



**Far North  
District Council**



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

# **AGENDA**


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

**Thursday, 23 June 2022**

**Time: 9:30am**  
**Location: Council Chamber**  
**Memorial Avenue**  
**Kaikohe**

**Membership:**

Cr John Vujcich - Chairperson  
Member Bruce Robertson – Deputy Chairperson  
Mayor John Carter  
Deputy Mayor Ann Court  
Cr Mate Radich  
Cr Rachel Smith  
Cr Kelly Stratford  
Cr Moko Tepania  
Member Mike Edmonds – Kaikohe-Hokianga Community Board  
Member Adele Gardner – Te Hiku Community Board

	<b>Authorising Body</b>	Mayor/Council
	<b>Status</b>	Standing Committee
<b>COUNCIL COMMITTEE</b>	<b>Title</b>	Assurance, Risk and Finance Committee Terms of Reference
	<b>Approval Date</b>	19 December 2019
	<b>Responsible Officer</b>	Chief Executive

## Purpose

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

The Committee will review the effectiveness of the following aspects:

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

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

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

## Membership

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

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

Mayor Carter

John Vujcich – Chairperson

Bruce Robertson – Deputy Chairperson and Independent Member of the Committee

Moko Tepania

Mate Radich

Rachel Smith

Kelly Stratford

Ann Court

Mike Edmonds

Adele Gardner

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

**Quorum**

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

**Frequency of Meetings**

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

**Power to Delegate**

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

**Committees Responsibilities**

The Committees responsibilities are described below:

**Financial systems and performance of the Council**

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

**Far North Holdings Limited (FNHL)**

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

**Risk Management**

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

**Internal Audit and Controls**

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

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

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

**Rules and Procedures**

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

**Annual reporting**

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

**ASSURANCE, RISK AND FINANCE COMMITTEE - MEMBERS REGISTER OF INTERESTS**

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

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

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

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

<b>Name</b>	<b>Responsibility (i.e. Chairperson etc)</b>	<b>Declaration of Interests</b>	<b>Nature of Potential Interest</b>	<b>Member's Proposed Management Plan</b>
			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
<b>Mike Edmonds</b>	Chair	Kaikohe Mechanical and Historic Trust	Council Funding	Decide at the time
	Committee member	Kaikohe Rugby Football and Sports Club	Council Funding	Withdraw and abstain
<b>Adele Gardner</b>	N/A - FNDC Honorarium			
	Te Hiku Education Trust	Trustee		
	Te Ahu Charitable Trust	Trustee		
	ST Johns Kaitaia Branch	Trustee/ Committee Member		
	Te Hiku Sports Hub Committee	Committee Member		
	I know many FNDC staff members as I was an FNDC staff member from 1994-2008.			
<b>Partner of Adele Gardner</b>	N/A as Retired			



**Far North District Council**  
**Assurance, Risk and Finance Committee Meeting**  
**will be held in the Council Chamber, Memorial Avenue, Kaikohe on:**  
**Thursday 23 June 2022 at 9:30am**

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**Te Paeroa Mahi / Order of Business**

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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:** A3703038

**Author:** Joshna Panday, Democracy Advisor

**Authoriser:** Aisha Huriwai, Team Leader Democracy Services

#### PURPOSE OF THE REPORT

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

#### RECOMMENDATION

**That the Assurance, Risk and Finance Committee confirms the minutes of the Assurance, Risk and Finance Committee meeting held 27 April 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. Assurance, Risk and Finance minutes 27 April 2022 - A3684893 [↓](#) 

**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.

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

**MINUTES OF FAR NORTH DISTRICT COUNCIL  
ASSURANCE, RISK AND FINANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE  
ON WEDNESDAY, 27 APRIL 2022 AT 11:15 AM**

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

**IN ATTENDANCE:** William J Taylor, MBE (General Manager Corporate Services), Andy Finch (General Manager Infrastructure and Asset Management), Dr Dean Myburgh (General Manager District Service), Ajay Kumar (Management Accountant), Jaime Dyhrberg (Chief Transformation & Technology Officer), Tanya Reid (Principal Advisor - Organisational Performance and Transformation), Glenn Rainham (Manager Infrastructure Operations), Margriet Veenstra (Manager Transaction Services), Roger Ackers (Manager Strategy Development), Lisa Huria (Manager ICT Operations & Delivery)

**1 KARAKIA TIMATANGA – OPENING PRAYER**

Chair John Vujcich commenced the meeting and Cr Kelly Stratford opened with a karakia.

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

**2.1 APOLOGY**

**RESOLUTION 2022/1**

Moved: Chairperson John Vujcich

Seconded: Member Adele Gardner

**That the apology received from Mayor John Carter (HWTM) be accepted and leave of absence granted.**

**CARRIED**

**3 NGĀ TONO KŌRERO / DEPUTATION**

There were no deputations.

**4 CONFIRMATION OF PREVIOUS MINUTES**

**4.1 CONFIRMATION OF PREVIOUS MINUTES**

Agenda item 4.1 document number A3667630, pages 12 - 18 refers

**RESOLUTION 2022/2**

Moved: Chairperson John Vujcich

Seconded: Member Adele Gardner

**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.**

**CARRIED**

**5 INFORMATION REPORTS****5.1 APRIL RISK MANAGEMENT REPORT**

Agenda item 5.1 document number A3650572, pages 19 - 44 refers

**RESOLUTION 2022/3**Moved: Cr Rachel Smith  
Seconded: Cr Kelly Stratford**That the Assurance, Risk and Finance Committee receive the report April Risk Management Report.****CARRIED****5.2 REVENUE RECOVERY REPORT 31 MARCH 2022**

Agenda item 5.2 document number A3661007, pages 45 - 50 refers

**RESOLUTION 2022/4**Moved: Cr Rachel Smith  
Seconded: Deputy Mayor Ann Court**That the Assurance, Risk and Finance Committee receive the report Revenue recovery report 31 March 2022.****CARRIED****5.3 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2022**

Agenda item 5.3 document number A3662252, pages 51 - 76 refers

**RESOLUTION 2022/5**Moved: Cr Rachel Smith  
Seconded: Member Bruce Robertson**That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 28 February 2022.****CARRIED****5.4 LEVEL OF SERVICE KPI QUARTER 3 PERFORMANCE REPORT FOR 2021-2022**

Agenda item 5.4 document number A3668792, pages 77 - 97 refers

**RESOLUTION 2022/6**Moved: Cr Rachel Smith  
Seconded: Cr Kelly Stratford**That the Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 3 Performance Report for 2021-2022.****CARRIED**







## 5 REPORTS

### 5.1 APPROVE ADDITION OF RESOURCE CONSENTS RISK TO ORGANISATION TOP RISK DASHBOARD

**File Number:** A3733521

**Author:** Tanya Reid, Principal Advisor - Organisational Performance and Transformation

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

#### TAKE PŪRONGO / PURPOSE OF THE REPORT

To seek approval to include the emerging risk, "Resource Consents", on the Organisational Top Risks Dashboard.

#### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

The Risk Management Policy requires the reporting of:

- emerging, changing and decreasing risks of potential impact to the achievement of Council objectives; and
- to escalate in a timely manner any risk management issues or concerns when they arise.

Since October 2020 District Services have flagged that they have an emerging risk. Despite analysis and treatment of this risk the risk trend is increasing. As a result, this report recommends inclusion of the risk on the Organisational Top Risks Dashboard.

The addition of this emerging risk on to the Organisational Top Risks Dashboard will enable governance focus.

#### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee approves the addition of the Resource Consents" risk onto the Organisational Top Risks Dashboard.**

#### 1) TĀHUHU KŌRERO / BACKGROUND

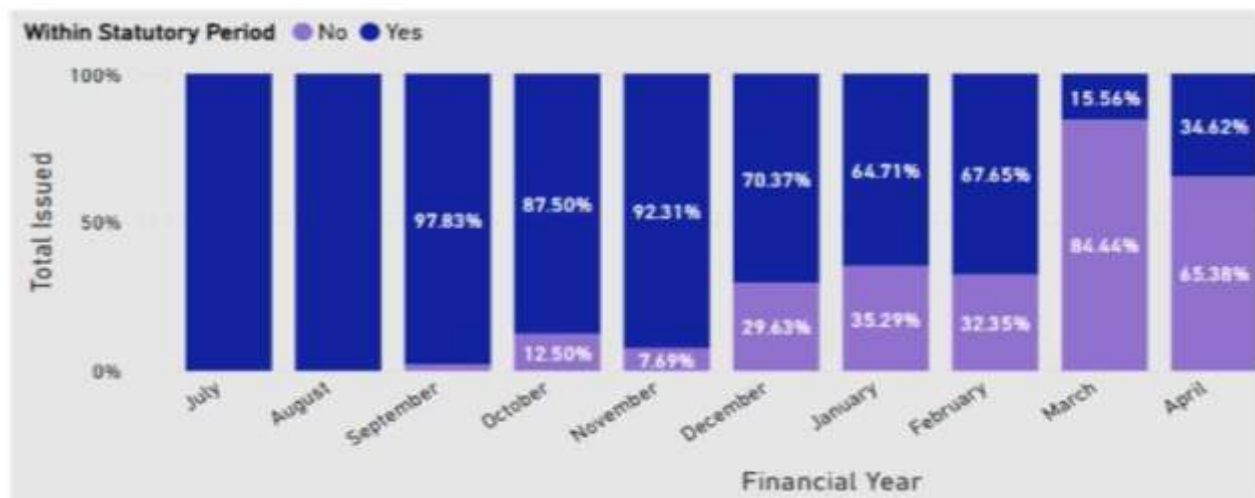
Over the past five years, Council has received an increasing number of applications for resource consents. It is anticipated that the volume of applications received will continue to rise driven by the anticipated release of the Proposed District Plan (PDP), environmental legislative changes, the needs of the critical housing market and the influx of new residents to the Far North.

Applications Received - Monthly



The number of Full Time Equivalent staff (FTEs) in the Resource Consents Team (the Team) has not increased at the same rate that the work has increased. Instead, the Council has increasingly relied on consultant planners and engineers for Business as Usual (BAU) processing to meet statutory time frames.

The high volume coupled with several staff vacancies and limited capacity of planning and engineering consultants; has resulted in Council being unable to allocate applications in a timely manner, and subsequently Resource Consents has been unable to process many applications within statutory timeframes.



The number of unallocated applications (backlog) has been increasing since early December 2021 and there are currently 170 applications lodged but unallocated within Council’s systems, dating back to early March 2022 (as of 30 May 2022).

This is having significant negative effects on the building and construction industry, the social and economic well-being of Far North ratepayers and on the Council’s bottom line.

Since October 2020 District Services have flagged that this is an emerging risk. Despite analysis and treatment of this risk, by District Services (including Vision 20/20, IT systems enhancements) the risk trend is increasing and is impacting on our ability to meet statutory timelines. This risk had been classified as People and Culture (Capability, mindsets, behaviour) but is now considered to be Operational/Financial (Whole of business view of FNDC performance including service/services delivery, risk, finance, environmental) and organisational.

The risk has been scored as high impact and will happen. The risk is recorded on the District Services Risk Register as risk DS016:

Because of Unidentified increase or decrease of requirement for environmental consents, monitoring and licensing, driven by user demand, and new environment due to effects of COVID-19 pandemic, new proposed District Plan and RMA Reform there is a chance that FNDC do not have the flexibility to increase/decrease resources to meet the demand, leading to poor legislative performance and siege mentality. We do not meet our statutory obligations and/or staff loss.

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

The “Resource Consents” risk has been analysed as an organisational risk in the Operational/Financial category with a score of 41 and a probability of “will happen”. Using the organisational risk and likelihood statements the Environmental Services inherent risk impact score is calculated as follows:

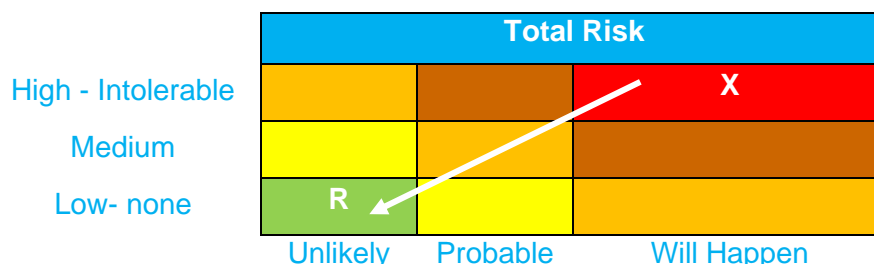
1. Finance category, 9: Impact is high (≥ 0.3% rates increase); likelihood is “will happen” (the risk is likely to occur and there is frequent exposure to this risk)
2. FNDC Customer category, 9: Impact is high (potential loss of essential service and cost to customer); likelihood is “will happen” (the risk is likely to occur and there is frequent exposure to this risk)
3. Reputational category, 9: Impact is high (loss of national trust and confidence, 2-5 years to re-establish); likelihood is “will happen” (the risk is likely to occur and there is frequent exposure to this risk)
4. Compliance / Legal, 7: Impact is medium (we are challenged and found to be non-compliant with fines or penalties <\$500,000); likelihood is “will happen” (the risk is likely to occur and there is frequent exposure to this risk)
5. Health & Safety, 7: Impact is medium (Minor harm and/or isolated recoverable illness); likelihood is “will happen” (the risk is likely to occur and there is frequent exposure to this risk).

Table 1: “Resource Consent” risk inherent risk impact score and desired residual risk score using the organisational risk and likelihood statements:

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

The likelihood of the “Resource Consent” risk materialising has been assessed as “will happen.” District Services risk appetite, as assessed by the residual risk score of 13, is to treat this risk to reduce to low impact and unlikely to occur (the risk is unlikely to occur e.g., once in every 10-year event, there is a low exposure to the risk). This is illustrated in the risk heat map in table two.

Table 2: Risk heat map as assessed May 2022 identifying inherent risk profile and expected residual profile.



The Environmental Services team have proposed a delivery plan to resolve the backlog of resource consent applications and to ensure that the Resource Consents Team achieves statutory timeframes under the Resource Management Act 1991. The plan recommends:

1. Short term:
  - a. Attract more staff to current roles
  - b. Pay Market allowance
  - c. Create additional fixed term and permanent roles
  - d. Engage additional consultants
2. Medium term:
  - a. Restructure department
  - b. Analyse financial modelling
  - c. Investigate shared resourcing with Whangarei District Council

### **Options**

#### **Two options are proposed**

1. Maintain the status quo with the “Resource Consent” risk on the District Services Group Risk Register
2. Add the “Resource Consent” risk as ARF019 to the Organisational Top Risks Dashboard, with three monthly risk progress reports, to ensure governance and that we address the questions – where are the gaps and what more could we be doing?

#### **Take Tūtohunga / Reason for the recommendation**

To ensure governance, at the appropriate level, our recommended option is option two as Resource Consents is an organisational high impact risk.

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

No additional budgetary provision is requested.

#### **ĀPITIHINGA / ATTACHMENTS**

**Nil**

**Hōtaka Take Ōkawa / Compliance Schedule:**

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

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

<b>He Take Ōkawa / Compliance Requirement</b>	<b>Aromatawai Kaimahi / Staff Assessment</b>
State the level of significance (high or low) of the issue or proposal as determined by the <a href="#">Council's Significance and Engagement Policy</a>	The recommendation in this report does not meet the thresholds as per the Council's significance and engagement policy.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Risk Management Policy.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	District wide.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.  State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The recommendation in this report does not have any direct implications for Māori.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	There are no affected or interested parties to this recommendation.
State the financial implications and where budgetary provisions have been made to support this decision.	There is no financial implication or request for budgetary provision at this stage.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

## 6 INFORMATION REPORTS

### 6.1 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 30 APRIL 2022

**File Number:** A3731211

**Author:** Angie Thomas, Manager - Accounting Services

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

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

To provide an overview and information on the current financial position and performance of the Far North District Council as at 30 April 2022.

#### TE WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- This report provides a summary overview, Statement of Financial Performance, Capital Performance and Borrowing and Investment reports.
- A supplementary addendum regarding the Capital Program has been requested by the Chief Executive. This information is being collated and will be distributed to Elected Members, as a separate attachment, prior to the meeting.

#### NGĀ TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report Council Financial Report for the Period Ending 30 April 2022.**

#### TE TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at 30 April 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 Apr 2022 (Prd10) FINAL - A3733794 [↓](#) 



































































## 6.2 JUNE RISK MANAGEMENT REPORT

**File Number:** A3732299

**Author:** Tanya Reid, Principal Advisor - Organisational Performance and Transformation

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

### TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an information report on:

- organisational risk management
- emergent risk
- scheduled risk progress reports for the organisation's top risks
- Group risk update; and
- business continuity planning.

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Risk progress updates are provided for six of the seven scheduled reports on top organisational risks. The risk trend is stable for four of these risks and increasing for two.
- One emergent risk is subject to a separate decision report for consideration as a top organisational risk.
- No new emergent risks have been identified for inclusion in this report.
- Risk management at a group and departmental level continues as does development of business continuity plans for essential services.

### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report June 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. Please note, at the request of Assurance, Risk and Finance Committee members the June deep dive is a continuation of the April Affordability risk deep dive.

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	5	Climate Change active treatment plan in place with treatment pipeline.
ARF016	Climate Change Community Transition Risk	01/12/22	39		Stable	5	Climate Change active treatment plan in place with treatment pipeline.
ARF017	Climate Change Direct Risk to Council Physical and Natural Assets	01/12/22	37		Stable	5	Climate Change active treatment plan in place with treatment pipeline.
ARF018	Failure to understand and capture climate-related opportunities	01/12/22	29		Stable	0	Climate Change active treatment plan in place with treatment pipeline.
Enterprise Governance							
ARF003	Health & Safety Vulnerabilities	30/05/19	46	34	Increasing	22	Not all treatment plan progress is to schedule; increase in threatening behavior from the public; ongoing non-compliance with Health and Safety at Work Act regulations across our assets.
ARF005	Affordability Risk	30/05/19	45	26	Increasing	20	Affordability Risk have been themed to develop four targeted risks. These have been scored. Treatment plan to be agreed.
ARF010	Data Governance Risks	30/05/19	39	14	Increasing	8	Cyber security risk, is intensifying with growing digital dependency and increasing geopolitical disruptions.
Infrastructure and Asset Management							

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:
ARF004	Asset Management Risks	30/05/19	45	18	Decreasing	6	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	6	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	8	Legislative and regulatory change currently continues to impact this risk.
ARF012	Contract Management Risks	30/05/19	39	14	Stable	25	Treatments such as the new contracts register, and contract management framework are progressing.
ARF013	Drinking Water Resilience	05/07/20	35		Stable	20	Updated Water Safety Plans completed.
ARF014	Programme Darwin	08/09/21	35	13	Increasing	8	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 Assurance, Risk and Finance Committee meeting date:	02/02	16/03	27/04	22/06	31/08
	Deep Dive Programme:			Review <a href="#">Risk Management Policy</a> Affordability risks	Climate Change – Treatment mapping / residual risk Affordability risks	Infrastructure & Asset Management risks Climate change
Climate Change risk progress reporting schedule						
ARF01 5	Climate Change Organisation Transition Risk		✓		✓	✓
ARF01 6	Climate Change Community Transition Risk		✓		✓	✓
ARF01 7	Climate Change Direct Risk to Council Physical and Natural Assets	✓		✓		✓
ARF01 8	Failure to understand and capture climate-related opportunities				✓	
Enterprise Governance risk progress reporting schedule						
ARF00 3	Health & Safety Vulnerabilities	✓		✓		✓
ARF00 5	Affordability Risk				✓	
ARF01 0	Data Governance Risks				✓	
Infrastructure and Asset Management risk progress reporting schedule						
ARF00 4	Asset Management Risks	✓				✓
ARF00 6	Project Priorities Deliveries Delays	✓		✓		✓



	2022 Assurance, Risk and Finance Committee meeting date:	02/02	16/03	27/04	22/06	31/08
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****We are operating in a very dynamic context**

The Council needs to plan for disruption to cope with an uncertain and fast-changing environment characterized by less stability and predictability.

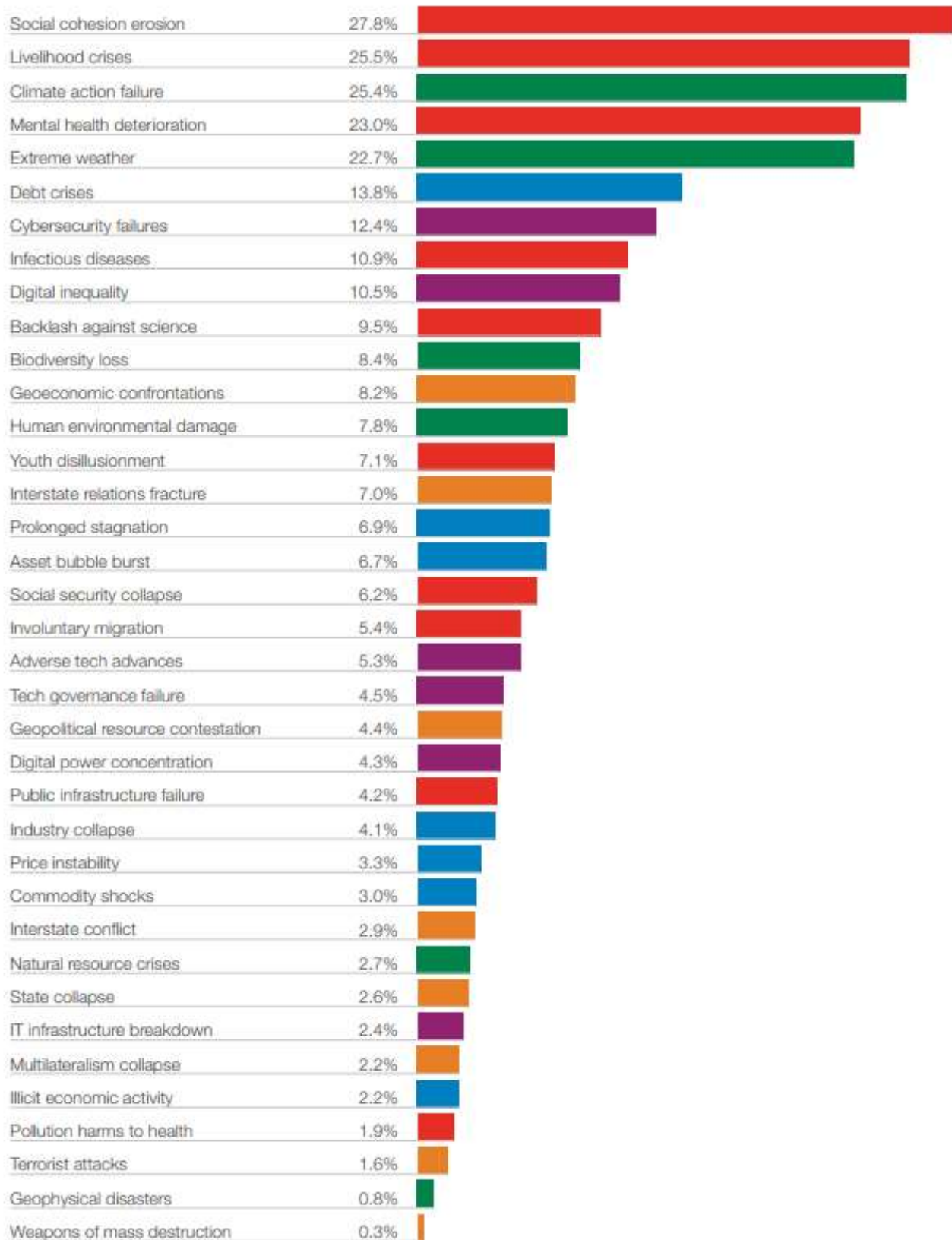
A number of our organisational risks require a diverse skill mix, collaboration, and adaptability, to deliver the required treatments to achieve elected members' risk appetite (residual risk). Cross functional, multi-skilled teams (such as risk reference groups), with clear accountability on end-to-end delivery will reduce time and effort waste, improving collaboration and alignment.

The World Economic Forum 2021-2022 Global Risks Perception Survey (nearly 1,000 global experts and leaders responded) included a reviewed the implications of the COVID-19 pandemic on risk. The graphic below identifies the risks which respondents have assessed as "worsened" since the start of the pandemic. The survey also included a question on international risk mitigation efforts. "Artificial intelligence", "space exploitation", "cross-border cyberattacks and misinformation" and "migration and refugees" are the areas where most respondents believe the current state of risk mitigation efforts fall short of the challenge—that is, efforts are "not started" or in "early development". Meanwhile, for "trade facilitation", "international crime" and "weapons of mass destruction", large majorities perceived risk mitigation efforts to be "established" or "effective". The graphic below ranks international risk mitigation efforts in ascending order of the combined total of established and effective mitigations.

# COVID-19 Hindsight

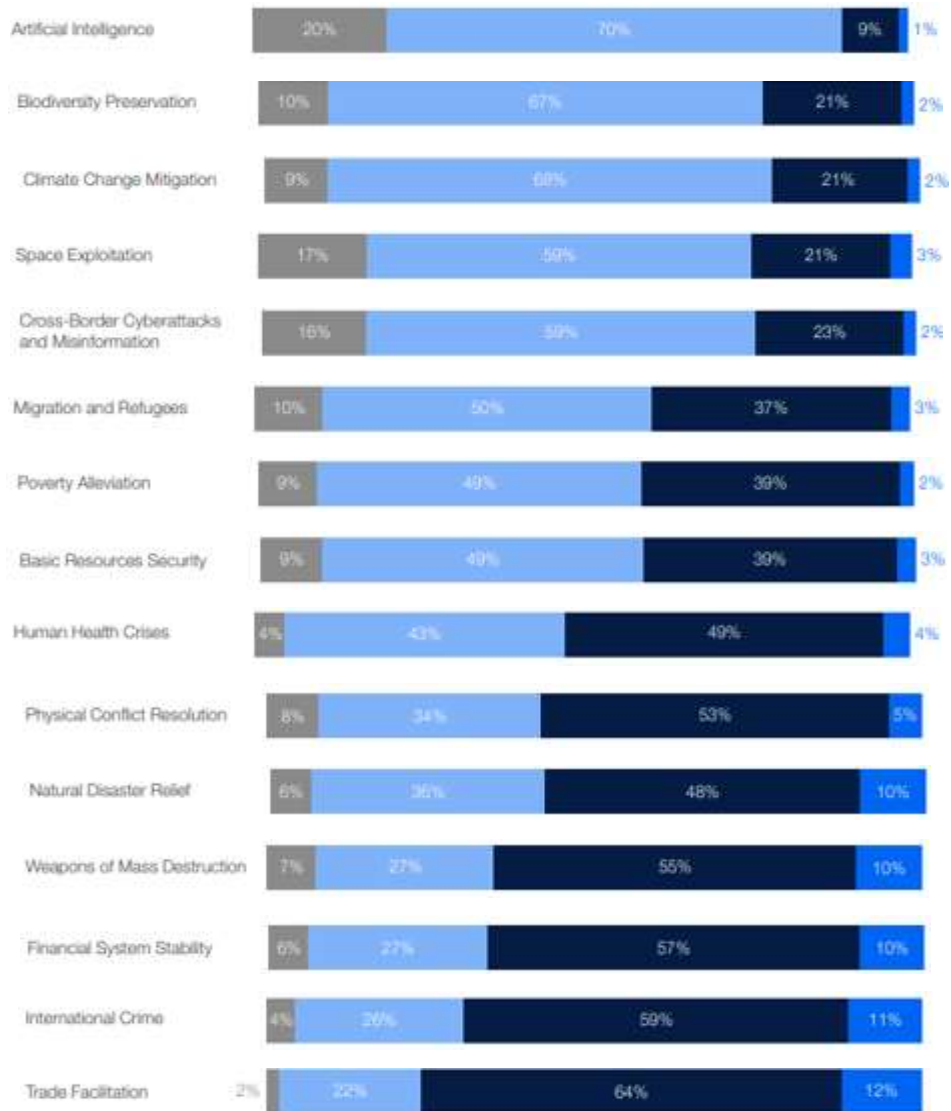
Risks that worsened the most since the start of the COVID-19 crisis

■ Economic 
 ■ Environmental 
 ■ Geopolitical 
 ■ Societal 
 ■ Technological



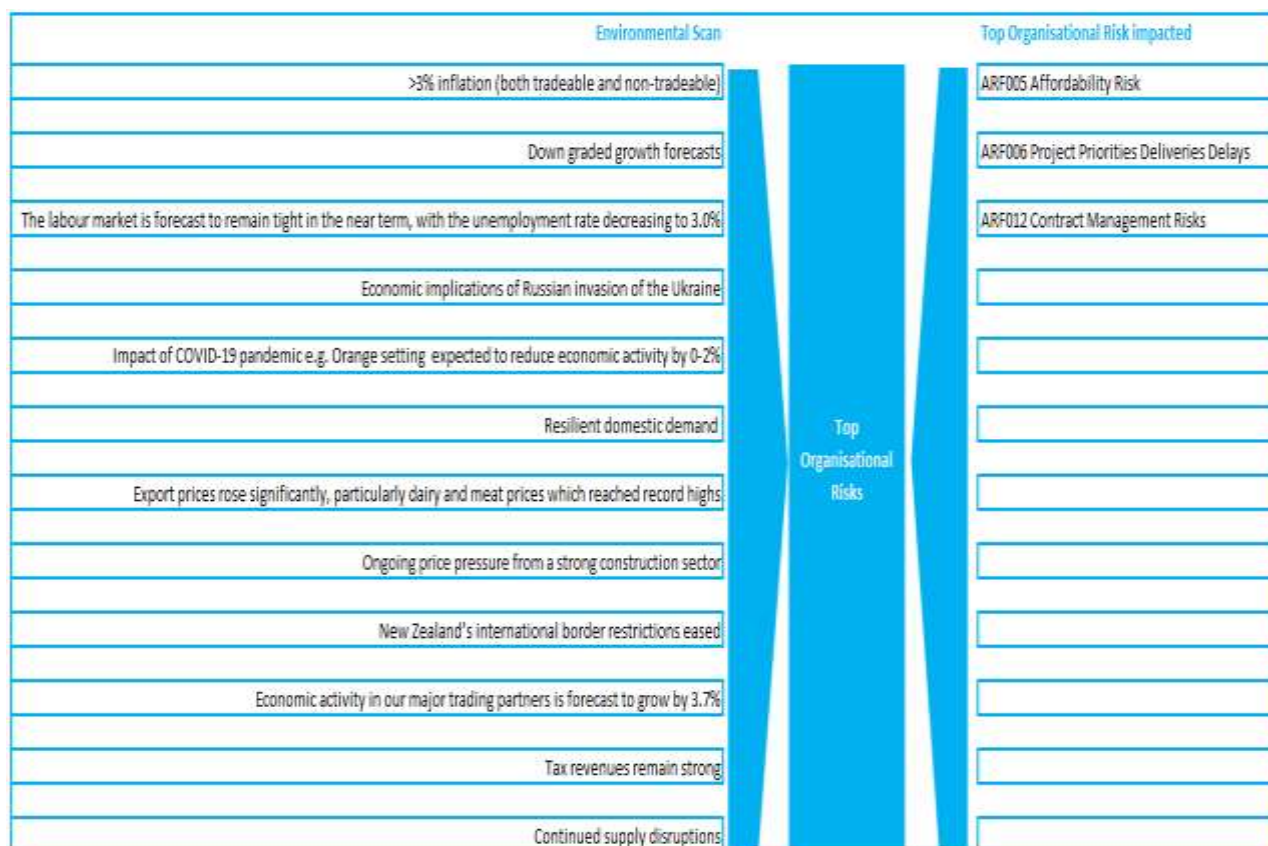
**INTERNATIONAL RISK MITIGATION EFFORTS**

**CURRENT STATE OF INTERNATIONAL RISK MITIGATION EFFORTS IN EACH AREA  
IN ASCENDING ORDER BY COMBINED TOTAL ESTABLISHED + EFFECTIVE**



## Organisational risk management

Council continues to experience external environment influences which are aggravating three organisational risks. The graphic below provides a picture of the environmental impacts on these risks.



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

This work has been placed on hold.

### 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	A decision report is included on the Assurance, Risk and Finance Committee 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

Emergent risks	Presented to ARF:	Progress
		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 <a href="#">review of WorkSafe New Zealand's performance of its regulatory functions in relation to activities on Whakaari White Island</a> .	February 2021	Impact to be considered when further information is to hand.
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.

#### Organisational risk progress reports:

There is no scheduled ARF005 Affordability Risk progress report as we continue to workshop with risk with Assurance, Risk and Finance Committee.

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

1. ARF007 Compliance NRC Abatements risk progress report. The inherent risk rating trend has been assessed as **increasing** due to the legislative and regulatory change currently being faced.
2. ARF010 Data Governance Risks Progress Report. The inherent risk rating trend has been assessed as **increasing**. Three active programmes of work will result in improved data governance.
3. ARF013 Drinking Water Resilience Risk Progress Report. The inherent risk rating trend has been assessed as **stable** as Council continues progress water safety management action plans.
4. Climate Change Risks (ARF015, ARF016 and ARF018) The inherent risk rating trend has been assessed as **stable** for these three Climate Change risks. Climate Change active treatment plan in place with treatment pipeline.

#### Programme Darwin

No risk reporting has been provided.

#### Group Risk Up-date

Corporate Services have established three lines of defence. The Corporate Services risk register is in the process of being refreshed.

#### 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

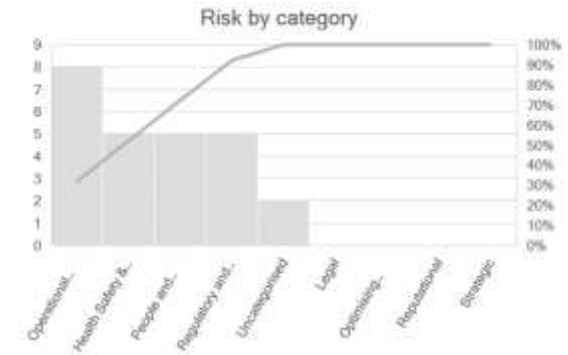
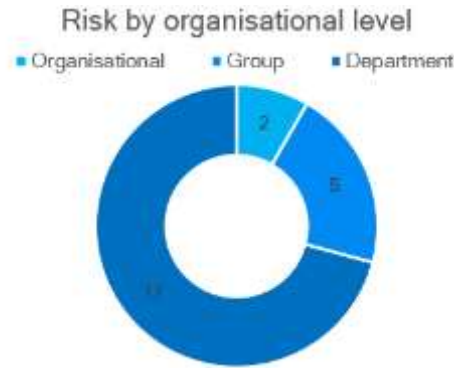
- the risk description by category (see table 4):
  - Health, Safety & Wellbeing
  - Legal
  - Operational / Financial
  - Optimising efficiency
  - People and culture
  - Regulatory and Compliance

## Group Risk Dashboard

### District Services Risk Dashboard

Review Date: 20/05/2022

25 risks (an increase of 1)



### IAM Group Risk Dashboard

Review Date: 20/05/2022

25 risks (an increase of 1)

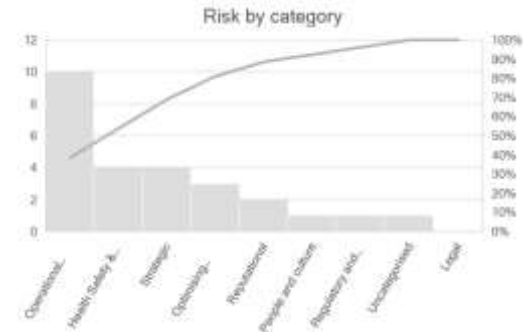




Table 4: Key to risk category

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 Compliance	and 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.

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





- Corporate Services: Essential services have been identified and agreed for development of Business Continuity Plans. Work continues to complete plans.
- IAM: District Facilities have completed Business Continuity Plans for essential services.
- People & Capability have completed their business continuity plan.
- The District Services and Strategic Planning & Policy Groups have completed business continuity plans for essential services.

Business continuity plans are all available at [Business Continuity Planning - Home \(sharepoint.com\)](#)

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

No additional budgetary provision is requested.

**ĀPITIHINGA / ATTACHMENTS**

1. **2022 06 ARF007 Compliance NRC Abatements Risk Progress Report - A3732000** [↓](#) 
2. **2022 06 ARF010 Data Governance Risk Progress Report - A3732305** [↓](#) 
3. **2022 06 ARF013 Drinking Water Resilience Risk Progress Report - A3732004** [↓](#) 
4. **2022 06 Climate Change Risk Progress Report - A3732002** [↓](#) 















































### 6.3 FAR NORTH HOLDINGS LTD - THIRD QUARTER FINANCIAL REPORT

**File Number:** A3727235

**Author:** Janice Smith, Chief Financial Officer

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

#### TAKE PŪRONGO / PURPOSE OF THE REPORT

To present the Far North Holdings Limited (FNHL) third quarter financial report

#### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This report is the third quarter report for the financial year 2021/22.

#### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report Far North Holdings Ltd - Third Quarter Financial Report.**

#### TĀHUHU KŌRERO / BACKGROUND

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

##### **RESOLUTION 2020/21**

*Moved: Mayor John Carter*

*Seconded: Cr Dave Collard*

**That Council:**

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

The March 2022 third quarter financial report is the third report received for the current financial year.

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

Despite constraints in the supply chain brought upon by Covid-19 and wet weather conditions, both of which are causing delays to the construction of the Ngawha Innovation and Enterprise Park, confidence remains strong for Stage 1 to open by the end of 2022. The Regent, NorthTec and Innovation Centre buildings are all under construction and the Corrections House building compound is awaiting resource consent. The search continues for other partner(s) to contribute horticultural expertise and/or equity investment.

The Kamo Road housing project has experienced delays and is now expected to open in May 2022.

The new partnership established to build 60 units on the former RSA site in Kaikohe is hoping for work to commence shortly, with the application for resource consent having been submitted.

Interest rate cover ratio represents how many times the company can pay its obligations using earnings – it improved from 2.29 at 31 March 2021 to 3.38 at 31 March 2022, but it slightly deteriorated from 3.4 at 31 Dec 2021.

Equity/asset ratio illustrates how the company pays for its assets, so the lower it is, the more debt the company has used to pay for them – it was deteriorated from 52.76% at 31 March 2021 to 51.9% as at 31 March 2022 and improved slightly from 52.4% at 31 Dec 2021.



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

The Maritime projects have been successful, with the Hokianga projects all now completed available for use during the summer; the commercial wharves at Pukenui and Unahi are also complete; and the Bay of Islands Marina Boatyard has now been sealed, improving the environment for yard employees and marine tenants.

Operating surplus decreased from \$1,519k to \$1,372k between 31 Mar 2021 and 31 Mar 2022, a reduction of almost 10%, but compared to budget, it was reduced by 7% against the \$1,475k budgeted due to:

- Increase in Goods Sold, from \$1,506k to \$1,964k, 30% - due to higher-than-expected sales for fuel, boat painting and honey operations.
- Increase in Inventories, from \$1,204k to \$1,642k, 36.4% - this offsets the increase in Goods Sold above.
- Increase in Commission, \$9k budget to \$42k actual, 364% - due to high level of domestic demand for marina berths, for which FNHL receive a commission on each sale that is made.
- Reduction in Finance income, from \$5k budget to (\$2k) actual, 143% - due to reversal of finance charges to debtors through non-payment.
- Increase in Employee benefit expenses, \$2,655k budget to \$2,976k actual, 12% - due to additional staff to maintain the level of performance required to manage several high-profile projects and continued growth of FNHL. Also, a tight labour market and wage inflation has resulted in higher salaries, together with the living wage being adopted as a minimum wage.
- Reduced Director compensation, from \$136k budgeted to \$106k actual, 22% - only 4 directors are currently on the Board, however additional directors are being recruited.
- Increase in Donations from \$34k budget to \$65k actual, 93% - due to sponsorship for the R Tucker Thomson voyages that had been delayed due to Covid.
- Decreased direct expenses from investment property, \$1,211k budget to \$ 1,077k actual, 11% - largely due to maintenance work delays as a result of supply chain issues, and larger projects being prioritised.
- Reduced impairment of receivables, \$49k budget to \$13k actual, 74% - some debt that had been allowed to be written off was recovered.

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

The are no financial implications arising from this report.

## **ĀPITI HANGA / ATTACHMENTS**

1. **FNHL - Third Quarter Report 31 March 2022 - A3727230** [↓](#) 













**6.4 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 JANUARY - 31 MARCH 2022****File Number:** A3732103**Author:** Mia Haywood, People and Capability Data and Systems Specialist**Authoriser:** Jill Coyle, Chief People Officer**TAKE PŪRONGO / PURPOSE OF THE REPORT**

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

**WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY**

Included in the report is information on:

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

**TŪTOHUNGA / RECOMMENDATION**

**That the Assurance, Risk and Finance Committee receive the report People and Capability Quarterly Update: 1 January - 31 March 2022**

**TĀHUHU KŌRERO / BACKGROUND**

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

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

This report is Information only.

**ĀPITIHINGA / ATTACHMENTS**

1. **People & Capability Turnover Report 1 January to 31 March 2022 - A3695397** [↓](#) 













## 6.5 TAX GOVERNANCE FRAMEWORK AND POLICY

**File Number:** A3727308

**Author:** Janice Smith, Chief Financial Officer

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

### TAKE PŪRONGO / PURPOSE OF THE REPORT

To present the Tax governance framework and policy to the Committee

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

The attached Tax Governance Framework and Policy has been developed with Council's tax advisors (PwC) to ensure that the Council's tax obligations are effectively managed and the protocol surrounding any issues identified are understood and the Committee advised.

### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report Tax Governance Framework and Policy.**

### TĀHUHU KŌRERO / BACKGROUND

Council's tax advisors have provided a tax governance framework and policy to clearly articulate where the responsibility for management of Council's tax obligations lies.

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

The attached tax governance framework and policy details the levels of responsibility for tax matters within Council. It clearly articulates the steps that should be taken if tax issues arise, who can manage those and when support from Council's tax advisors should be sought.

A full tax compliance audit will be undertaken in June 2022. It was planned to occur in January, but due to COVID restrictions, this has been delayed.

A report on the findings from the review will be presented to the Committee in due course.

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

The tax compliance audit will be funded from existing budgets

### ĀPITIHINGA / ATTACHMENTS

1. FNDC Tax Governance Framework and Strategy - A3727290 [↓](#) 















## 6.6 ASSURANCE, RISK AND FINANCE COMMITTEE ACTION SHEET UPDATE FOR JUNE 2022

**File Number:** A3672062

**Author:** Marlema Baker, 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.

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

### TŪTOHUNGA / RECOMMENDATION

**That the Assurance, Risk and Finance Committee receive the report Action Sheet Update for June 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 Committee with an overview of outstanding committee decisions from 1 January 2020. There are no outstanding or overdue actions for the Assurance, Risk and Finance. All actions for the Assurance, Risk and Finance Committee from 1 January 2020 have been completed.

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

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

### ĀPITIHINGA / ATTACHMENTS

Nil

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

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

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

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>7.1 - Confirmation of Previous Minutes</b>	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
<b>7.2 - Technology Update Report</b>	s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
<b>7.3 - FNDC Current Legal Action Potential Liability Claims Report</b>	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

**8 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER**

**9 TE KAPINGA HUI / MEETING CLOSE**