF SERVICE KPI QUARTER 3 PERFORMANCE REPORT FOR 2021-2022**File Number:** A3668792**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 3 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. LOS KPI Report Quarter 3 2021-22 - A3671700 [↓](#) 



Quarterly Performance Report:

Quarter 3: January - March 2022

Performance of Service Level Results

Introduction

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

This report focuses on the operational KPI's published in the Long Term Plan 2021-2031 that we report in the Annual Report, this includes local government mandatory performance measures by the

Department of Internal Affairs (DIA), but does not include internal KPI's relating to the CEO or staff 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	Jan-22	Feb-22	Mar-22	Q3 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	7	2	3	12	42
				Fatalities/serious injury crashes 2020/21.	11	6	3	20	
				Variance	-4	-4	0	-8	
				Q3 Performance Comments:					
				The number of crashes in quarter three has reduced significantly when compared against last years figures.					
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	0.00	0.00	0.00	-	
					0.0%	0.0%	0.0%	0.0%	
				Q3 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	1.923	10.994	9.125	7.35	1.7%
				Total length sealed road network	877.2	877.2	877.2	877.2	
				%	0.2%	1.3%	1.04%	0.8%	
				Q3 Performance Comments:					
				All resurfacing programs are on track for completion this financial year.					

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	1.923	10.994	9.125	7.347	67.3%
				Total length planned	1.923	10.994	9.125	22.04	
				%	0.0%	100.0%	100.0%	33.3%	
				Q3 Performance Comments:					
				All resurfacing programs are on track for completion this financial year.					
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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	12	65	18	95	96.9%
				Total incidences	12	65	18	95	
				%	100.0%	100.0%	100.0%	3	
Urgent - within 7 days	83.3%			No. responded within timeframe	12	14	15	41	87.4%
				Total incidences	16	17	16	49	
				%	75.0%	82.4%	93.8%	2.511029412	
Non-urgent - within 14 days	79.4%			No. responded within timeframe	270	311	323	904	81.9%
				Total incidences	297	350	367	1014	
				%	90.9%	88.9%	88.0%	2.677771329	
The Hokianga Ferry Service will run in accordance with the advertised timetable	96.8%	≥95%	≥95%	No. runs on time	877	789	895	2561	97.7%
				Total scheduled crossings	908	822	914	2644	
				%	96.6%	96.0%	97.9%	96.86%	
				Q3 Performance Comments:					
				There have been no mechanical or weather interruptions this quarter. There has been less demand on the ferry service than usual despite this being peak period, this is possibly due to the impact Covid-19 has had on travel. However, there has still been a slight impact on the percentage of scheduled crossings achieved on time with this quarter resulting in a reduction of 0.78%.					

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	Jan-22	Feb-22	Mar-22	Q3 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	-	-	N/A	N/A	0.0%
				218,770 condition assessments undertaken	-	-	N/A	N/A	
					N/A	N/A	N/A	N/A	
				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%)	Q3 Performance Comments: The strategy and planning team has confirmed the list of footpath renewals and this is now with the maintenance contractors to provide estimates and programme of work which will be completed this financial year.				
Resurface and extend the footpath network as planned	100.0%	≥95% of planned work completed	≥95% of planned work completed	Length completed work	N/A	N/A	N/A	N/A	0.0%
				Total length planned	N/A	N/A	N/A	N/A	
				%	N/A	N/A	N/A	N/A	
					Q3 Performance Comments: The strategy and planning team has confirmed the list of footpath renewals and 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%	%	0.0%	0.0%	0.0%	0.0%	No incidences to report
Urgent - within 7 days	No incidences to report			%	0.0%	0.0%	0.0%	0.0%	No incidences to report
Non-urgent - within 14 days	93.6%	≥95%	≥95%	No. responded within timeframe	12	6	17	18	83.8%
				Total incidences	12	8	17	20	
				%	100.0%	75.0%	100.0%	90.0%	

Water Supply

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

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	Jan-22	Feb-22	Mar-22	Q3 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	100.0%	100%	
				Kerikeri Compliant Y/N	Y	Y	Y	100.0%	100%	
				Paihia Compliant Y/N	Y	Y	Y	100.0%	100%	
				Kawakawa Compliant Y/N	Y	Y	Y	100.0%	100%	
				Kaitaia Compliant Y/N	Y	Y	Y	100.0%	100%	
				Opononi Compliant Y/N	Y	Y	Y	100.0%	100%	
				Rawene Compliant Y/N	Y	Y	Y	100.0%	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	100.0%	100%	
				Kerikeri Compliant Y/N	Y	Y	Y	100.0%	100%	
				Paihia Compliant Y/N	Y	Y	Y	100.0%	100%	
				Kawakawa Compliant Y/N	Y	Y	Y	100.0%	100%	
				Kaitaia Compliant Y/N	Y	Y	Y	100.0%	100%	
				Opononi Compliant Y/N	Y	Y	Y	100.0%	100%	
				Rawene Compliant Y/N	Y	Y	Y	100.0%	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	2,386,601	2,339,554	2,304,979	7,031,134	28.2%	
				Total Nett Production	3,344,632	3,337,912	3,341,454	10,023,997		
				%	28.64%	29.91%	31.02%	29.86%		
				Q3 Performance Comments						
								Leak detection project has commenced in our district, resulting in some successful identification and repairs of water loss. This should start to reflect in following months results.		

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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	0.8	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	5.9	5.3	4.9	4.9	4.9
(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	0.5	0.5	0.6	0.6	0.6
(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	0.6	0.7	0.7	0.7	0.7
				Q3 Performance Comments: Resourcing and logistic impacts due to Covid-19 isolation requirements.					
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	157.0	178.0	198.0	533	69.95
				Monthly complaints	25.0	21.0	20.0	66	
				Number connected properties	10307	10307	10307	10,307	
				Total per 1000 properties	15.23	17.27	19.21	51.71	
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-20	Feb-20	Mar-20	Q3 Total Performance	YTD %
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	2,386,601	2,339,554	2,304,979	2,343,711	141.26
				No of residents	24,221	24,221	24,221	24,221	
				Consumption per resident	270	265	261	97	

Wastewater

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

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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	7	9	7	23	1.27
				Number connected properties	12002	12002	12002	12002	
				Total per 1000 properties	0.58	0.75	0.58	1.92	

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	1	5	0	6	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
				Q3 Performance Comments:					
				An infringement was issued to Russell waste water treatment plant in January for discharge of wastewater not in accordance with resource consent (e-coli), until the completion of the scheduled upgrades to this plant in the LTP this issue will remain. Five infringement notices were issued to Ventia for discharges in the Rawene network during February. No notices were issued during March.					

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)	1.5	1.38	1.5	1.5	1.50
				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)	3.5	3.4	3.4	3.4	3.40
				Achieved/Not Achieved:	Achieved	Achieved	Achieved	Achieved	

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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	10	9	4	23	60.8%			
				Total incidences	12	15	9	36				
				%	83.3%	60.0%	44.4%	63.9%				
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	10	9	6	25	57.8%			
				Total incidences	12	15	9	36				
				%	83.3%	60.0%	66.7%	69.4%				
								Q3 Performance Comments:				
								An improvement of 6.8% has been made for attendance to urgent callouts requiring attendance within two hours as well as a 19% improvement for those requiring attendance in four hours or less when compared against the previous quarter's figures. An average of 92 call outs per month of these, an average of 4.3 jobs have not met the required attendance time.				
The total number of complaints received by the territorial authority about any of the following: (a) sewerage 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	30	21	27	78	8.80			
				Number connected properties	12002	12002	12002	12002				
				Total per 1000 properties	2.50	1.75	2.25	6.50				

Stormwater

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

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	Jan-22	Feb-22	Mar-22	Q3 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	0
				Number connected properties	15607	15607	15607	15607	0%
				Total per 1000 properties	0%	0%	0%	0%	
				Q3 Performance Comments:					
				Short, intense rain has been experienced throughout the district in March. Although it is believed that luckily there have been no habitable floors flooded, there have been 3 cases of garage / basement flooding in 8 and 10 Sir James Henare Place in Moerewa, and 84 Rangitane Loop Road in Kerikeri.					
(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	0	4 hours
				Q3 Performance Comments:					
				There were no flooding events in this quarter.					

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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	8	20	21	49	11.71
				Number connected properties	15607	15607	15607	15607	
				Total per 1000 properties	0.51	1.28	1.35	3.14	
				Q3 Performance Comments:					
				Far North Waters are still impacted by a shortage of stormwater field staff, however have partially mitigated this with support from their projects division. Tropical storms have led to a sudden increase in requests, in which this would typically be a 'quiet' time for stormwater requests, as experienced in January.					
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
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	0.00	100.0%
				Total incidences	0	0	0	0.00	
				%	100.0%	100.0%	100.0%	100.0%	
				Q3 Performance Comments:					
				There were no flooding events in this quarter.					

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	Jan-22	Feb-22	Mar-22	Q3 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	1014.5	812.5	1018.77	2845.77	57.9%
				Total Tonnage	1762.4	1416.63	1651.48	4830.51	
				%	57.6%	57.4%	61.7%	59%	
Add at least one new community recycling facility	0	Minimum of 1 per year	Minimum of 1 per year	Number completed	1	0	0	1	100%
				Q3 Performance Comments: Recycling performance is being lowered by Waste Managements overall lower diversions. Northland waste is consistently achieving 62% in the Northern area. This is largely due to Northland Waste having a larger share of the commercial recycling market.					
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	662	662	613	645.666667	
					100.0%	100.0%	100.0%	100.0%	
Attending to RFS 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	1	0	1	100.0%
				Total incidences	0	1	0	1	
				%	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	27	27	18	72	83.6%
				Total incidences	36	31	20	87	
				%	75.0%	87.1%	90.0%	82.8%	
				Q3 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	Jan-22	Feb-22	Mar-22	Q3 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%
				Q3 Performance Comments					
				No complaints received regarding grave preparations for this quarter					

Civic and Community Buildings

To provide buildings for public recreation and leisure

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 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 BWOF for those that require them	All halls have appropriate certificates including BWOF for those that require them	Number uncertified	0	0	0	0	0.0%
					Q3 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

Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
Occupancy of available units	91.1%	95.0%	95%	Occupied Units	130	129	131	390	89.0%
				Total Units	144	144	144	432	
				%	90.3%	89.6%	91.0%	90.3%	
Percentage of faults responded within: Emergency - 12 hours	75.7%	100.0%	100%	No. responded within timeframe	6	2	17	25	100.0%
				Total incidences	6	2	17	25	
				%	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	4	20	20	44	67.3%
				Total incidences	8	28	27	63	
				%	50.0%	71.4%	74.1%	69.8%	
Percentage of faults responded within: Non Urgent - 7 days	62.3%	≥95%	>85%	No. responded within timeframe	4	19	14	37	65.1%
				Total incidences	9	28	19	56	
				%	44.4%	67.9%	73.7%	66.1%	
				Q3 Performance Comments					
				Emergency response met due to contractor availability to deal with urgent requests Non-urgent requests delayed due to Covid-19 isolation requirements, delays with shipping material. Occupancy rates have risen due to new procedures in place with conducting phone interviews for vacant units during the Omicron outbreak rather than holding on to them as was being done previously.					

Public Toilets

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

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	Jan-22	Feb-22	Mar-22	Q3 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	1	0	0	1	
Ensure that public toilets are maintained to an acceptable standard as per contract	97.3%	≥92%	≥90%	Number of audits met	5	15	14	34	93.8%
				Total number of audits	5	16	17	38	
					100.0%	93.8%	82.4%	89.5%	
				Q3 Performance Comments					
				The number of January audits is low due to staff being on annual leave over the Christmas & New Year period. Increase of toilet audits completed over February and March has increased. Failed audits for February and March to be discussed with RSL at the next Operational meeting on the 7/04/2022.					

Customer Services

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

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	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
Percentage of abandoned calls (Contact Centre)	19.2%	7%	12%	Abandoned calls	682	967	1,563	3,212	14.1%
				Total calls received	4,154	5,690	6,808	16,652	
				Percentage %	16.4%	17.0%	23.0%	19.3%	
				Q3 Performance Comments					
				Due to carrying two vacancies and a large number of unplanned staff absences (including Covid-19 illnesses), the third quarter target was not met.					
Service Centre users' satisfaction	48.30%	≥96.8	A new measure (1-5)	User satisfaction 2021/22	3.91	4.01	3.99	3.96	3.90
				Percentage change %	N/A	N/A	N/A	N/A	
				Q3 Performance Comments					
				The new programme rates one to five, with five being an excellent service provided. Service Centres are to receive a handout to give the customer which provides a link and a QR code 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	Jan-22	Feb-22	Mar-22	Q3 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	5,730	2,167	1,676	9,573	-3.9%
				Visitor bookings 2020/21	8,825	3,901	3,429	16,155	
				Percentage change %	-35.1%	-44.5%	-51.1%	-40.7%	
				Q3 Performance Comments					
				Visitor numbers and bookings are down for the three i-SITEs. Lack of visitors to the region has resulted in less bookings.					
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	32.3%	29.6%	11.5%	73.4%	-26.6%
				Percent net profit 2020/21	38.0%	46.6%	51.2%	135.8%	
				Change in percent net profit	-5.7%	-17.0%	-39.7%	-62.4%	
				Q3 Performance Comments					
				Retail sales are also affected by the lack of visitors although they are well supported by the community.					
Customer/Visitor satisfaction	-46.2	≥1% increase on previous year	New measure (1-5)	User Satisfaction 2021/22	5	5	5	5	3.33
				User Satisfaction 2020/21	N/A	N/A	n/a	#DIV/0!	
				Percentage change %	0.0%	0.0%	0.0%	0	
				Q3 Performance Comments					
				The i-SITEs consistently perform well with visitor satisfaction. Publications are producing a business card that customers can take away with them to complete.					

Libraries

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

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	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
Customer/Visitor satisfaction	94.70%	≥ to previous year	A new measure (1-5)	Visitor satisfaction 2021/22	3	5	1	4.00	4.05
				Q3 Performance Comments					
				Low numbers of feedback are impacting the usefulness of this tool currently.					
Increase the percentage of online library service use	91.2%	≥1% increase on previous year	≥1% increase on previous year	Online hits 2021/22	98,681	89,394	99,439	287,514	48.2%
				Online hits 2020/21	57,955	52,289	59,763	170,007	
				Percentage change %	70.3%	71.0%	66.4%	69.1%	
				Q3 Performance Comments					
					The increased range of digital content available continues to appeal to customers.				
Increase the total library membership relevant to the population of the District	40.90%	≥ to previous year	To maintain / Increase	Membership numbers	30797	30919	31032	31,032	33.1%
				District population	69,300	69,300	69,300	69,300	
				Percentage %	44.4%	44.6%	44.8%	44.8%	
				Q3 Performance Comments					
					Library membership continues to trend upwards.				

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	Jan-22	Feb-22	Mar-22	Q3 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	36	39	37	112	95.4%
				Total incidences	46	40	37	123	
				%	78.3%	97.5%	100.0%	91.1%	
Non-urgent within 10 days	94.60%	≥91%	≥93%	No. responded within timeframe	170	227	240	637	96.3%
				Total incidences	178	234	244	656	
				%	95.5%	97.0%	98.4%	97.1%	
				Q3 Performance Comments					
				January decrease for response problem due to an IT issue for the connection between Pathway and Objective that started just after Christmas. As a result Animal Management could not shut down the jobs although 100% of all customers were contacted and 100% of all jobs were actioned within the timeframes.					

Environmental Health

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	Jan-22	Feb-22	Mar-22	Q3 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	24	24	41	89	77.6%
				Total scheduled	25	25	48	98	
				%	96.0%	96.0%	85.4%	90.8%	
				Q3 Performance Comments					
				The verification cancelled in January was due to the operator not showing up, thi has been rescheduled. The remaining months were impacted by staff being away due to Covid-19 as well as bereavement leave in March being the reason for five of the seven cancelled verifications, the remaining two were again due to Covid-19.					

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	Jan-22	Feb-22	Mar-22	Q3 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	114	63	56	233	76.5%
				Total incidences	139	72	75	286	
				%	82.0%	87.5%	74.7%	81.5%	
In rural areas: 2 hours	81.1%	185.7%	≥95% within set timeframe	No. responded within timeframe	6	12	7	25	86.5%
				Total incidences	7	13	7	27	
				%	85.7%	92.3%	100.0%	92.6%	

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	Jan-22	Feb-22	Mar-22	Q3 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	6	31	35	72	63.4%
				Total premises	254	254	251	251	
				%	2.4%	12.2%	13.9%	28.7%	

Resource Consent Management

To administer and enforce the Resource Management Act 1991.

to administer and enforce the Resource Management Act 1991.									
Performance Measure	2020-21 Result	2020-21 Target	2021-22 Target	Measures	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
Respond to compliance incidents within 3 working days	93%	≥92%	≥93%	No. responded within timeframe	13	26	22	61	85.7%
				Total incidences	18	27	26	71	
				%	72.2%	96.3%	84.6%	85.9%	
Process applications made under the Resource Management Act 1991 within statutory timeframes	90.4%	≥95%	≥95%	No. processed within timeframe	22	22	8	52	84.5%
				Total applications	34	32	45	111	
				%	64.7%	68.8%	17.8%	46.8%	
				Q3 Performance Comments					
				The high volume of applications in the latter half of 2021, coupled with staff vacancies and a reduction in capacity of consultants processing applications has resulted in council being unable to allocate applications in a timely manner. This is adversely affecting the statutory time frames. This is anticipated to continue into the fourth quarter of the financial year.					

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	Jan-22	Feb-22	Mar-22	Q3 Total Performance	YTD Result
Process building consents within statutory timeframes	99.4%	≥95%	≥95%	No. processed within timeframe	86	137	125	348	99.6%
				Total applications	86	137	126	349	
				%	100.0%	100.0%	99.2%	99.7%	
				Q3 Performance Comments					
				Despite on going high consent numbers, the BCA is holding compliance, this may change as we approach the apex of the Covid-19 omicron curve, at which stage high staff absence are expected, reducing resource to complete tasks in all areas, we have some reliance in our contractor resource, but expect they will, like us, experience staff absences.					

5.5 AUDIT NZ MANAGEMENT REPORT FOR JUNE 2021

File Number: A3672214

Author: Janice Smith, Chief Financial Officer

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

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide the Draft Audit New Zealand Management Report on the June 2021 audit to Committee.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

Audit New Zealand carry out the annual audit of Council's financial records and at the end of the process they issue a Management Report to Council on their findings.

TŪTOHUNGA / RECOMMENDATION

That the Assurance, Risk and Finance Committee receive the report Audit NZ Management Report for June 2021.

TĀHUHU KŌRERO / BACKGROUND

Audit New Zealand are the appointed auditors of Council, and they completed the audit for the period to June 2021 in December 2021.

During the audit, there are issues that are raised that can be addressed at the time and there are issues that take longer to address. These issues are then reported back to Council via the Management Report.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The Management Report for the June 2021 audit was received on 22 March 2022.

Each item identified as requiring action, as well as open items from prior audits, were sent to the relevant manager within Council for comment.

Each of these comments is included in the body of the report and provide information on how the issues can be addressed going forward.

As is always the case, there are a few comments that indicate that staff do not agree with the issue raised by the auditors. In this report and the previous report, these centre around the disclosure of revaluation reserves and how the revaluation of group assets is undertaken.

In relation to the audit of the Statement of Service Provision and in particular the mandatory KPI's, the work required by the audit team to agree the data for these resulted in additional charges for the audit of \$19k. This is because the data requirements for the KPI were hard to review and that resulted in the comment at item 5.2 on page 18 of their report.

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

An additional charge of \$19k was levied by Audit New Zealand, over and above the agreed audit charge in the Letter of Engagement

ĀPITI HANGA / ATTACHMENTS

1. FNDC 21J Draft report to Governors - A3672647  

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the Council on the audit of

Far North District Council

For the year ended 30 June 2021

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Key messages

We have completed the audit for the year ended 30 June 2021. This report sets out our findings from the audit and draws attention to areas where the Far North District Council (the Council) is doing well and where we have made recommendations for improvement.

Audit opinion

We issued our audit report on 16 December 2021. Our report included an unmodified opinion on the financial statements and statement of service provision. This means we were satisfied that these statements present fairly the Council's activities for the year and its financial position at the end of the year.

Without modifying our audit opinion, we included an emphasis of matter paragraph to draw attention to the disclosures in the financial statements relating to the Government's three waters reform programme announcement.

Matters identified during the audit

This reporting round continued to be impacted by the Covid-19 pandemic. As part of this we considered the overall impact that Covid-19 may have had on the valuation of investment property and Property, Plant and Equipment that are subject to revaluation. Through our discussions with management, the external valuer and the work we performed we were able to conclude that the value of these assets has been fairly stated in this year's financial statements.

We have made a small number of new recommendations where we consider aspects of financial reporting could be improved. These are summarised in section 1.1.

There also continues to be a number of outstanding recommendations, some dating back to before 2016 that need to be addressed and closed. We will continue to monitor progress against these and urge the Council to ensure that progress is made on these matters. Refer to Appendix 1 for further details. All recommendations will be followed up during our audit for the year ended 30 June 2022.

Thank you

We would like to thank the Council, management and staff for their assistance during the audit and for their patience while the final stages of the audit were completed.

We also commend the Council for being able to accommodate the final audit during the different stages of Covid-19 restrictions.

David Walker
Appointed Auditor
Draft: 22 March 2022

1 Recommendations



Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommendations.

Priority	Explanation
Urgent	Needs to be addressed <i>urgently</i> These recommendations relate to a significant deficiency that exposes the Council to significant risk or for any other reason need to be addressed without delay.
Necessary	Address at the earliest reasonable opportunity, <i>generally within six months</i> These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	Address, <i>generally within six to 12 months</i> These recommendations relate to areas where the Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Capitalisation of property, plant and equipment We recommend the Council adopt procedures to ensure that assets that are available for use are capitalised in a timely manner.	5.1.1	Necessary
Fair value assessment for assets - non-revaluation year We recommend that management should prepare a fair value assessment which considers the experts' reports for assets not revalued in that particular year.	5.1.2	Necessary
Delegation of Authority We recommend that the Council ensures that the approval limit in the TechOne system is consistent with the approved Delegated Financial Authority.	5.3	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous years' recommendations. Appendix 1 sets out the status of previous year's recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open	0	11	4	15
Implemented or closed	0	3	0	3
Total	0	14	4	18

2 Our audit report

2.1 We issued an unmodified audit report



We issued an unmodified audit report on 16 December 2021. This means we were satisfied that the financial statements and statement of service provision present fairly the Council's activity for the year and its financial position at the end of the year.

Without modifying our audit opinion, we included an emphasis of matter paragraph to draw attention to the disclosures in the financial statements relating to the Government's three waters reform programme announcement.

2.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management any misstatements that we found, other than those which were clearly trivial. All significant misstatements identified during the audit have been corrected, other than the items below.

Current year uncorrected misstatements	Ref.	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Revenue	1				554,162
Retained Earnings				(554,162)	
PPE – Roading	2	1,726,934			
PPE – Water		95,223			
PPE – Wastewater		428,547			
PPE - Community facilities		319,350			
Capital WIP		(2,570,054)			
Total group		0	0	(554,162)	554,162

Explanation of uncorrected misstatements

- 1 In the prior year due to Covid-19 Level 4 lockdown, water meters could not be read for Kaikohe and they were not billed on their water consumption during the lockdown period. The unbilled water consumption for Kaikohe had not been accrued for, and therefore, the accrued revenue was estimated to be understated by \$554,162. The consequence of the prior year accrual not being accrued for means the current financial year's revenue is overstated.

- 2 Capital projects that appeared to have been completed and are in a state that they can be used as intended. Asset information documentation was outstanding at year-end. Even though the Capital work-in-progress is within the Property, Plant and Equipment total, the Capital work-in-progress is therefore the account balance that is overstated.

2.3 Uncorrected disclosure deficiencies

Detail of disclosure deficiency
The roading commitments subsidy should be \$18,730k. This results in a \$280k disclosure uncorrected difference in the narrative to Note 25: Capital commitments.

2.4 Corrected disclosure deficiencies and performance reporting misstatements

We also identified misstatements that were corrected by management. The corrected misstatements are listed in Appendix 2.

2.5 Quality and timeliness of information provided for audit



Management provided information for audit relating to the Annual Report of Far North District Council. This includes the draft Annual Report with supporting working papers. We provided a listing of information we required to management through AuditDashboard prior to the start of the final audit and during the audit, which included the dates we required the information to be provided to us.

We continue to see improvements in the quality and timeliness of information provided to us in support of the financial statements. Although there were some delays, we appreciated the effort taken by management to provide this information to us.

The quality of the draft statement of service provision provided is an area of concern. We noted a number of deficiencies in the reported performance. Refer to section 5.2 and Appendix 2 for further details.

3 Assessment of internal control



The Council, with support from management, is responsible for the effective design, implementation, and maintenance of internal controls. Our audit considers the internal control relevant to preparing the financial statements and the statement of service provision. We review internal controls relevant to the audit to design audit procedures that are appropriate in the circumstances. Our findings related to our normal audit work, and may not include all weaknesses for internal controls relevant to the audit.

3.1 Control environment

The control environment reflects the overall attitudes, awareness and actions of those involved in decision-making in the organisation. Management, with the oversight of the Council, need to establish and maintain a culture of honesty and ethical behaviour through implementation of policies, procedures and monitoring controls. This provides the basis to ensure that the other components of internal control can be effective.

We have performed a high-level assessment of the control environment, risk management process, and monitoring of controls relevant to financial and performance reporting. We considered the overall attitude, awareness, and actions of the Council and management to establish and maintain effective management procedures and internal controls.

We consider that a culture of honesty and ethical behaviour has been created. The elements of the control environment provide an appropriate foundation for other components of internal control.

3.2 Internal controls

Internal controls are the policies and processes that are designed to provide reasonable assurance as to the reliability and accuracy of financial and statement of service provision, as well as compliance with significant legislative requirements. These internal controls are designed, implemented and maintained by the Council and management, but the ultimate responsibility for the effective design, implementation and maintenance of internal control rests with the Council.

We reviewed the expenditure, payroll, revenue, fixed assets, general ledger reconciliations, journals and key performance measure systems. We also identified controls and completed walkthroughs to ensure the systems are operating as described.

It is not the purpose of our assessment to provide you with assurance on internal control in its own right. As such we provide no assurance that our assessment will necessarily identify and detect all matters in relation to internal control. Refer to section 5 and Appendix 1 for matters noted where internal controls can be improved.

4 Matters raised in the Audit Plan



In our Audit Plan of 15 September 2021, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
Revaluation of assets - revaluation year	
<p>The Council periodically revalues its assets. Assets being revalued in the year ended 30 June 2021 are:</p> <ul style="list-style-type: none"> • roading infrastructural assets (streetlights, pavements, walls, bridges); • stormwater infrastructural assets; • footpaths; • carparks; • refuse transfer stations and landfills; • land (except land under roads); • maritime facilities; • library books; • library buildings; • pensioner housing; and • community facilities infrastructural assets (halls, swimming pools, public toilets, cemeteries, camping grounds, park improvements). <p>These assets are valued every 1 - 2 years.</p> <p>PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying amount value does not differ materially from fair value.</p> <p>Due to the judgemental nature of the revaluation there is a risk of bias or error in the assumptions and inputs used.</p>	<p>FNDC performed valuations in accordance with PBE IPSAS 17, <i>Property, Plant and Equipment</i>. We have:</p> <ul style="list-style-type: none"> • obtained assurance that the valuation methodology complies with accounting standards, including the reasonableness of the assumptions and judgements made by the valuer and other inputs to the valuation; • assessed whether the fair value reasonably reflects the condition of assets (professional assistance was sought (valuers)) and therefore their remaining useful lives; • evaluated the qualifications, competence and expertise of the external valuer used; • assessed relevant controls that management has put in place for the valuation; and • ensured that the Council has correctly accounted for the revaluation in its financial statements and the assumptions and judgements relating to the valuation are adequately disclosed. <p>Management have performed this year's valuations with an effective date ranging from May 2021 to June 2021. Impairment has been considered as part of the valuation process and through internal impairment enquiries raised with asset managers following the completion of the valuation process up to balance date.</p>

Audit risk/issue	Outcome
<p>Due to the nature and value of the revaluations any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of the asset classes being revalued.</p>	<p>The valuers had considered the impact of Covid-19 in completing the revaluation. We have obtained sufficient assurance that the fair value of land and buildings is not materially different to carrying value due to uncertainties resulting from the impact of Covid-19 pandemic.</p> <p>Refer to Appendix 1 for further details.</p>
Fair value assessment for assets - non-revaluation year	
<p>The Council periodically revalues its assets.</p> <p>Asset classes which are not being revalued in the year ended 30 June 2021 are:</p> <ul style="list-style-type: none"> • water infrastructural assets; • wastewater infrastructural assets; and • roading assets - traffic services and road marking. <p>PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying value does not differ materially from fair value. A revaluation is not scheduled for this year for these assets.</p> <p>For those assets that will not be revalued this year, we expect the Council to perform a comprehensive analysis to determine whether there is a significant variance between the fair value, as at 30 June 2021, and the carrying value that would trigger the need for the Council to revalue or impair its assets. The Council should agree on a significant variance threshold, above which Council would complete a revaluation.</p> <p>When considering whether fair value movements are significant, the Council must consider the movements both by individual asset class basis and in aggregate across all asset classes carried on a revaluation basis.</p> <p>Given the ongoing movements in construction costs, there is a risk that the fair value is materially different from carrying value.</p>	<p>We have assessed whether any material fair value movements have taken place for assets not revalued for this year.</p> <p>We have considered Council's impairment assessment for assets carried at costs and confirmed that the conclusions reached by management appear reasonable.</p> <p>We are satisfied that the fair value of these assets is appropriate.</p>

Audit risk/issue	Outcome
We encourage the Council to perform this assessment early so that if a revaluation is required, there is time to complete it without impacting on the annual report process.	
Impairment of property, plant and equipment (PPE)/investment property/intangible assets	
<p>In accordance with PBE IPSAS 21, <i>Impairment of Non-Cash-Generating Assets</i> and PBE IPSAS 26 <i>Impairment of Cash-Generating Assets</i>, at each reporting date management must assess whether there is any indication that an asset may be impaired. If management identifies any indication of an impairment, then they must estimate the recoverable service amount of the asset.</p> <p>Due to the judgemental nature of the valuations used in assessing impairment there is a risk of bias or error in the assumptions and inputs used. Any bias or errors in the inputs used or calculations performed could result in a material misstatement in the carrying value of property plant and equipment/investment property/intangible assets and the related impairment expense.</p>	<p>External valuers conducted impairment reviews on non-revalued assets. We obtained and reviewed impairment reports and impairment test work carried out by the external valuers and we concluded that there are no impairment indicators. We also reviewed work in progress balances for signs of impairment and did not note any impairment indicators.</p> <p>We confirmed with management that they are not aware of any impairment indicators. Management should however be performing an assessment which considers the advice from their expert. Refer to section 5.1.2 for further details.</p> <p>The Council's investment property balance relates to its subsidiary Far North Holdings Limited (FNHL). We obtained clearance from the auditors of FNHL.</p>
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	<p>As part of our audit we have:</p> <ul style="list-style-type: none"> • tested the appropriateness of selected journal entries; • reviewed accounting estimates for indications of bias; and • evaluated any unusual or one-off transactions, including those with related parties. <p>No issues were noted from the work performed.</p>

Audit risk/issue	Outcome
Rates	
<p>Rates are Council's primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA) in rates setting and collection is critical to ensure that rates are validly set and not at risk of challenge. The Council should ensure it has appropriate processes in place, including seeking legal advice where appropriate, to ensure compliance of its rates and rating processes with legislation.</p> <p>Further, sections 90A to 90D of the Local Government (Rating) Act 2002 were introduced this year giving effect to the Local Government (Rating of Whenua Māori) Amendment Act 2021.</p> <p>These sections provide powers to the local authority to:</p> <ul style="list-style-type: none"> • write-off rates that cannot be recovered; and • write-off rates of deceased owners of Māori freehold land. <p>The Act requires the amount of rates written off to be disclosed in the notes to the financial statements.</p>	<p>We are satisfied that the Council complies with aspects of the Local Government (Rating) Act 2002 (LGRA) that may have a material impact on the financial statements.</p> <p>The Local Government (Rating of Whenua Māori) Amendment Bill was enacted on 12 April 2021. Rates written off during the period was \$16,851k. A total of \$10,196k was written off as non-rateable Māori Freehold land at the year-end.</p> <p>Some of the changes are already in force, but the most substantive provisions do not come into force until 1 July 2021, giving the Council time to review their internal systems and implement any new processes that may be needed. The review and investigation on the remaining rate accounts is an ongoing process after the year-end and investigations are being carried out on the remaining rate accounts.</p> <p>We have obtained reasonable assurance that the write off is reasonable and complies with the new legislation.</p>
Revaluation of investment property - Group	
<p>Far North Holdings Limited (FNHL) is an important component of the Council's group accounts and holds a major Investment Property portfolio. The fair value of the Group's investment properties needs to be assessed annually in accordance with the requirements of PBE IPSAS 16, <i>Investment Property</i>, as the Council has adopted the fair value model for these assets.</p> <p>Given the volatility in the property market there is potential for large valuation movements year on year, which need to be accounted for within the Statement of Comprehensive Income.</p>	<p>We obtained clearance from the auditors of Far North Holding Limited. We performed work over the consolidation and are satisfied that investment property and related movements have been correctly accounted for in the group financial statements. We are also satisfied that the assumptions and judgements relating to the valuation are adequately disclosed.</p>

Audit risk/issue	Outcome
Due to the nature and value of the revaluations, any bias or errors in the inputs used or calculations performed could result in a material misstatement in the value of the investment property.	
Accounting for controlled entities	
<p>The Far North District Council group is made up of a number of entities. As Council is the ultimate parent entity in the group, there is a need for determining what entities need to be accounted for in Council's group financial statements as well as ensuring there are appropriate processes in place with these entities to get relevant information for inclusion in Council's parent and group financial statements.</p> <p>Council will also need to assess the impact of the different accounting frameworks that are in place across the FNDC group and ensure appropriate adjustments are made in the group financial statements.</p>	<p>We have considered the financial information for all controlled entities and noted that FNHL was material to the group. The remaining entities were not material to the group financial statements.</p> <p>For controlled entities across the FNDC group applying different accounting frameworks, where material, we ensured that appropriate adjustments were made in the group financial statements as part of our work over the consolidation.</p> <p>No issues were identified.</p>
Impact of three waters reform	
<p>The three waters reform programme is one of the most significant policy programmes affecting local authorities. This is a three-year programme of work in three tranches.</p> <p>During 2020/21, the Council signed a non-binding Memorandum of Understanding (MOU) with Crown. By signing this MOU, the Council agreed to participate in the exploration of future service delivery options for the three waters services and to collaborate with agencies involved in the reform.</p> <p>On signing of the MOU, the Council subsequently received a share of \$761 million Crown stimulus funding, which was the first tranche of funding that was provided under the reform programme.</p> <p>It is important that the Council is appropriately accounting for this funding and is meeting the obligations of the funding agreement.</p>	<p>We are satisfied that accounting treatment of the three waters stimulus funding is in line with PBE accounting standards and the Council is meeting the obligations and reporting requirements as specified in the Funding Agreement. We are also satisfied the disclosure requirements of <i>PBE IPSAS 23 Revenue from Non-Exchange Transactions</i> has been applied.</p> <p>On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery.</p>

Audit risk/issue	Outcome
<p>Much of the policy is still to be developed, with significant announcements about the form of future water services entities expected in year 1 of the 2021-31 long-term plan (LTP) period (2021/22). The Council will then need to decide whether to opt out of the proposed new service delivery model. There is still considerable information to come as to what these reforms may mean for the Council before this decision will be made.</p> <p>We would expect the Council has taken steps to:</p> <ul style="list-style-type: none"> Consider the implications of any government announcements about three waters reform up to the date of authorisation of the financial statements. This includes the impact on financial statements and disclosures, including subsequent events disclosures. <p>Ensure any crown stimulus funding resulting from the three waters reform programme received by the Council has been appropriately accounted for in accordance with PBE accounting standards and the terms of the agreement.</p>	<p>Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024. Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies.</p> <p>It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024.</p> <p>The Council included an appropriate subsequent event disclosure in their financial statements, which reflected the announcement made on 27 October 2021 and set out at a high-level what the impact is on the Council's operations. An emphasis of matter paragraph is included in the audit report to draw the readers' attention to the three waters reform disclosure.</p>
Major capital projects	
<p>The Council continues to have a significant ongoing capital programme.</p> <p>Accounting for capital projects, whether completed during the year or in progress at balance date, requires assumptions and judgements to be made that can have a significant impact on the financial statements. Management and the Council are responsible for managing the financial statement risks associated with capital projects. This includes ensuring:</p> <ul style="list-style-type: none"> Project costs are reviewed to ensure these are appropriately classified as capital or operational in nature. 	<p>We noted \$34.9 million worth of capital budgets were deferred in 2020/21. Council reviews the deferred projects on a yearly basis and provides the reason for the deferrals. We noted the Council is making progress and is fully aware of any delays that are caused within or from outside the Council with further actions required to be taken.</p> <p>We reviewed management processes for accounting for costs incurred on capital projects:</p> <ul style="list-style-type: none"> We are satisfied that capital project costs are appropriately classified as capital or operational in nature.

Audit risk/issue	Outcome
<ul style="list-style-type: none"> • Work in progress (WIP) balances for projects already completed or available for use are transferred to the appropriate class of asset in a timely manner and depreciated accordingly from the date of capitalisation. • WIP balances on projects that span an extended period of time are assessed regularly for impairment over the period of the project. Costs no longer meeting criteria for recognition as an asset should be expensed in a timely manner. • Asset components are identified at an appropriate level, and appropriate useful lives are assigned to these components on completion. • The value and remaining useful life (RUL) of existing assets remains appropriate given replacement projects underway. • Capital commitments related to contracts entered into before balance date are disclosed in the notes to the financial statements. 	<ul style="list-style-type: none"> • We are satisfied that the depreciation start date is consistent with the date of capitalisation. However, we noted that some assets were not capitalised in a timely manner. Refer to section 5.1.1 for further details. • We are satisfied that asset components are identified at an appropriate level, and appropriate useful lives are assigned to these components on completion. The value and remaining useful life of existing assets remains appropriate. • We are satisfied that capital commitments related to contracts entered into before balance date are disclosed in the notes to the financial statements.
Impact of Covid-19 pandemic	
<p>The long-term impact of Covid-19 in New Zealand, and how it might affect public entities, is unknown. However, it is likely that the uncertainties in the economic environment will increase the risk of material misstatement in the financial statements. These effects might include uncertainties relating to revenue and asset valuations.</p> <p>Some local authorities have received funding from central government (such as “Shovel Ready” funding, or infrastructure recovery funding). It is important that the Council is appropriately accounting for this funding, taking account of any obligations of the funding agreements.</p>	<p>New Zealand continue to be impact by the Covid 19 pandemic during the 2020/21 financial year and post year-end.</p> <p>We obtained an understanding of the impact of Covid-19 on the Council’s operations, financial statements and performance story. The Covid-19 pandemic did not have a significant financial impact on the Council and group and on its ability to meet performance targets.</p> <p>We were satisfied that the main impacts of the pandemic were appropriately disclosed in the notes to the financial statements and in the statement of service provision.</p> <p>The Council included the impact of Covid-19 as part of subsequent events note disclosure.</p>

Audit risk/issue	Outcome
<p>We would expect the Council has taken steps to:</p> <ul style="list-style-type: none">• reconsider the risks that the Council faces;• reconfirm that reporting and internal control systems are in place and functioning effectively; and• ensure any “shovel ready” or infrastructure recovery” funding received by the Council has been appropriately accounted for in accordance with PBE accounting standards.	

5 Matters identified during the audit



During the audit we identified the following matters not specifically identified as part of our planning.

5.1 Property, plant and equipment

5.1.1 Capitalisation of property, plant and equipment

We noted that assets were not always capitalised in a timely manner. Retaining walls for which constructions were completed in the prior financial year were only capitalised in June 2021.

We also noted 69 capital projects worth \$2.57 million where no spend had been incurred in 2020/21. These assets have been disclosed in work in progress as the relevant signoffs from experts have not yet taken place. Depreciation of an asset begins when the asset is available for use and there is a risk that depreciation expense could be understated in the financial statements.

We recommend the Council adopt procedures to ensure that assets that are available for use are capitalised in a timely manner.

Management comment

Staff are actively working on the process that sits behind the capitalisation of assets with a view to reducing the impact of WIP at year end. Any changes that need to be made may not be in place for the June 2022 audit but should be in place for the June 2023 audit.

5.1.2 Fair value assessment for assets - non-revaluation year

Where an asset class in a particular year is not revalued, management is required to complete a fair value assessment. We have noted that management did not provide a fair value assessment completed by themselves as they had placed reliance on their expert report. While we understand managements' reliance on an expert, there may be information that management is aware of, but the valuers are not. It is for that reason the standards require management to complete a fair value assessment.

We recommend that management should prepare a fair value assessment which considers the experts' reports for assets not revalued in that particular year.

Management comment

This is noted and agreed. Managers will be asked to review reports and advise of any material issues that may affect the impairment testing.

5.2 Performance reporting control environment

We noted some weaknesses in the control environment over water supply and wastewater measures. The calculation and reporting processes are currently reliant on manual calculation and there are limited quality assurance controls in place. Data imported from the Request for Service (RFS) system gets manually copied over to an excel spreadsheet and calculation is formula driven throughout the workbook.

We noted the following matters:

- The formulas in the excel workbooks did not result in calculations that were consistent with Department of Internal Affairs (DIA) guidelines.
- Not all data has been captured. Data from digital submission forms' updates the database, however, some staff were still only filling in manual timesheets that were not updated in the database.
- Inconsistencies between the Masterfile and the submission forms/timesheet. There are some instances that the received time is not consistent with the submission forms or timesheets. There are a few instances where the attended time and resolved time was not consistent with the submission forms or timesheets.
- The classification of the RFS type is incorrect. There was an instance that the RFS of power outage had been classified and included as Water supply - no water or low pressure.
- No record of submission or timesheet to support the RFS. There were three instances where there was no record of submission or timesheet to support the RFS.

Due to the matters noted above we performed additional work over these measures. All performance and disclosure misstatements identified during the audit were corrected. Refer to Appendix 2 for further details.

We continue to recommend that the Council establish appropriate controls around the performance reporting process for RFS-related performance measures to ensure the calculation methodology used complies with DIA guidance and that those results are fairly stated in the annual report.

Management comment

The calculations referred to above have been amended in the 21-22 calculations to meet the DIA Guidelines. Missing data is being addressed with new monitoring of RFS eg: Daily RFS report and focus by Operations Management which should minimise this occurrence.

The comment in relation to incorrect classification is incorrect. If a pump is run by electricity and there is an area outage, then this can cause no water or low water pressure to the system or even sewerage overflow etc.

It is important to note that over 4000 RFS are received and actioned per year and the comment above refers to 3 errors, which is not significant in terms of the reporting for that KPI

5.3 Delegations of Authority

We performed a consistency check on the approval limit from the TechOne system to the approved Delegated Financial Authority and noted discrepancies in three positions.

We recommend that the Council ensures that the approval limit in the TechOne system is consistent with the approved Delegated Financial Authority.

Management comment

A working group has been established to review the processes behind the financial delegation process with the aim being to link the DFA to the position in the HRP system.

6 Public sector audit



The Council is accountable to their local community and to the public for its use of public resources. Everyone who pays taxes or rates has a right to know that the money is being spent wisely and in the way the Council said it would be spent.

As such, public sector audits have a broader scope than private sector audits. As part of our audit, we have considered if the Council has fairly reflected the results of its activities in its financial statements and non-financial information.

We also consider if there is any indication of issues relevant to the audit with:

- compliance with its statutory obligations that are relevant to the annual report;
- the Council carrying out its activities effectively and efficiently;
- the Council incurring waste as a result of any act or failure to act by a public entity;
- any sign or appearance of a lack of probity as a result of any act or omission, either by the Council or by one or more of its members, office holders, or employees; and
- any sign or appearance of a lack of financial prudence as a result of any act or omission by a public entity or by one or more of its members, office holders, or employees.

No issues were identified based on the work we performed as part of this year's audit.

7 Group audit



The group comprises:

- Far North District Council;
- Far North Holdings Limited;
- Te Ahu Charitable Trust;
- Twin Coast Cycle Trail Charitable Trust (Pou Herenga Tai);
- Roland's Wood Trust;
- Far North Regional Museum Trust; and
- Northern Adventure Experience Limited.

We have not identified any of the following during our audit for the year ended 30 June 2021:

- Instances where our review of the work of component auditors gave rise to a concern about the quality of that auditor's work.
- Limitations on the group audit.
- Fraud or suspected fraud involving group management, component management, employees with significant roles in group-wide controls, or others where the fraud resulted in a material misstatement of the group financial statements.

8 Useful publications



Based on our knowledge of the FNDC, we have included some publications that the Council and management may find useful.

Description	Where to find it
Performance reporting	
Public organisations are responsible for reporting their performance to Parliament and the public in a way that meaningfully reflects their organisation's aspirations and achievements. The Auditor-General published a discussion paper that explores five areas for improvement in performance reporting.	On the Office of the Auditor-General's website under publications. Link: The problems, progress, and potential of performance reporting
Local government risk management practices	
The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.	On the Office of the Auditor-General's website under publications. Link: Observations on local government risk management practices
Public accountability	
Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources. This discussion paper explores how well New Zealand's public accountability system is working in practice.	On the Office of the Auditor-General's website under publications. Link: Building a stronger public accountability system for New Zealanders
Setting and administering fees and levies for cost recovery	
This good practice guide provides guidance on settings fees and levies to recover costs. It covers the principles that public organisations should consider when making any decisions on setting and administering fees and levies. It also sets out the matters public organisations should consider when calculating the costs of producing goods or providing services and setting charges to recover those costs.	On the Office of the Auditor-General's website under publications. Link: Setting and administering fees and levies for cost recovery: Good practice guide

Description	Where to find it
Managing conflicts of interest involving council employees	
This article discusses findings across four councils on how conflicts of interest of council employees, including the chief executive and staff, are managed.	On the Office of the Auditor-General's website under publications. Link: Getting it right: Managing conflicts of interest involving council employees
Establishing a new "public entity"	
This document is for people making policy decisions about establishing a new public entity. It sets out questions to help you consider what accountability requirements a new public entity should have.	On the Office of the Auditor-General's website under publications. Link: Accountability requirements to consider when establishing a new "public entity"
Covid-19 implications for financial reporting and audit in the public sector	
Audit New Zealand Executive Director Steve Walker and Head of Accounting Robert Cox joined an online panel hosted by Victoria University of Wellington and the External Reporting Board. They discuss the effects of Covid-19 and the economic recovery on financial reporting and audit in the public sector.	On our website under good practice. Link: Covid-19 page Link: Webinar
Model financial statements	
Our model financial statements reflect best practice we have seen. They are a resource to assist in improving financial reporting. This includes: <ul style="list-style-type: none"> • significant accounting policies are alongside the notes to which they relate; • simplifying accounting policy language; • enhancing estimates and judgement disclosures; and • colour, contents pages and subheadings to assist the reader in navigating the financial statements. 	Link: Model Financial Statements
The Auditor-General's report on the results of recent audits	
The OAG publishes a report on the results of the recent annual audits for the sector.	On the OAG's website under publications. Links: Local government 2019/20 audits

Description	Where to find it
Procurement	
<p>The OAG are continuing their multi-year work programme on procurement.</p> <p>They have published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p> <p>Whilst this is focused on local government, many of the questions are relevant to all types of public sector entities.</p>	<p>On the OAG's website under publications.</p> <p>Links: Strategic suppliers: Understanding and managing the risks of service disruption Getting the best from panels of suppliers Local government procurement</p>

Appendix 1: Status of previous recommendations

Open recommendations

Recommendation	First raised	Status
Necessary		
<p>Compliance with PBE IPSAS 17 property, plant and equipment</p> <p>The Council needs to ensure the entire class of property, plant and equipment to which the asset, subject to revaluation, belongs is revalued to fully comply with PBE IPSAS 17.</p> <p>We also recommend that the Council review its disclosure to address these deficiencies identified in Property, plant and equipment note of the annual report.</p>	2020	<p>In progress</p> <p>Revaluing of PPE</p> <p>We noted that not all assets in the Roding asset class have been revalued this year. For example, Traffic Services and markings assets were not revalued as at 30 June 2021 as these assets are scheduled to be revalued in the next financial year. We note that the Council view is that paragraphs 51A and 52 of IPSAS 17 <i>Property, Plant and Equipment</i> does not define what a class of assets should be and therefore the Council does not consider these assets form part of the same class of assets. However, the Council has not reflected in its accounting policy that this is a separate class of assets and has included it within the same line item in the financial statements. This indicates that the Council has grouped it as one class of assets.</p> <p>Should assets not fall within the same class, this should be clearly reflected in the accounting policy and disclosed as a separate line item (that is, a separate class) in the Property, plant and equipment note to the financial statements.</p> <p>Management comment</p> <p><i>Audit continue to state that a revaluation class needs to be the same as a line in the PPE statements – however this is not a requirement of the standards that staff can identify. Council has determined the revaluation classes on the basis of common sense and less cost to ratepayers having agreed this with the audit team at the time. In recent years the revaluation classes have been adjusted to make sure that each class falls entirely within the PPE class and is not split. Council has the breakdown of assets within the revaluation process to accommodate the requirement to revalue Roding assets annually due to the value</i></p>

Recommendation	First raised	Status
		<i>of that asset base. Other Council's choose not to do that and have Roading assets on a three-year cycle, which means that other Councils can group assets to a lesser degree as their revaluations are far less frequent.</i>

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Recommendation	First raised	Status
		<p>Classification of PPE</p> <p>We have confirmed that “Land under roads” has been reclassified as an infrastructural asset in the financial statements. However, “Land under water”, “Land under wastewater”, “Land under district facilities” and “Land under parks and reserves” are still being reported under “Operational Land”. For consistency, these will also need to be reclassified to Infrastructural assets.</p> <p>Management comment</p> <p><i>This was agreed to be actioned as part of the June 2022 audit.</i></p>
<p>Network administrator user accounts</p> <p>The allocation of powerful ‘system administration user accounts’ is only provided to those people whose job role it is to maintain the network operating systems software and data. Further, these ‘accounts’ should be associated with strong authentication rules to guard against being compromised.</p>	2020	<p>Open</p> <p>Our review showed that there are many user ‘accounts’ that have these systems administration rights and some of these do not conform to Council policy on user authentication rules.</p> <p>We noted the structure of Administration Groups includes other Groups. One such case was the “Domain Admins” Group which was included in the “Enterprise Admins” Group. This was deleted whilst we were on site. There are others, that need more close examination in the form of a review.</p> <p>Management comment</p> <p><i>Only ICT staff and service accounts that require “Domain Admins” are in this group. There are no others.</i></p> <p><i>ICT Staff “Domain Admin” accounts have the prefix SA at the beginning of the username, so they are identifiable.</i></p> <p><i>The SA accounts are only used when the ICT staff member requires elevated access and are not used for their day to day access.</i></p> <p><i>All “Domain Admin” accounts require a different password to the ICT staff members day to day account and also require MFA.</i></p> <p><i>The Domain Admins group is not in the Enterprise Admins Group.</i></p>

Recommendation	First raised	Status
Performance reporting control environment Council should establish appropriate controls around the performance reporting process for RFS-related performance measures to ensure calculation methodology used comply with DIA guidance and that those results are fairly stated in the annual report.	2020	Open For further details please refer to section 5.2 above.

Recommendation	First raised	Status
<p>Periodic review of network logon accounts</p> <p>We recommend that the Active Directory is regularly reviewed to verify that user network logon accounts comply with Council password rules and that the accounts have not become redundant.</p>	2019	<p>In progress</p> <p>A formal process has been established to regularly review “Active Directory” (AD) to ensure that user network logon accounts are current. Council policy is that network user account passwords must expire and be changed on a regular basis. However, the frequency of password change across the board currently sits at zero, which was approved by the Chief Digital Officer after encountering Covid-19 remote working difficulties.</p> <p>During the current period, a review of “Contractor” network access needs has been continuing. This has seen a significant reduction in the number of redundant user accounts for “Contractors”.</p> <p>We obtained a current listing of network user accounts and reviewed exceptions with ICT operational staff.</p> <p>We noted there are a high number of network user logon accounts that have no requirement for the password to change and additionally, there are many accounts that have not been used for a period longer than six months.</p> <p>We continue to recommend that the review of Active Directory is completed and is regularly performed thereafter to ensure that network user logon accounts comply with Council password rules and good business practice.</p> <p>Management comment</p> <p><i>The Network Logon Account audit was completed by the Internal Auditor 26/10/2021. This is a reoccurring audit that is included in the Internal Auditors Work Programme.</i></p> <p><i>Additionally, Network Logon Accounts are also audited by the ICT Operations and Delivery team at least every 6 months. A scheduled reminder is programmed via the IT Service Management Tool – Freshservice.</i></p> <p><i>Password expiry rules have not been changed due to all staff being unable to visit the FNDC offices to change their passwords, due to Covid restrictions.</i></p>

Recommendation	First raised	Status
		<p><i>Once this restriction has been lifted the ICT team will be reenabling password expiry rules.</i></p> <p><i>ICT staff have also been working on a project where staff will no longer need to visit an FNDC office to change their passwords moving forward. ICT Staff are also rolling out the Self-Service Password Reset functionality which requires staff to provide two additional means of identity verification prior to a password being able to be reset.</i></p> <p><i>FNDC rolled out mandatory Multi Factor Authentication (MFA) in March 2021 to all staff, elected members, contractors, and vendors.</i></p>

Recommendation	First raised	Status
Segregation of duties – Journal entries <p>We recommend that management investigate whether changes can be made to the settings in TechOne to prevent the same person from being able to prepare and approve a journal.</p>	2018	Open <p>The current software does not allow such change to be made in the settings in TechOne.</p> <p>We will continue to follow up on our recommendation as part of next year audit.</p> <p>Management comment</p> <p><i>There has been no change to this item – the software will not allow control at this level.</i></p>
User access within TechOne accounting software <p>We recommend that management reviews user access rights within TechOne on a regular basis to make sure that they are consistent with the Council's policy.</p>	2018	In progress <p>We noted that an Internal Audit review of network user accounts was carried out in March 2020 and highlighted user access-related issues as well.</p> <p>The Council is in the process of CIA system upgrade and network user accounts review is covered as part of the system upgrade.</p> <p>Management comment</p> <p><i>Staff are working through access rights as part of the CIA build process. This is intended to refresh all access rights based on current work requirements and should eliminate all legacy access issues.</i></p>
Consolidated financial statements <p>Issues noted with the group financial statements in the prior years that could result in Group misstatements going forward are as follows:</p> <ul style="list-style-type: none"> Revaluation cycles - we found that not all assets in a class are revalued at the same time by all entities in the group. For example, FNHL revalue their land and buildings annually and the District Council does not. The District Council currently accounts for FNHL land, buildings and runways as separate asset classes for revaluation purposes in the group financial statements. 	2018	Open <p>We continued to note that not all assets in a class are revalued at the same time by all entities in the group.</p> <p>We also note that the accounting treatment for CAPEX PGF funding recognition and other non-cash transactions between the group entities shall be considered carefully as part of the group financial statements consolidation process.</p> <p>We recommend that the consolidation process undertaken by Council also takes into consideration the different recognition requirements between the group entities, for example between the FNHL (For-profit) and FNDC (Public Benefit Entity) when revenue and assets are recognised on the group accounts.</p>

Recommendation	First raised	Status
Unless the FNHL assets are entirely different asset classes from the District Council, the revaluation reserve that relates to assets owned by FNHL should be included in the same revaluation reserve line for the relevant asset class in the group financial statements (whether that is land, buildings etc.).		<p>Management comment</p> <p><i>After discussions with audit in the past we have agreed that the main cross-over between ourselves and FNHL is in Maritime and the roading strategic properties. As a result of this these classes as revalued annually to match the revaluation cycle of FNHL. Every other asset does not cross over. Council land and Buildings are not income producing or investment properties, so they have been put in a different class to avoid the issue of needless valuations and cost to ratepayers. The basis of these valuations for FNHL is return on investment and that is the reason for holding the properties. The basis of Council's valuations is depreciated replacement costs</i></p> <p><i>Council does consolidate revenue in line with the different recognition requirements – there is a large piece of work conducted each year by FNHL, and reviewed and applied to consolidation, to ensure that revenue received from PGF is recognised as income instead of being netted off against the asset.</i></p>
<p>High annual leave balances</p> <p>We recommended that annual leave balances are regularly reviewed and action is taken to actively manage the leave liability and mitigate the associated risks.</p>	2017	<p>Open</p> <p>Leave balances continue to be high.</p> <p>Management comment</p> <p><i>COVID has not improved the situation with the majority of staff working from home and travel being limited. Staff are encouraged to have a leave plan and in some instances, they are cashing out leave in line with policy. With the borders re-opening, we anticipate that staff will take more leave in the coming months.</i></p>
<p>Significant projects</p> <p>We recommended that the Council make sure that, for each project:</p> <ul style="list-style-type: none"> robust project governance and management structures are in place; 	2016 or earlier	<p>In progress</p> <p>The Council developed the Project Management Framework in October 2019 and the Council currently have portfolio planning project underway which serves the purpose of developing the Prioritisation Plan.</p>

Recommendation	First raised	Status
<ul style="list-style-type: none"> a project plan is developed; a procurement plan is documented; a comprehensive risk register is maintained; regular project reporting is undertaken; and adequate systems and controls are in place for: <ul style="list-style-type: none"> recording and appropriately classifying expenditure; ensuring the business benefits are identified, planned, implemented, managed and monitored through appropriate change management; and Identifying commitments for disclosure in the Council's financial statements. We also recommended that the Council consider obtaining independent assurance over significant projects to provide the Council with comfort that appropriate project management practices are being applied. 		<p>For training purposes, a programme of running PRINCE2 Foundation and in-house sessions are to be carried out. However, this was on hold due to the drought and Covid-19 pandemic.</p> <p>Management comment</p> <p><i>The Project Management Framework (PMF) which outlines the minimum requirements for all project delivery at FNDC, has been rolled out and embedded within the organisation. The PMO team are pro-actively working with Project Managers across the organisation to support the uptake which is going well.</i></p> <p>Project Governance:</p> <p><i>A Portfolio Governance Authority Framework has been established and meets quarterly to review portfolio performance.</i></p> <p><i>All projects now have an appropriate governance structure in place (Sponsor, Steering Group for larger initiatives, and included in one of the three Portfolios).</i></p> <p>The PMF:</p> <p><i>The PMF requires all projects to develop a Project Management Plan, undertake a risk assessment and maintain a Risk Register. Templates and guidance notes have been created and are available to all staff on the Project Delivery Knowledge hub on Sharepoint. A project register is maintained which identifies when projects have met these milestones and tracks progress.</i></p> <p>Procurement:</p> <p><i>For all procurements, a Procurement Plan is completed and reviewed by the Procurement Specialist prior to DFA approval. A Tender Panel reviews any high- risk / high value procurements or where an exception to the Procurement Policy has been requested. These meetings are held fortnightly and have representation from Risk, Legal, Operations, Sustainable Procurement and Finance.</i></p> <p>Project Reporting:</p> <p><i>Projects provide monthly status reporting to line management, PMO, Sponsor and into relevant Steering Groups.</i></p>

Recommendation	First raised	Status
		<p><i>Project Expenditure:</i></p> <p><i>This is managed by the cost centre manager or Project Manager who monitors project spend via TechOne reporting.</i></p> <p><i>Project Management Training:</i></p> <p><i>In-house training sessions on the Project Management Framework are undertaken regularly. Prince2 Foundation & Practitioner training has been set for May and July 2022 for key staff.</i></p>
<p>Deferral of capital expenditure</p> <p>We recommended that the Council gives consideration to the impact of deferred capital expenditure on asset condition and any potential impact this may also have on Council's asset valuations and impairment assessments for future reporting cycles.</p>	2016 or earlier	<p>In progress</p> <p>Council continues to defer capital expenditure. Refer to section 4, capital projects for further details.</p> <p>Management comment</p> <p><i>Council continues to move away from an age based asset renewal strategy, relying more on condition assessments as they become known.</i></p>
<p>Conflict of interest</p> <p>We recommend that:</p> <ul style="list-style-type: none"> Improvements are made to policies and procedures in connection with the management of conflicts of interest as a matter of priority. Perceived conflicts are proactively managed. This could include making a proactive disclosure to the market to give participants a level of comfort about the District Council's management of perceived conflicts of interest. 	2016 or earlier	<p>In progress</p> <p>The Council now uses SharePoint to record all conflicts of interest and management plans are stored in Objective. FNDC staff records are in progress of being transferred into SharePoint.</p> <p>New staff are requested to fill in an Employee Declaration Form in SharePoint on their first day at FNDC.</p> <p>With the Council now maintaining the records on an electronic platform, we intend on substantively reviewing how effective this process is as part of our next audit visit.</p>

Recommendation	First raised	Status
		<p>We have found an instance where no updated Interest Declaration Form has been received from a Councillor.</p> <p>Management comment</p> <p><i>The above is still the process.</i></p> <p>Phase 1</p> <p><i>However, for year end 2022, we are progressing to using CiAnywhere platform, where all employee declarations will be held on their personal records.</i></p> <p><i>This will workflow to their reporting manager to approve regardless of a "yes" or "no".</i></p> <p><i>If "yes", a management plan will need to be completed and approved/signed by both manager and employee.</i></p> <p><i>A full rollout is planned for May 2022 for all staff and to be completed by 30th of June.</i></p> <p><i>After 30 June 2022, this will be part of our induction for new starters to complete.</i></p> <p><i>Monthly audits will occur to ensure all management plans if any, are completed.</i></p> <p>Phase 2</p> <p><i>Reporting to SLT</i></p>
Beneficial		
<p>Property, plant and equipment disclosure</p> <p>We recommended that management reviews the PPE disclosures in the financial statements in advance of the next annual reporting cycle and considers whether changes can be made so that these more fully comply with the accounting standards.</p>	2017	<p>In progress</p> <p>Some progress has been made since our last report. For further improvement points discussed, refer to Appendix 1 - <i>Compliance with PBE IPSAS 17 property, plant and equipment</i> update on prior year recommendations.</p> <p>Management comment</p> <p><i>See comments above</i></p>
<p>Carbon credits</p> <p>We recommended that the Council recognise the carbon credits that it acquired at fair value at the date of acquisition.</p>	2017	<p>Open</p> <p>No progress has been made since our last report.</p> <p>Management comment</p> <p><i>Council does not have a harvesting strategy. However, it is intended to include a tentative project in the application for Better Of Funding</i></p>

Recommendation	First raised	Status
		<i>that could support this work alongside other work relating to significant trees within the District.</i>
<p>Information security policies</p> <p>The information security policies were reviewed as part of the Information Security Audit and while due for review, were found to be adequate in terms of content as were the processes sitting in behind these policies and adherence to both.</p> <p>An Internal Policy review was also undertaken by FNDC's Internal Auditor in 2018 and a review programme is underway (these policies scheduled for March 2019 – there were no urgent issues identified with these policies through the audit therefore the updating has been prioritised against other commitments the IS Team have).</p>	2016 or earlier	<p>Open</p> <p>We noted that the Council implemented information security management policies some time ago. However, these policies have not been reviewed and updated since 2011.</p> <p>With the changes in management structure during the current period it has been decided to set aside the Kaon/MPA Policy System framework. New IT related policies are to be developed, reviewed, approved and published.</p> <p>Management comment</p> <p><i>The first draft of the new revised ICT Policies has been completed. The next step is for SLT to review and approve the new policies.</i></p> <p><i>The policies have been developed by ICT security specialists, Kaon Security Ltd, and are fully referenced against the relevant legislation and ISO standards. The policy statements are written in plain English and are split into categories for User, Manager, and Technical to avoid any unnecessary complication. They also include a handy explanation to further clarify the intent of the policy statement.</i></p> <p><i>The policy system is kept up to date by Kaon's policy experts with any changes to legislation, standards, and guidelines. Kaon will notify FNDC if any additions or changes are needed which ensures ongoing audit and best practice alignment.</i></p>

Recommendation	First raised	Status
<p>Conflict of interest management</p> <p>A documented approach should be introduced detailing how declared conflicts of interest for staff members are reviewed and mitigations are implemented. The mitigations put in place for each declared interest by staff should be recorded in the Interests Register. We also recommend that all conflict of interest management plans are signed off by staff to confirm that they understand and accept the required mitigations.</p>	2019	<p>In progress</p> <p>The Council now uses SharePoint to record all conflicts of interest and management plans are stored in Objective. Only new records are on the Sharepoint.</p> <p>New staff are requested to fill in an Employee Declaration Form in SharePoint on their first day at FNDC.</p> <p>With the Council now maintaining the records on an electronic platform, we intend on substantively reviewing how effective this process is as part of our next audit visit.</p> <p>Management comment</p> <p><i>The above is still the process.</i></p> <p>Phase 1</p> <p><i>However, for year end 2022, we are progressing to using CiAnywhere platform, where all employee declarations will be held on their personal records.</i></p> <p><i>This will workflow to their reporting manager to approve regardless of a “yes” or “no”.</i></p> <p><i>If “yes”, a management plan will need to be completed and approved/signed by both manager and employee.</i></p> <p><i>A full rollout is planned for May 2022 for all staff and to be completed by 30th of June.</i></p> <p><i>After 30 June 2022, this will be part of our induction for new starters to complete.</i></p> <p><i>Monthly audits will occur to ensure all management plans if any, are completed.</i></p> <p>Phase 2</p> <p><i>Reporting to SLT</i></p>

Implemented or closed recommendations

Recommendation	First raised	Status
Non-compliance with the Local Government (Rating) Act Council should ensure there is a robust review in place to ensure consistency between these documents in the future so that rates are charged in line with the overall rates resolution approved by Council.	2020	Closed No issues were noted from audit work.
Bank suspense account Council should ensure suspense accounts are monitored regularly and cleared in a timely manner.	2020	Closed We reviewed age analysis on suspense accounts prepared by the Council and we are satisfied that the bank suspense account is cleared regularly and in timely manner.
Cashing up on annual leave We recommend that Council's leave policy is updated to reflect the legal limits and approval processes for cashing up annual leave balances.	2018	Closed From our review of the policy we note that there is guidance for cashing out annual leave and the limits.

Appendix 2: Corrected misstatements

Corrected current year misstatements	Reference	Assets	Liabilities	Equity	Financial performance
		Dr (Cr)	Dr (Cr)	Dr (Cr)	Dr (Cr)
Creditors	1		(1 559 000)		
Accruals			2 252 000		
Prepayments		(189 000)			
Sundry Debtors (including postponed rates debtors)		(504 000)			
Other revenue	2				(12 000)
Sundry Debtors (including postponed rates debtors)		12 000			
Total		681 000	693 000	0	(12 000)

Explanation of corrected misstatements

- 1 To correct calculations related to payables.
- 2 To accrue TACT recharges for year ending June 2021 not previously charged.

Corrected disclosure deficiencies

Detail of disclosure deficiency
PPE Budgeted figure updated to agree to Annual Plan LTP figure for 2020/21 financial years.
Borrowings and Other Financial Liabilities disclosures updated.
Depreciation policy note updated to include all asset classes.
The prior year comparative for properties declared surplus and held for sale disclosed.
The useful lives for different classes of intangible assets included.
Receivables disclosures updated.
Corrections to Subsidy and Grants totals and FIS.

Performance reporting deficiencies

Detail of deficiencies
[1.1.3] Roading - % sealed local road network resurfaced result corrected.
[1.2.1] and [1.2.2] relating to footpath had the results included as they had not been reflected in the draft provided for audit.
[3.1.2] Wastewater - Compliance with resource consents - abatement notices, infringement notices, enforcement notices and convictions results corrected.
[2.1.3] Watersupply - Median response time to Resolve and Attend fault/interruptions results corrected.
[3.1.1] Wastewater - Total # of Dry weather sewerage overflow results corrected.
[3.1.3] Wastewater - Median response time to Resolve and Attend fault/interruptions results corrected.
[3.1.4] Wastewater - # of complaints result corrected.
[4.1.3] Stormwater - Median response time to attend a flooding event result corrected for the current and prior year.
[6.5.1] measure related to disabled parking status corrected.
Several prior year results were updated to agree to the audited result.
Several targets were updated to be consisted with the LTP.

Appendix 3: Disclosures

Area	Key messages
Our responsibilities in conducting the audit	<p>We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.</p> <p>The audit of the financial statements does not relieve management or the Council of their responsibilities.</p> <p>Our Audit Engagement Letter contains a detailed explanation of the respective responsibilities of the auditor and the Council.</p>
Auditing standards	<p>We carried out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect instances of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The Council and management are responsible for implementing and maintaining your systems of controls for detecting these matters.</p>
Auditor independence	<p>We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: <i>International Code of Ethics for Assurance Practitioners</i>, issued by New Zealand Auditing and Assurance Standards Board.</p> <p>In addition to our audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the District Council's debenture trust deed, and completed the audit of the Council's 2021-31 Long-Term Plan and related Consultation Document.</p> <p>Other than the audit and these engagements, we have no relationship with or interests in the District Council or its subsidiaries and controlled entities.</p>
Fees	<p>The audit fee for the year is \$192,367, as detailed in our Audit Proposal Letter.</p> <p>Other fees charged in the period are:</p> <ul style="list-style-type: none"> \$121,800, for the audit of the Consultation Document and Long-term Plan; and \$7,125, for limited assurance engagement related to the District Council's Debenture Trust Deed.

Area	Key messages
Other relationships	<p>We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council or its subsidiaries that is significant to the audit.</p> <p>We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the District Council or its subsidiaries during or since the end of the financial year.</p>

DRAFT



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5.6 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE FOR APRIL 2022**File Number: A3672062****Author: Joshna Panday, Democracy Advisor****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 for April 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

1. **Action Sheet - A3676927**  

OUTSTANDING ACTIONS REPORT			
Division: Committee: Officer:		Assurance, Risk and Finance Committee Panday, Joshna	
		Printed: Wednesday, 13 April 2022 1:11:43 PM Date From: Date To:	
Meeting	Title	Resolution	Notes
Assurance, Risk and Finance Committee 16/03/2022	Assurance, Risk and Finance Committee Action Sheet Update March 2022	RESOLUTION 2022/10 Moved: Cr Rachel Smith Seconded: Member Adele Gardner That the Assurance, Risk and Finance Committee receive the report Action Sheet Update March 2022. <u>In Favour:</u> Deputy Mayor Court, Crs John Vujcich, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania, Members Bruce Robertson, Mike Edmonds and Adele Gardner <u>Against:</u> Nil CARRIED <i>Notes:</i> <i>Program Darwin to be included to next Action Sheet 27 April 2022</i>	Chris Grobler: The date for the first Programme Darwin Elected Members Steering Group (EMSG), which was postponed from the 2 nd of March 2022, has been set for the 28 th of April 2022. <ul style="list-style-type: none"> In the main the objective of the EMSG is to provide members with and understanding of the: <ul style="list-style-type: none"> Context and current status of the programme Issues and opportunities Overall delivery timelines for each workstream Example of process work delivered to date The outcome of the EMSG will see a common understanding of the programme's risk profile that will be communicated to the ARF after the EMSG meeting.

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Confirmation of Previous Minutes	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - April 2022 Audit and Assurance Report	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority 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
6.3 - Technology Update Report	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

- 7 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER**
- 8 TE KAPINGA HUI / MEETING CLOSE**