



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA


Te Miromiro - Assurance, Risk and Finance Committee Meeting

Tuesday, 31 October 2023

Time: 10:30 am
Location: Council Chambers
Memorial Avenue
Kaikohe

Membership:

Mr Graeme McGlenn - Chairperson
Deputy Chairperson John Vujcich
Kahika - Mayor Moko Tepania
Kōwhai - Deputy Mayor Kelly Stratford
Cr Ann Court
Cr Hilda Halkyard-Harawira
Cr Steve McNally
Cr Penetaui Kleskovic
Cr Tāmami Rākena
Cr Felicity Foy
Cr Babe Kapa
Cr Mate Radich

 Far North District Council <i>Te Kaunihara o Tai Tokerau ki te Raki</i>	Authorising Body	Mayor/Council
	Status	Standing Committee
COUNCIL COMMITTEE	Title	Te Miromiro – Assurance Risk and Finance Terms of Reference
	Approval Date	15 December 2022
	Responsible Officer	Chief Executive

Purpose

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

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 member must develop and maintain his or her skills and knowledge, including an understanding of the Committees responsibilities, and of the Council's business, operations and risks.

Membership

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

The Committee will comprise of all elected members, and one independent appointed member, appointed as Chair with full voting rights.

Mayor Tepania

Graeme McGlinn – Chairperson and Independent Member

John Vujcich – Deputy Chairperson

Kelly Stratford

Ann Court

Babe Kapa

Felicity Foy

Hilda Halkyard-Harawira

Mate Radich

Penetaui Kleskovic

Steve McNally

Tāmami Rākena

Quorum

The quorum at a meeting of the Committee is 7 members.

Frequency of Meetings

The Committee shall meet quarterly.

Power to Delegate

The Committee may not delegate any of its responsibilities, duties or powers.

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 the Letter of Expectation and Statement of Intent
- Receive Annual Report (s67 LGA)
- Receive quarterly financial statements (s66 LGA)
- Receive reports on FNHL strategies and plans

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.

Rules and Procedures

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

Far North District Council
Te Miromiro - Assurance, Risk and Finance Committee Meeting
will be held in the Council Chambers, Memorial Avenue, Kaikohe on:
Tuesday 31 October 2023 at 10:30 am

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1 KARAKIA TIMATANGA / OPENING PRAYER**2 NGĀ 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 Manager - Democracy Services (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 NGĀ TONO KŌRERO / DEPUTATION

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

4 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A4309737

Author: Marlema Baker, Democracy Advisor

Authoriser: Casey Gannon, Manager - 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 Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the meeting held 9 August 2023 are true and correct.

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. **2023-08-09 Te Miromiro - Assurance, Risk and Finance Committee Minutes [A4331649]**
- A4331649 [↓](#) 

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.

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

9 August 2023

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, MEMORIAL AVENUE, KAIKOHE
ON WEDNESDAY, 9 AUGUST 2023 AT 9:30AM**

PRESENT: Mr Graeme McGlinn, Deputy Chairperson John Vujcich, Kahika - Mayor Moko Tepania, Kōwhai - Deputy Mayor Kelly Stratford, Cr Ann Court, Cr Hilda Halkyard-Harawira, Cr Steve McNally, Cr Penetaui Kleskovic, Cr Tāmāti Rākena, Cr Felicity Foy, Cr Babe Kapa, Cr Mate Radich (virtual)

STAFF PRESENT: Jonathan Slavich (Chief Financial Officer), Jacine Warmington (Strategic Relationships Group – Group Manager), Zena Tango (Team Leader – Transaction Services), Margriet Veenstra (Manager - Property Information & Business Compliance), Jill Coyle (Group Manager – People and Transformation), Glenn Rainham (SHEQ – Compliance Manager), Casey Gannon (Manager – Democracy Services)

1 KARAKIA TIMATANGA / OPENING PRAYER

Kōwhai - Deputy Mayor Kelly Stratford commenced the meeting with a prayer.

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

APOLOGY

RESOLUTION 2023/18

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

That the apology received from Kahika – Mayor Moko Tepania and Crs Penetaui Kleskovic, Tāmāti Rākena, be accepted and leave of absence granted.

CARRIED

3 NGĀ TONO KŌRERO / DEPUTATION

Nil.

4 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A4240403, pages 8 - 13 refers.

RESOLUTION 2023/19

Moved: Deputy Chairperson John Vujcich

Seconded: Cr Steve McNally

That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the meeting held 2 May 2023 with amendment are true and correct.

CARRIED

Cr Hilda arrived 9:54 am.

5 NGĀ PŪRONGO / REPORTS

5.1 ADOPTION OF COUNCIL RISK POLICY AND RISK MANAGEMENT FRAMEWORK

File Number: A4422822

Author: Joshna Panday, Risk & Assurance Specialist

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To obtain an approval from Te Miromiro – Assurance, Risk and Finance Committee for the adoption of a Risk Policy and Risk Management Framework.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council is currently undergoing a reset that provides for a more transparent and attentive approach to risk.
- A newly drafted Risk Policy and Risk Management Framework has been designed to provide a level of assurance to our stakeholders whilst incorporating clear guidelines towards good governance.
- Adoption of the Risk Policy and Risk Management Framework is essential for risk integration.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro – Assurance, Risk & Finance Committee:

a) **Adopts the:**

- Risk Policy; and**
- Risk Management Framework as a dynamic document**

1) TĀHUHU KŌRERO / BACKGROUND

The Risk Policy and Risk Management Framework is redesigned to remain current, relevant and aligned with best practice. It is based on the International Organisation for Standardization ISO31000.

The Risk Management Framework incorporates the responsibilities and guidelines around risk that are applied into CAMMSRisk (risk tool) resulting in efficient reporting. Due to the iterative nature of risk management, the Risk Management Framework is to remain an evergreen document that is flexible to incorporate changes.

Adoption of the Risk Policy and Risk Management Framework provides for a consistent approach towards risk, enabling better decisions for better governance.

The Risk Policy and Risk Management Framework is attached.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

As the organisation is moving towards an improved reporting methodology, it is appropriate to assess the policy and framework that sits behind the process. The Committee is therefore asked to adopt the Risk Policy and Risk Management Framework.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Adoption of the Risk Policy and Risk Management Framework is essential for risk integration.

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

There are no financial impacts created by the development of the risk policy and risk framework.

ĀPITIHINGA / ATTACHMENTS

1. Risk Policy - A4422873 [↓](#) 
2. Risk Management Framework - A4422875 [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

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

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

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	Low
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Section 14(f)(a), Subpart2, Part 2 LGA: "a local authority should periodically— i) assess the expected returns to the authority from investing in, or undertaking, a commercial activity; and ii) satisfy itself that the expected returns are likely to outweigh the <u>risks inherent</u> in the investment or activity"
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.	The proposal has district wide relevance.
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.	There is no direct impact on Maori.
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 is no direct impact on any particular interested party or individual.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications nor budgetary provisions required in support of this decision.
Chief Financial Officer review.	The CFO has not reviewed this report.

6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

6.1 BANCORP TREASURY UPDATE

File Number: A4441305

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide a treasury update to the Far North District Council Te Miromiro - Assurance, Risk, and Finance Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Earl White, Executive Advisor at Bancorp, the Far North District Council's treasury advisors, will present a treasury update to the Assurance, Risk, and Finance Committee.

The presentation will focus on a market update and current and projected borrowing outlook.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Bancorp Treasury Update.

TĀHUHU KŌRERO / BACKGROUND

Throughout his career Earl has worked across both corporate treasury and banking sectors. Before his involvement in treasury advisory, Earl worked for major international banking groups in Australasia, Asia and the United States.

As a treasury advisor, Earl has advised a number of major borrowers on funding alternatives domestically and within global capital markets. He has also advised on, and assisted in, the preparation of a number of policy and procedure protocols for the management of treasury risk for a wide range of organisations, including government entities and publicly listed companies.

Bancorp provides a full range of independent corporate treasury and cash management services, delivered by a team of professional treasurers. If you've got banking or treasury risk, we're here to help you manage and mitigate it.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

N/A

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

N/A

ĀPITIHINGA / ATTACHMENTS

Nil

6.2 TOP 10 COUNCIL RISK REPORT

File Number: A4407941

Author: Joshna Panday, Risk & Assurance Specialist

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Miromiro – Assurance, Risk and Finance Committee with an overview of the Top 10 risks identified at Council.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council is currently engaged in a risk reset that involves a risk approach that is concise, clear and effective.
- A recent exercise held to determine our top organisational risk, has concluded with having identified Top 10 risks to be reported.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro – Assurance, Risk and Finance Committee receive and note the Top 10 Council Risk Report.

1) TĀHUHU KŌRERO / BACKGROUND

A Risk Management report was last presented to the then Assurance, Risk and Finance Committee on 31 August 2022. Since this report, Council's risk reset commenced with an exercise partaken by Senior Leadership Team (SLT) having reviewed the risk register at Council.

As part of the exercise, SLT was provided with the global risk landscape that enabled SLT to compare top global risks against our local risk environment, before identifying the Top 10 Council risks from an SLT prospective. A workshop has been arranged to explore these risks further with Elected Members.

Attention to the Top 10 Council Risks is a considered move away from the strategic risk reporting of the previous triennium. This approach is designed at an organisational level to set a clear direction for staff as to what SLT believe are the key risk areas for Council, whilst ownership of these risks rest with the CEO.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Without any ranking attached to the Top 10 Council risks, it is prudent to recognise that the selected Top 10 is not fixed, having the flexibility to alter with relevance and additional risk exercises.

The below table details the current Top10 Council Risks for the organisation:

Risk no.	Camms code	Identified Risk
1	RS7	Failure to deliver on the Capital works programme
2	RS4	Resilience and consequences after a significant event
3	RS5	Inadequate response to climate change challenges
4	RS10	Exposure to cybersecurity

5	RS1	Failure to manage Council's financial sustainability
6	RS2	Inadequate response to infrastructure vulnerabilities
7	RO5	IT System failure
8	RS6	Non-Compliance with statutory and legislative compliance
9	RO2	Failure to retain staff and maintain talent
10	RS8	Failure to give effect to Te Tiriti and our obligations to Maori

The Top 10 Council Risks are managed in a risk register within our Risk Management software: CammsRisk. As part of the risk reset, Staff are currently working towards capturing information for each of these risks for clear and concise future risk reporting.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

To highlight the Top 10 Council Risks to the Te Miromiro – Assurance, Risk and Finance Committee.

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

There are no financial implications nor budgetary provisions for this report.

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.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	Low
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 & Framework
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.	This report has district wide relevance
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.	This report has no implications to Maori
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).	No particular group or individual is affected.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications nor budgetary provisions for this decision.
Chief Financial Officer review.	The CFO has not reviewed this report.

6.3 UPDATE ON HISTORICAL AUDITOR OBSERVATIONS

File Number: A4407815

Author: Joshna Panday, Risk & Assurance Specialist

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To inform the Te Miromiro - Assurance, Risk and Finance Committee on the tracking of auditor recommendations from the 30 June 2021 audit and earlier.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Audit New Zealand conducted an external audit of Council, up to and including the year ended 30 June 2021.
- During the audit for year ended 2022, Deloitte Inc. took over as Council's external auditors from Audit New Zealand.
- The audit report for the year ended 2022 was thus a result from both external auditors input.
- The transition from Audit New Zealand to Deloitte Inc. gives possibility to losing sight over historical audit observations, previously raised by Audit New Zealand.
- A tracking of these audit findings is updated and reported.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive and accept the report Update on historical auditor observations.

TĀHUHU KŌRERO / BACKGROUND

Audit NZ commenced with an external audit prior to and including the year ended 2022.

Deloitte Inc. was assigned by the Office of the Auditor General to complete the audit for the year ended 2022. Due to time constraints, the audit takeover process was expedited for Council to meet with statutory deliverables. All current findings under the audit for the year ended 2022 were brought before this committee in May 2023 and accepted.

To prevent any gaps between the 2021 and 2022 audits, a tracking of all **historical** audit observations made to Council under the external audit for the year ended 2021 was raised with Staff. The commentary around each of these observations is regarding current relevance for the purpose to resolve the observation or something to raise with Deloitte as ongoing.

Thirteen of the seventeen historical observations have been addressed and closed. However, there are four observations that are ongoing. All seventeen observations have been brought to the attention of Deloitte, and have confirmed: *"as part of our audit which is still ongoing we need to corroborate management's responses first before we can either assign a "closed"/"open" rating to any of them – this is ongoing and we will only be able to land on a position at the end of the current year's audit. Some comments may not practically be able to address due to system/resource limitations however despite this may still pose a risk of some sort in which case we are required to keep communicating them to you."*

A copy of the historical observation tracking with staff response is attached and in summary consists of the following findings:

1	Capitalisation of property, plant and equipment	Picked up by Deloitte in the 2022 audit and is now closed .
2	Fair value assessment for assets - non-revaluation year	Observation noted and actioned. Closed .
3	Delegation of Authority	Observation noted and actioned. Closed .
4	Compliance with PBE IPSAS 17 property, plant and equipment	Observation noted and actioned. Closed .
5	Classification of PPE	Observation noted and actioned. Closed .
6	Network administrator user accounts	Observation noted and actioned. Closed .
7	Performance reporting control environment	Observation considered and is ongoing, to remain open .
8	Periodic review of network logon accounts	Observation noted and actioned. Closed .
9	Segregation of duties – Journal entries	Current software limitations prevent this observation to be actioned. To remain open .
10	User access within TechOne accounting software	Observation noted and actioned. Closed .
11	Consolidated financial statements	Observation noted and actioned. Closed .
12	High annual leave balances	Observation considered and is ongoing, to remain open .
13	Significant projects	Observation considered and is ongoing, to remain open .
14	Deferral of capital expenditure	Observation noted and actioned. Closed .
15	Conflict of interest	Observation noted and actioned. Closed .
16	Carbon credits	Observation noted and actioned. Closed .
17	Information security policies	Observation noted and actioned. Closed .

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

None. The report is for information only.

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

Nil

ĀPITIHINGA / ATTACHMENTS

1. **Audit tracking - A4434496** [↓](#) 

6.4 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2023

File Number: A4445744

Author: Sue Fox, Management Accountant

Authoriser: Janice Smith, Group Manager - Corporate Services

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 September 2023.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro – Assurance Risk and Finance Committee receive the Far North District Council Financial Report for the period ending 30 September 2023.

1) TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at quarter ending 30 September 2023.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Accept the commentary for the month ending 30 September 2023.

3) 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.

ĀPITIHINGA / ATTACHMENTS

1. Council Financial Report Sep 2023 (Pd3) - A4437719 [↓](#) 

6.5 REVENUE RECOVERY REPORT AS AT 30 SEPTEMBER 2023.

File Number: A4445271

Author: Zena Tango, Team Leader - Transaction Services

Authoriser: Janice Smith, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the first report for the financial year 2023-24 and provides information on actions to be taken to collect the arrears balances for rates, water and sundry debt this year, and to provide information on how collection is tracking against targets.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue Recovery Report as at 30 September 2023..

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and Sundry debt as of 30 September 2023 and the actions taken by the Revenue Recovery team for the collection of the General Title rates and water, and sundry debt.

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

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The data provided is for General Title and Māori Freehold Land rates and water accounts with sundry debtors shown in a separate table. Since the 1st of July 2023, the General Title rates total arrears balance has increased 42% and the water rates has increased by 7%. (See footnote A.1 in attachments)

BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and Sundry debt as of 30 September 2023 and the actions taken by the Revenue Recovery 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 2023, the General Title rates total arrears balance has increased 42% and the water rates has increased by 7%. (See footnote A.1 in attachments)

General Title rates and water debt

Key actions since the last report:

- The Revenue recovery team proactively started calling ratepayers after Rating instalment 1 2023-2024. This was to collect data for how the increases are affecting our communities. (See footnote A.2 in attachments)

- Statutory demand proceedings are still in progress against the properties owned by organisations with Law North.
- Law North have submitted applications with the Courts for financial assessments for properties where judgment was received but no payments been made.
- Currently, one revenue recovery officer is filling a vital position void within the larger Transaction Services team. It is now being recruited for that position.

Next actions:

- Complete reporting for all properties with mortgages and commence pre-mortgage demand calling.
- Prepare and issue mortgage demand to the 5 major banks after the 1st of November 2023 once pre-mortgage demand has been completed.
- Recruitment of the vacancy within Transaction Services.

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.
- 33% of properties only have last year's rates in arrears and 19% have 2 years of arrears. Revenue Recovery will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.
- 47% of these accounts have arrears of 3 or more rating years. Debt management will start the final demand process for these which can result in referral to Council's legal services team or external to commence legal proceedings.

Māori Freehold Land rates and water debt

The rates debt has decreased by 1.5% since the start of the year of which 9% was for Māori Freehold land remissions (See footnote A.3 in attachments). The water rates were reduced by 15% since the start of the year. (See footnote A.4 in attachments)

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the start of the year. There have been several significant, diverse sundry invoices raised that have had an impact on reporting.

Since the prior report, the building debt has dropped while the debt for resource consents has climbed. To lessen this, the revenue recovery team is still collaborating with both teams.

Due to a rise in 90-to-90-day+ debt, Revenue Recovery will devote resources to debt reduction.

(See footnote A.5 in attachments)

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. **Te Miromiro Revenue recovery Report attachment 30 September 2023 - A4431279**  

6.6 HEALTH SAFETY & WELLBEING REPORT Q1 2023

File Number: A4429290

Author: Ian Wilson, Manager - Health, Safety and Well Being

Authoriser: Jill Coyle, Group Manager - People & Transformation

TAKE PŪRONGO / PURPOSE OF THE REPORT

Update Council on current HSW risk

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

These are key items that Elected Members (EMs) should note as important from this report:

- Staff wellbeing is an issue as indicated in the last staff survey.
- Security guards have been requested for libraries due to aggressive behaviour from customers.
- Mike Cosman has been engaged to provide Elected Members with an overview of their duties under the Health and Safety at Work Act 2015 (HSAWA).
- A risk has been highlighted that FNDC does not have an overlapping duties framework.
- FNDC's critical risks and critical controls are addressed in this report.
- Overall risk being addressed through implementation of ISO45001
- See attachment report HSW ARF report 2023 Q1

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Health Safety & Wellbeing Report Q1 2023.

TĀHUHU KŌRERO / BACKGROUND

This is the Q1 2023 Health, Safety and Wellbeing report to the Assurance, Risk and Finance (ARF) Committee of the Far North District Council (FNDC). The report uses data from various sources to demonstrate how the main critical risks to Council are identified and managed as well as how wellbeing is monitored. The report will identify health, safety and wellbeing risk to FNDC, how those risks are managed, and where are needs for improvement.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The HSW team is focusing on critical risk for the council specifically. All critical risks have a certain level of controls applied to them, and the attached report highlights areas for improvement. Current audits will highlight specific areas that need work.

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

A risk has been highlighted that FNDC does not have an overlapping duties framework. To address this an additional budget may be required to engage a consultant

ĀPITIHINGA / ATTACHMENTS

1. **Health Safety & Wellbeing Report Q1 2023 - A4437214**  

6.7 PEOPLE AND CAPABILITY QUARTERLY UPDATE: 1 JULY - 30 SEPTEMBER 2023**File Number: A4430643****Author: Kerry Brett, Administrator - People & Transformation****Authoriser: Jill Coyle, Group Manager - People & Transformation****TAKE PŪRONGO / PURPOSE OF THE REPORT**

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

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

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report People and Capability Quarterly Update: 1 July - 30 September 2023

TĀHUHU KŌRERO / BACKGROUND

This report will be presented to the Te Miromiro - Assurance, Risk and Finance Committee on a quarterly basis.

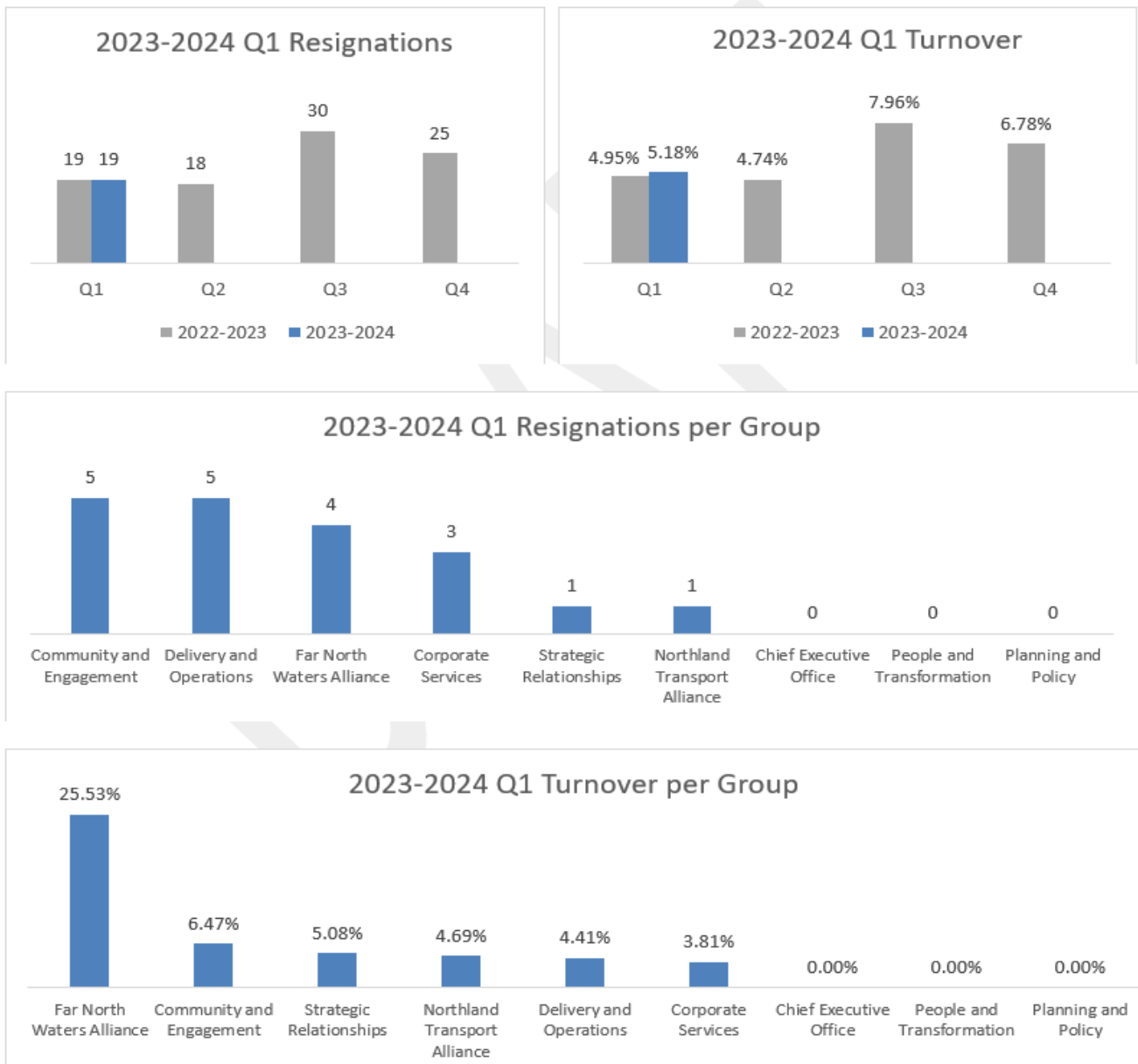
MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This report is Information only.

Staff Turnover

During quarter one, 19 staff left Far North District Council. This has resulted in a quarterly turnover rate of 5.18%. For comparison, our 2022/2023 Q1 turnover rate was 4.95%.

FNWA turnover at 25.53% is as expected as we are currently in a period of transition in this area.



Exit Interviews and Analysis

The total number of survey responses completed for this financial year quarter is 12. Reviewing the Exit Survey responses provides us with valuable information on why staff are choosing to leave and highlights areas where we need to direct attention.

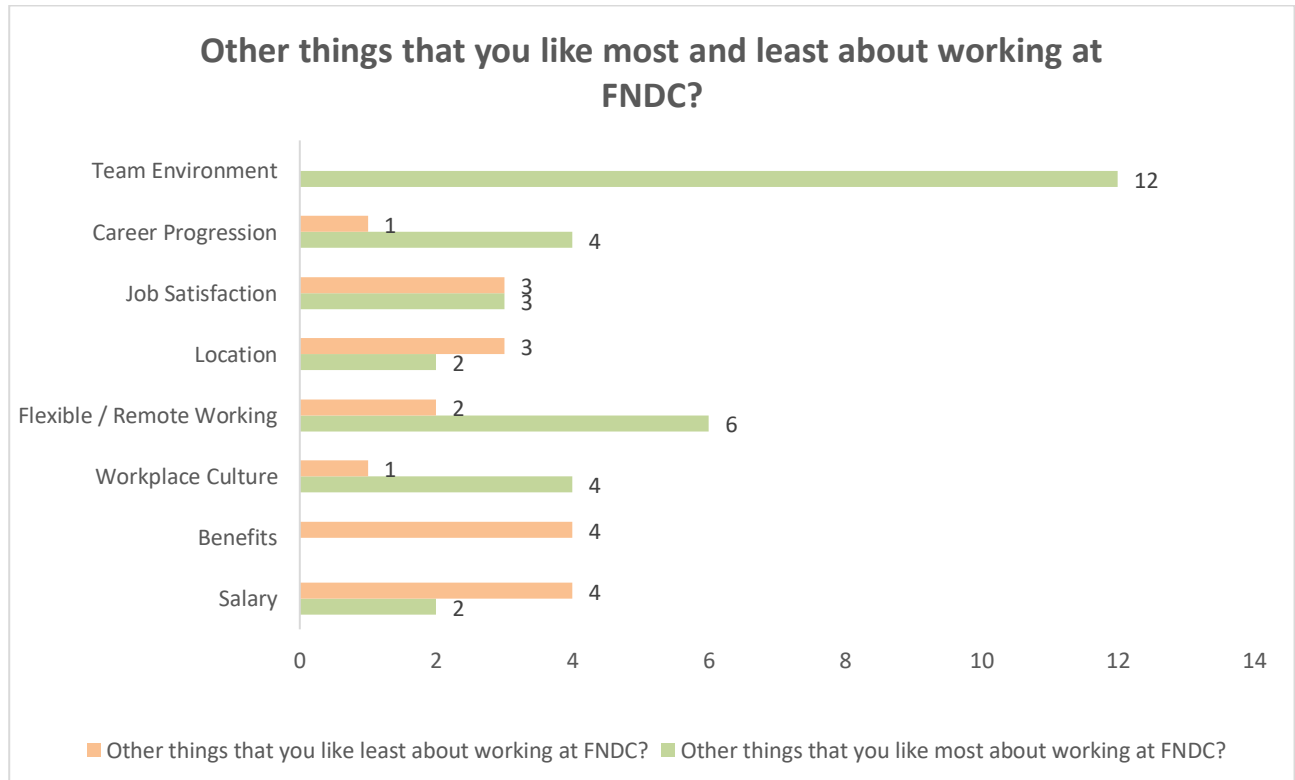
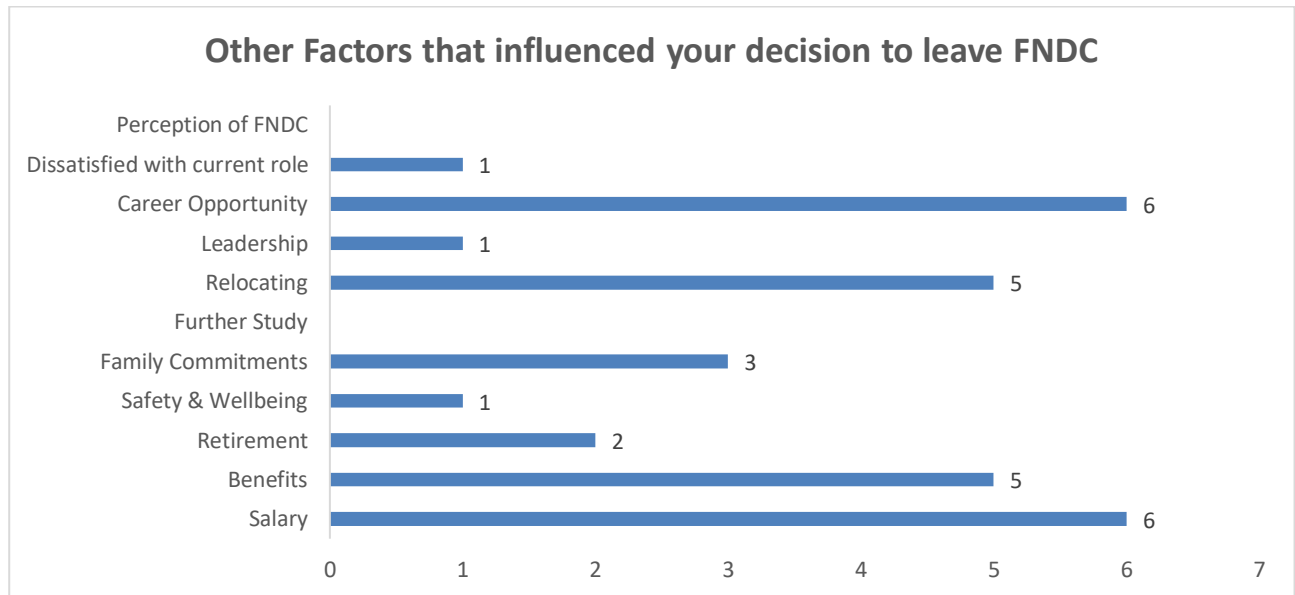
The following findings have been identified:

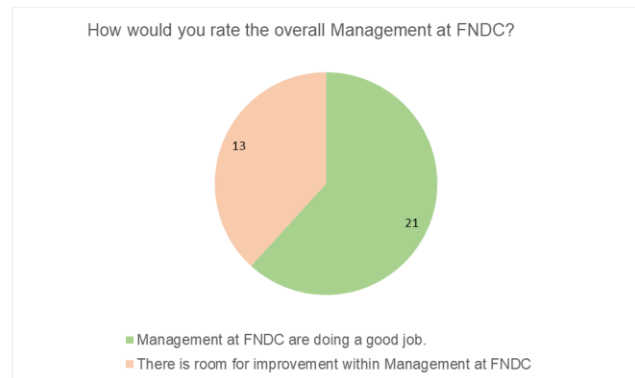
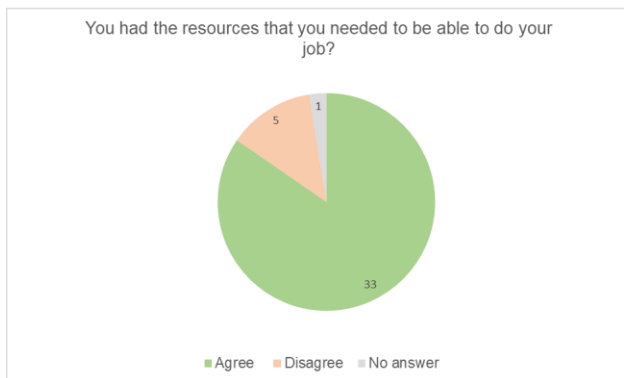
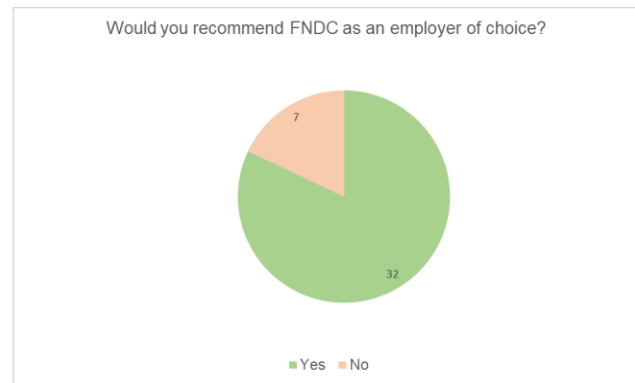
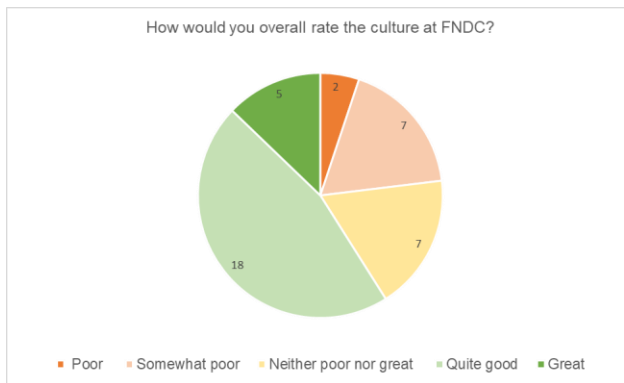
What staff liked most about working at FNDC:

- Team Environment
- Flexible/Remote Working
- Workplace Culture
- Career Progression

Top reasons to leave FNDC;

- Other Career Opportunity
- Salary
- Benefits
- Relocating





Personal Grievances

Any previous outstanding personal grievances have all been resolved.

There are no current personal grievances.

Retention and Recruitment Issues

Not unique to the Far North, there are some serious concerns regarding recruitment and retention of talent within Council.

While the nation-wide struggle for recruiting within the consents and planning spaces is showing no change, we have recently engaged external recruitment agencies to take a more direct targeted approach to fill these significant vacancies. We have had success using this approach and have filled two of our vacant Resource Consent roles and have three in the pipeline. Interviews in both the Resource Consents and Planning and Policy teams for the remaining various roles are progressing well.

Feedback that we are receiving from these recruitment agencies is that our salaries are not competitive and that there is a drive for fully remote working opportunities.

A cross-collaboration Leadership Framework working group has been established to develop a leadership program, tangible next steps and a timeline for implementation. The aim for the program is to equip leaders with the skills and principles to effectively lead people with the expected outcome to positively influence retention.

A refreshed approach to succession planning is being developed and this will help create meaningful development plans for staff, as well as increased retention.

We will be attending the P&I show with a FNDC stall and are developing a graduate programme so we can grow our talent further.

Disciplinary Actions and Costs

During this period there have been no formal disciplinary processes.

ĀPITIHINGA / ATTACHMENTS

Nil

6.8 LEVEL OF SERVICE KPI QUARTER 1 PERFORMANCE REPORT FOR 2023-2024

File Number: A4432048

Author: Jarna Sherry, Accounting Support Officer

Authoriser: Janice Smith, Group Manager - Corporate Services

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 Te Miromiro - Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 1 Performance Report for 2023-2024.

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 1 2023_ 2024 - A4431566  

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

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

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

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

6 TE KAPINGA HUI / MEETING CLOSE