



**Far North
District Council**



Te Kaunihera o Te Hku o te Ika

AGENDA


Te Miromiro - Assurance, Risk and Finance Committee Meeting

Wednesday, 22 May 2024

Time: 10.00
Location: Council Chamber
5 Memorial Avenue
Kaikohe 0405

Membership:

Mr Graeme McGlenn - Chairperson
Deputy Chairperson John Vujcich
Kahika - Mayor Moko Tepania
Kōwhai - Deputy Mayor Kelly Stratford
Cr Ann Court
Cr Penetaui Kleskovic
Cr Steve McNally

 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.

Mr Graeme McGlenn – Chairperson and Independent Member

John Vujcich – Deputy Chairperson

Kahika - Moko Tepania

Kōwhai - Kelly Stratford

Ann Court

Penetaui Kleskovic

Steve McNally

Quorum

The quorum at a meeting of the Committee is 4 members.

Frequency of Meetings

The Committee shall meet six weekly.

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 Chamber, 5 Memorial Avenue, Kaikohe 0405 on:
Wednesday 22 May 2024 at 10.00am**

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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: A4692742

Author: Fleur Beresford, Democracy Advisor

Authoriser: Casey Gannon, Manager - Democracy Services

TAKE PŪRONGO / 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.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the Extraordinary meeting held 28 February 2024 are true and correct.

1) TĀHUHU KŌRERO / 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) MATAPAKI ME NGĀ KŌWHIRINGA / 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.

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

There are no financial implications or the need for budgetary provision as a result of this report.

ĀPITIHINGA / ATTACHMENTS

1. **2024-02-28 Te Miromiro - Assurance, Risk and Finance Committee Minutes [A4592258] - A4592258** [↓](#) 

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	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. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	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

28 February 2024

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, 5 MEMORIAL AVENUE, KAIKOHE 0405
ON WEDNESDAY, 28 FEBRUARY 2024 AT 10.00**

- PRESENT:** Mr Graeme McGlinn, Deputy Chairperson John Vujcich (Virtually), Kōwhai - Deputy Mayor Kelly Stratford, Cr Ann Court, Cr Penetaui Kleskovic (Virtually), Cr Steve McNally.
- IN ATTENDANCE:** Virtually: Cr Felicity Foy, Cr Mate Radich, Adele Gardner (Chairperson - Kaikohe-Hokianga Community Board). *NOTE: apology from Cr Babe Kapa.*
- STAFF PRESENT:** Guy Holroyd (Chief Executive), Margriet Veenstra (Group Manager Corporate Services), Jonathan Slavich (Chief Financial Officer), Emma Healy (Executive Officer), Zena Tango (Team Leader – Transaction Services), Ian Wilson (Manager – Health Safety & Wellbeing), Jacine Warmington (Group Manager – Strategic Relationships), Roger Ackers (Group Manager – Planning and Policy), Tanya Proctor – (Head of Infrastructure Strategy), Ruben Garcia (Group Manager – Community & Engagement), Angie Thomas (Team Leader – Accounting Services), Esther Powell (Climate Action & Resilience), Zena Tango (Team Leader – Transaction Services), Elbie Serfontein (Executive Assistant to Group Manager - Corporate Services), Joshna Panday (Risk & Assurance Specialist), Casey Gannon (Manager - Democracy Services), Imrie Dunn (Democracy Advisor - Democracy Services), Fleur Beresford (Democracy Advisor - Democracy Services).

1 KARAKIA TIMATANGA / OPENING PRAYER

At 10.00am Kowhai Deputy Mayor Kelly Stratford opened the meeting with a prayer.

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

RESOLUTION 2024/1

Moved: Mr Graeme McGlinn

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That the apology received from Kahika Mayor Moko Tepania be accepted and leave of absence granted.

CARRIED

2 NGĀ TONO KŌRERO / DEPUTATION

Nil

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

28 February 2024

4 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES**4.1 CONFIRMATION OF PREVIOUS MINUTES**

Agenda item 4.1 document number A4570975, pages 8 - 12 refers.

RESOLUTION 2024/2Moved: Deputy Chairperson John Vujcich
Seconded: Cr Ann Court**That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the Extraordinary meeting held 4 December 2023 are true and correct.****CARRIED****5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS****5.1 TOP 10 ORGANISATIONAL RISK UPDATE**

Agenda item 5.1 document number A4567041, pages 13 - 34 refers.

RESOLUTION 2024/3Moved: Cr Ann Court
Seconded: Cr Steve McNally**That Te Miromiro - Assurance, Risk and Finance Committee receive the report Top 10 Organisational Risk Update.****CARRIED****5.2 PEOPLE AND CAPABILITY REPORT FOR PERIOD 1 OCT - 31 DEC 2023**

Agenda item 5.2 document number A4568888, pages 35 - 39 refers.

RESOLUTION 2024/4Moved: Cr Steve McNally
Seconded: Deputy Chairperson John Vujcich**That Te Miromiro - Assurance, Risk and Finance Committee receive the report People and Capability Report – Period 1 October to 31 December 2023.****CARRIED**

At 11.13am Chairperson Graeme McGlenn paused the meeting for a short break.

At 11.27am Chairperson Graeme McGlenn reconvened the meeting.

At 11.31am Cr Steve McNally returned to the meeting.

5.3 REVENUE RECOVERY REPORT AS AT 31 DECEMBER 2023

Agenda item 5.3 document number A4570848, pages 40 - 44 refers.

RESOLUTION 2024/5Moved: Cr Ann Court
Seconded: Cr Steve McNally

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28 February 2024

That Te Miromiro - Assurance, Risk and Finance Committee receive the Revenue Recovery Report as at 31 December 2023.

CARRIED**5.4 LEVEL OF SERVICE KPI QUARTER 2 PERFORMANCE REPORT FOR 2023-2024**

Agenda item 5.4 document number A4570924, pages 45 - 74 refers.

RESOLUTION 2024/6

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr Ann Court

That Te Miromiro - Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 2 Performance Report for 2023.

CARRIED

At 12.06pm CE Guy Holroyd left the meeting.

At 12.10pm CE Guy Holroyd joined the meeting.

At 12.15pm Cr Penetaui Kleskovic left the meeting to prepare for another hui.

5.5 HEALTH SAFETY AND WELLBEING REPORT - QUARTER 2 - 2023-2024

Agenda item 5.5 document number A4569052, pages 75 - 83 refers.

RESOLUTION 2024/7

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr Steve McNally

That Te Miromiro - Assurance, Risk and Finance Committee:

- a) **accept the format of the HSW Report; and**
- b) **agree with the improvement suggestions made in the report for Q3 to reduce HSW risk to Council.**

CARRIED

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2024/8**

Moved: Mr Graeme McGlinn

Seconded: Cr Steve McNally

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - Confirmation of Previous Minutes 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
6.2 - 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
6.3 - 2022/23 Final Audit Report Recommendations Update	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

Against: Cr Ann Court**CARRIED**

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

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The meeting returned from Public Excluded at 2.21pm

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

Chairperson Graeme McGlenn closed the meeting with a prayer.

8 MEETING CLOSE

The meeting closed 2.22pm.

The minutes of this meeting will be confirmed at the Te Miromiro - Assurance, Risk and Finance Committee Meeting held on 3 April 2024.

.....
CHAIRPERSON

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 RISK UPDATE REPORT - MAY 2024

File Number: A4691141

Author: Joshna Panday, Risk & Assurance Specialist

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Miromiro – Assurance, Risk & Finance Committee (the Committee) with a progress update of ongoing risk development at Council.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council is currently undergoing a risk reset that provides for a more transparent and attentive approach to risk.
- Risk updates are essential to provide assurance that the Committee is fully informed of Council's progress in the evolutionary process to increase its risk maturity levels.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the Risk Update Report - May 2024.

TĀHUHU KŌRERO / BACKGROUND

Governance Top 10 Organisational Risks

The Council has identified that as part of the risk reset, governance will identify the Top 10 Organisational Risks for further review.

To distinguish these organisational risks, the Committee has requested that the Senior Leadership Team (SLT) provide 20 significant operational and strategic risks.

Since receiving this request, the SLT have deliberated over the Council's broader risks and have compiled a list of significant 20 risks to present to the Committee.

A workshop for the Committee to consider these risks is scheduled for 22 May 2024.

Other ongoing risk updates include:

Camms Risk Software	Camms Risk Software continues to be rolled out across Council.
Risk roles & responsibilities	Training on the roles and responsibilities around risks is ongoing.
Risk Framework	Council's risk framework was adopted in October 2023, and as an iterative document, is reviewed regularly in light of ongoing risk developments.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The report is for information only and no discussion is required.

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

Nil

ĀPITIHINGA / ATTACHMENTS

Nil

5.2 HEALTH, SAFETY AND WELLBEING REPORT - MARCH-APRIL 2024**File Number:** A4691614**Author:** Ian Wilson, Manager - Health, Safety and Well Being**Authoriser:** Jacine Warmington, Group Manager - Strategic Relationships**TAKE PŪRONGO / PURPOSE OF THE REPORT**

To highlight the health, safety and wellbeing risk to Council during Q3.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This report discusses Council's health, safety and wellbeing (HSW) risk for March-April of 2024.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the Health, Safety and Wellbeing Report - March-April 2024.

TĀHUHU KŌRERO / BACKGROUND

Analysis of the critical risks to Council and proposed actions to mitigate them.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Follow work plan detailed in attached report.

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

N/A

ĀPITIHINGA / ATTACHMENTS

1. Health, Safety and Wellbeing Report - March-April 24 - A4695828 [↓](#) 

1. Introduction

This is the Mar-Apr 2024 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 areas for improvement.

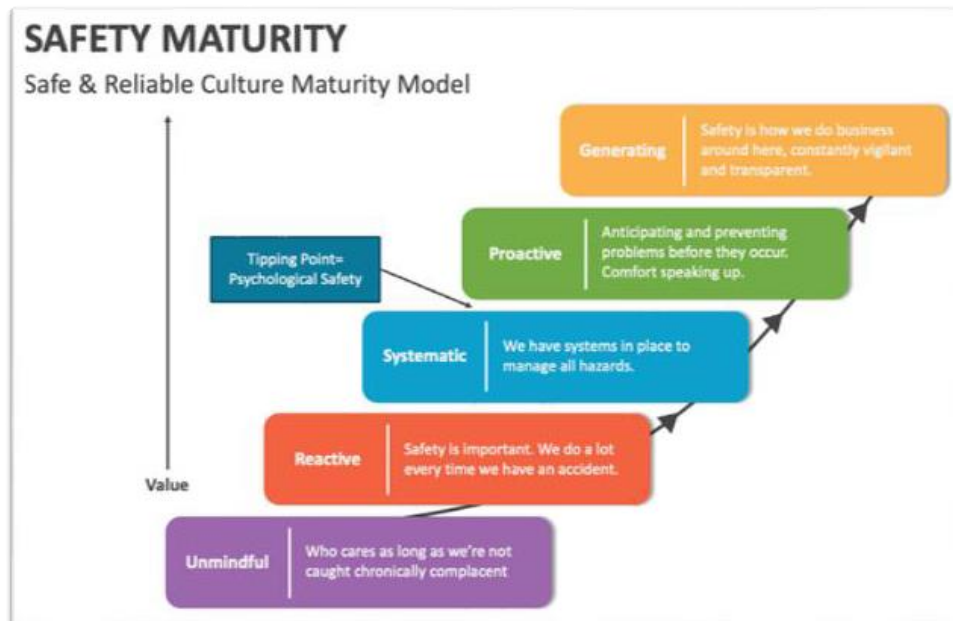


Figure 1 The graph above represents how safety systems mature over time when managed well. The HSW team believe the FNDC H&S system maturity currently sits past reactive but not quite fully systematic.

2. Executive Summary

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

- This report discusses Council's health, safety and wellbeing (HSW) risk for Mar-Apr of 2024.
- The H&S policy was reviewed and signed by the CEO in accordance with ISO 45001 (see **Appendix 1**).
- The Senior Leadership Team (SLT) reviewed and signed a new H&S pledge to staff (see **Appendix 2**).
- A new Mental Wellbeing policy was reviewed and signed by the CEO (see **Appendix 3**).
- Fourteen critical risk workshops were held across the organisation with 150 staff attending in total (see **Table 1**).

3. Critical risk management

Risks to health, safety and wellbeing arise from people being exposed to hazards.

- A hazard is anything that could cause harm (mental, emotional, physical, environmental and organisational).
- Risk has two components: the likelihood that it will occur, and the consequences (degree of harm) if it happens.

The highest risks, and therefore the highest priority, are called 'critical risks'. A critical risk is one that could result in one or more workers:

- Being killed.
- Being seriously injured (physically or psychologically).
- Developing a serious illness

Table 1 Critical risk workshops held during Mar-Apr

Date	Topic	Presenter	Team	No. of Attendees	
5/03/2024	Site visits	KTHA	Building Consents team	6	Team workshop
5/03/2024	Site visits	KTHA	Building Compliance team (HR)	5	Team workshop
6/03/2024	Critical Risks for leaders	IW	All T4 & T3	6	Leadership workshop
6/03/2024	Site visits	KTHA	Technical Operations	6	Team workshop
7/03/2024	Site visits	KTHA	Resource Consents team	5	Team workshop
8/03/2024	PeopleSafe	IW	All staff	29	Staff training
14/03/2024	PeopleSafe	IW	All staff	33	Staff training
15/03/2024	Critical Risks for leaders	IW	All T4 & T3	14	Leadership workshop
15/03/2024	ISO New H&S policy & pledge	IW	SLT	8	SLT workshop
21/03/2024	Critical Risks for leaders	IW	All T4 & T3	12	Leadership workshop
26/03/2024	Critical Risks for leaders	IW	All T4 & T3	8	Leadership workshop
27/03/2024	Site visits	KTHA	Resource Consents team	5	Team workshop
27/03/2024	Site visits	KTHA	Resource Consents team	5	Team workshop
27/03/2024	Site visits	KTHA	Building Inspections team	8	Team workshop

Table 2: State of critical risks to Council, the controls in place and remaining, or residual, risk at Q2, 2023-4.

Critical risk	Critical controls	Residual risk to Council	Q3 workplans	Update
Contractor management	<ol style="list-style-type: none"> 1. Contractor management standard operating procedure (SOP). 2. Contractor prequalification system (SiteWise). 3. In house workshops. 4. Internal audits. 	<p>High – auditing has shown that the contractor management SOP is not being followed fully by staff engaging contractors. The SOP was reviewed and condensed end of 2022, and a series of workshops have been held during 2023. Further work is needed to embed the process.</p> <p>There is currently a gap in FNDC’s records regarding FNDC’s responsibilities around overlapping duties with other Persons Conducting a Business or Undertaking (PCBUs). There is no recorded overlapping duties framework in place that clearly shows what level of duty each PCBU holds under HSAWA.</p> <p>There is no current FNDC contractor management policy, and no FNWA contractor management policy.</p> <p>Many areas of FNDC are not following the H&S contractor management process Contractor Management - a critical risk (sharepoint.com), which represents a high risk to Council.</p>	<ol style="list-style-type: none"> 1. Conduct workshops with all teams involved in engaging contractors to embed the contractor management process. Specifically: <ol style="list-style-type: none"> i. Far North Waters Alliance (FNWA). ii. Infrastructure Accelerated Fund & Externally Funded Major Projects. iii. Property & Facilities Management. 2. Review the draft FNDC contractor management policy. 3. Start an analysis of FNDC facilities and contractors with a view of building a documented overlapping duties framework to clarify risk level to Council. For example, Far North Holdings Ltd, swimming pools, wastewater treatment plants etc. Reference these documents: 	<ol style="list-style-type: none"> 1. Contractor management process is currently being written to conform with ISO45001. 2. A project work group membership list is being collated. 3. A project proposal has been submitted to SLT for review prior to the project commencing.
Lone working	<ol style="list-style-type: none"> 1. Working alone policy. 2. Working alone SOP. 3. Lone working job safety analysis (JSA). 4. Provision of lone worker devices. 5. 24/7 device monitoring 6. In house workshops 7. Internal audits 	<p>High – auditing has shown that the policy, SOP, and JSA are not being followed completely by staff. Lone worker devices are not being used in accordance with the policy.</p>	<ol style="list-style-type: none"> 1. Review policy. 2. Review SOP. 3. Workshops. 4. Audits. 	<p>This review has not started to date. The discontinuation of 3G phone services will require a review of the lone worker process.</p>

Driving on Council business	<ol style="list-style-type: none"> 1. Motor vehicle policy 2. Driving on Council business JSA 3. Eroad tracking device 4. Online driver training 5. 4x4 training 	<p>Low – audits have shown there is a good uptake on safe driving. Nine members of staff attended 4x4 training in Nov. '23.</p>	<ol style="list-style-type: none"> 1. Leaders to be mentored in the reporting capacity of Eroad. 	<p>Monthly eRoad report sent to out to managers.</p>
Site inspections	<ol style="list-style-type: none"> 1. Site inspections JSA 2. Situational safety and tactical communications (SSTC) training 3. Working in road corridor training 	<p>Moderate – there are always many unknowns to sites visits, particularly unannounced ones conducted by enforcement staff.</p> <ul style="list-style-type: none"> • Front counter safety training was held in Nov. '23 with 32 staff attending. • Situational safety and tactical communications training was held in Nov. '23 with 30 staff attending. 	<ol style="list-style-type: none"> 1. New SOPs to be written in collaboration with respective teams. 2. JSA to be reviewed. 3. Audits. 	<ol style="list-style-type: none"> 1. Seven site inspection workshops were held during March to review the JSA. 2. The following teams were consulted: Building Consents team, Building Compliance team (HR), Technical Operations, Resource Consents team, Building Inspections team 3. Forty staff attended. 4. Revised JSAs have been produced for site visits in accordance with ISO 45001.
Psychosocial hazards	<ol style="list-style-type: none"> 1. My Everyday Wellbeing 2. Wellbeing Advocates 3. EAP service 	<p>High – comments from the last staff survey indicate that wellbeing across the organisation has been affected by the recent realignment, change of CEO and overall workload. The CEO has requested a wellbeing drive to include workshops and tools for leaders and staff.</p>	<ol style="list-style-type: none"> 1. HSW team to be included as a stakeholder in organisational change. 	<p>This review has not started to date. A full review is planned for Q4.</p>
Threatening behaviour	<ol style="list-style-type: none"> 1. Antisocial behaviours reference guide 2023 2. Evacuation/lock down plans 3. Libraries and museums JSA 4. Situational safety and tactical communications (SSTC) training 5. Front counter safety training 6. Staff Warning Flags 7. Trespass notices 	<p>High - threatening behaviour incidents were the highest reported during Q2. Libraries are experiencing anti-social behaviour issues. Kaikohe library has used security over key times.</p> <ul style="list-style-type: none"> • Front counter safety training was held in Nov. '23 with 32 staff attending. • Situational safety and tactical communications training was held in Nov. '23 with 30 staff attending. 	<ol style="list-style-type: none"> 1. HSW team to visit libraries and service centres to meet with staff. 	<ol style="list-style-type: none"> 1. Security review is underway. Recommendations include increased use of CCTV, fencing of vulnerable areas, and increase security presence. 2. Paihia iSite and library were visited for H&S reviews in Mar.

5. Incidents

All health, safety and wellbeing incidents reported by staff and contractors are recorded in PeopleSafe as “stories”.

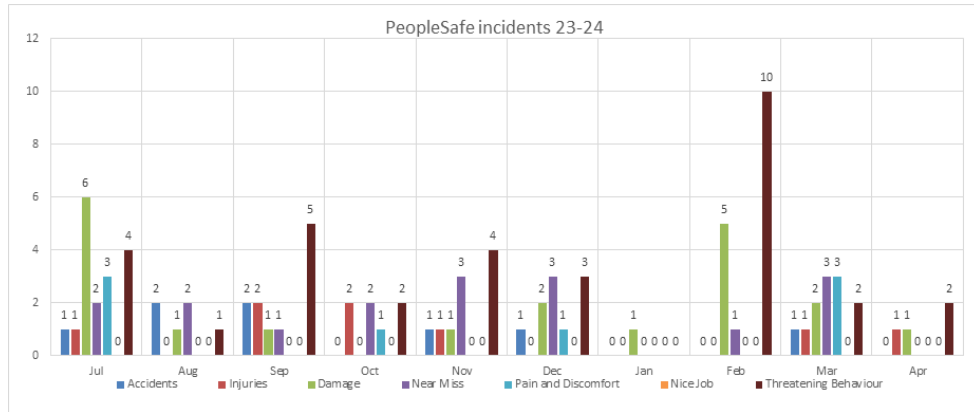


Figure 2: Data used in the graph above was obtained from PeopleSafe, FNDC’s incident management software. All incidents are investigated by the HSW team, and any improvements required implemented. All serious incidents are reported directly to SLT at the time of occurrence and are subsequently investigated.

Driving

Driving on Council business is considered a critical risk. Staff, who are regular drivers, are provided with online driver training and face to face off road driving training. FNDC currently has 80 vehicles in its fleet, of which 30 are fitted with an eRoad device that provides location and speed information.

No driving incidents were reported during Mar-Apr 2024.

Lone Working

Lone working is considered a critical risk. The risk is managed through the provision of various lone worker devices.

There were no specific alerts related to the use of lone working devices during Mar-Apr 2024 that resulted in an incident.

Threatening Behaviour

Threatening behaviour is considered a critical risk.

Table 3 gives details of all incidents reported during Mar-Apr that are considered threatening and a cause of stress to staff.

Table 3: Threatening incidents Mar-Apr 2024

Story Type	What happened	Where
Threatening Behaviour	Customer who had booked ticket on intercity came into the i-site complaining that the bus had not turned up. He began shouting and swearing in foul manner then started banging on the counter screen. There were 2 girls alone in the office and they feared for their safety. If he had come around to our side of the counter they would have been trapped. In the end they had to ring for a taxi to take him to Kerikeri and the i-site covered the cost.	Paihia i-Site
Near miss	Air conditioning contractor preparing to work on the roof of HQ without any safety precautions in place.	Service Centre - Kaikohe
Pain & Discomfort	Our team was made to feel culturally unsafe during our work due to time pressures on other teams. We were pressured into completing a piece of work against our better judgement.	Kaikohe (Memorial Avenue - Main Office)
Threatening Behavior	Was shouted at.	Te Hiku Ward
Threatening Behavior	A library visitor verbally abused and threatened another library patron.	Kerikeri Proctor Library
Injury	Passenger (school student) slipped on concrete ferry ramp. Northern ramp, called the Narrows.	Kaikohe-Hokianga Ward
Near miss	Came up the stairs to the second floor in JBC and tripped on the strip between the hard floor of the stairwell and the carpet.	Kerikeri (John Butler Centre)
Damage	The bracket on the floor of the glass wall panel entering the Annex Kitchen has come apart and is not supported in the lower RH corner, but the other brackets seem to be holding.	Kaikohe (Memorial Avenue - Main Office)
Pain & Discomfort	Hygiene (toilet/hand basin) - In Annex building men's toilet near kitchen - jammed hand between the hand basin and toilet door.	Kaikohe (Memorial Avenue - Main Office)
Damage	The visibility strip has lifted on steps.	Car Park - John Butler Centre
Near miss	Customer from a cruise ship walking down the stairs inside the library missed the last step and fell onto the floor.	Paihia i-site
Accident	Slipped down the first set of stairs going from Level 2 of JBC to Level 1. This resulted in me scraping my knee on the stairs and took off some skin on my forearm.	Kerikeri (John Butler Centre)
Pain & Discomfort	Issues in the workplace between employee and manager. Mental and physical health affected. Employee receiving treatment and advice from medical practitioner and EAP services. Managing with team leader oversight.	FNDC workplace

Threatening Behavior	2 young boys brought a BB gun into the Te Ahu Centre. They shot pellets inside the complex.	Kaitaia (Te Ahu Centre)
Threatening Behavior	Young boy came in with fake gun - was not being threatening but just unaware of how that was inappropriate in a public space.	Kaitaia (Te Ahu Centre)
Injury	Preparing to leave home and drive to work at KHO HQ and picked up my laptop to place it in the case when it slipped out of my hand and dropped onto my right foot.	Home (Remote Working)
Damage	When drilling the 300mm diameter x 600mm deep holes for the installation of new Bollards the drill struck a waterpipe supplying one of the properties. Service providers asked to mark out services. This waterpipe was not indicated within any of the drawings. This could have been more severe if a watermain supply was hit but was kept within control by the contractor on site by applying a make-shift temporary closure of the water supply.	Ventia facility or asset


Staff Warning Flags

Staff warning flags (SWFs) are an alert system managed in our Pathway system across all applications when either a property or member of public has been identified as threatening and require safety controls to ensure the safety of our field staff prior to visiting a person or site as part of their work activities i.e. visit two up or with police assistance. SWFs are reviewed by the approving management as to whether they will be renewed for another twelve months or whether the SWF is to be removed.

Trespass Noticeboard

Trespass notices where members of the public have been restricted from entering Council buildings are displayed on our TK3 Trespass Noticeboard. There is one active trespass notice restricting an individual from the Kaeo Service Centre. This is currently in force until November 2025.

Appendix 1



**Te Kaunihera
o Te Hiku o te Ika**
Far North District Council

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

Clause 5 Leadership and worker participation

Clause 5.2 Health and Safety Policy

Revision	03
Effective date	15 Mar 2024
Document no.	POL.C.5.2.001

Far North District Council (FNDC) is an organisation that places high value on its employees and recognises that the productivity and loyalty of its employees are linked to their overall wellness.

FNDC will commit to a Health and Safety Management System through the implementation of the best operating practices and standards at all its facilities and operations, thereby ensuring:

- Commitment to provide safe and healthy working conditions to prevent work related injury and ill health.
- Identifying opportunities to enhance the Health and Safety Management System.
- Compliance with health and safety legislation requirements and any other requirements that apply to the business.
- Close working relationships with Government agencies, business partners and other concerned organisations to promote Health and Safety practices.
- Communicating the Health and Safety Policy to all its employees, contractors, volunteers, and visitors.
- Make the Health and Safety Policy available to all interested parties on request.
- Displaying the Health and Safety Policy in highly visible areas.
- Identifying health and safety hazards and risks and how these risks can be managed.
- Ensuring that the necessary actions are promptly taken to mitigate any critical or significant health and safety risk.
- The commitment to consult and participate with workers and, where they exist, worker representatives.

FNDC will measure and review the Health and Safety Management System's progress on the following indicators: -

- Incident management.
- Training and awareness programs.
- The level of continual improvement to the Health and Safety Management System.
- Achievement of annual health and safety objectives.

FNDC senior management considers the Health and Safety Management System important and is committed to a continual improvement philosophy.


Signed by:

Date: 4th April 2024



Guy Holroyd
Chief Executive Officer

Appendix 2



**Te Kaitiaki
Take Kōwhiri**
For North District Council

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

Clause 5 Leadership and worker participation

Clause 5.1 Leadership and Commitment

Revision	03
Effective date	4 April 2024
Document no.	POL.C.5.1

- Strategic Leadership Team, Involvement and Commitment Pledge
- The Strategic Leadership Team (<) shall demonstrate leadership and commitment with respect to the Health and Safety Management System by:
1. Taking overall responsibility and accountability for the prevention of work-related injury and ill health, as well as the provision of safe and healthy workplaces and activities.
 2. Ensuring that the Health and Safety Policy and related operational health and safety objectives are established and are compatible with the strategic direction of the organisation.
 3. Ensuring the integration of the Health and Safety Management System requirements into the organisation's business processes.
 4. Ensuring that the resources needed to establish, implement, maintain and improve the Health and Safety Management System are available.
 5. Communicating the importance of effective health and safety management and information to the Health and Safety Management System requirements.
 6. Ensuring that the Health and Safety Management System achieves its intended outcomes.
 7. Directing and supporting persons to contribute to the effectiveness of the Health and Safety Management System.
 8. Ensuring and promoting continual improvement of the Health and Safety Management System.
 9. Supporting other relevant management roles to demonstrate their leadership and applies to their areas of responsibility.
 10. Developing, leading and promoting a culture in the organisation that supports the intended outcomes of the Health and Safety Management System.
 11. Protecting workers from reprisals when reporting incidents, hazards, risks and opportunities.
 12. Ensuring the organisation establishes and implements a process(es) for consultation and participation of workers.
- B. Supporting the establishment and functioning of health and safety committees.

	Position Title		
Guy Holroyd	Chief Executive Officer	4 April 2024	
Tanya Proctor	Head of Internal Audit & Compliance	4 April 2024	
Jacine Warrington	Group Manager - Strategic Relationships	4 April 2024	
Margriet Veenstra	Group Manager - Corporate Services (Acting)	4 April 2024	
Emma Healy	Group Manager - Operations	4 April 2024	
Kevin Johnson	Group Manager - Delivery and Operations	4 April 2024	
Roger Ackers	Group Manager - Planning and Policy	4 April 2024	
Ruben Garcia	Group Manager - Community and Engagement	4 April 2024	

Appendix 3



**To Kaitiaki
o Te Hiku o Te Ika**
For North District Council

HE ARA TĀMATA
CREATING GREAT PLACES
Supporting our people

Clause 5 Leadership and worker participation

Clause 5.2 Wellbeing Policy

Revision	03
Effective date	15 Apr 2024
Document no.	POL.C.5.2.002

RNDC has a legal, and moral obligation to [ts workers' mental llealtlnarnd weUbeing. Poor mental ll.eaffili ,md wellbeing are cos:!!ly for tine work era and tleir families as il is assooimed with tnoreased sick r.eave, wm1k,rplace roliflict, cardiovasorular disease , back pain a111d otn.er illjurt...

FINDC cornmits itseH to prmteotng and nmtuling its workers' mental 11.e-affih and wellbeing1 positively impaotng eng:agemem, preseJ11tism, absenteeiSm, a1111dreturn to work.

FINDC mentalhealth and wellbeing po cy iiS foumt.ed on the following p-noipt.es:

- Ore.ite an envtronment that allows our people to flourish and acihie.ve 1he- full potentra:l for thle benefit of til.emselves and the organisatio111.
- Bnsure all reasonably praclicable steps are taken to remove all hazards a1111d mitigate all work -irelated risks that have tile potential to cause harm to the healthland wellb.eing of our people_
- FINDC wrllpmrve actions and ser!:lices that are proven to prevellit tile risk of [ifest:yle-related ll.ealh oondrno:ns and to improve wellbeing within the workforce.
- FINDC commits to supporting their workers to ll@ve and matntain tile resrllenoeto cQpe with llfe and work cllca:lleng:esand em1p01Ner them to live their life at opttrma 11.e-aHh.
- FINDC adopts a zero,...tolerance stance towardswo:r place raullying and harassmen11 by staff and b-y et.eded members.
- FINDC wrll strive to be seen ais o1k.ind oi:g.rnisatio:11w1hile working tow.ards [ts goals namely:
 - To tnorre.ise our wol1kers' overall llealth ar,d welllletng
 - To focus on iniliartives that arm to prevent tnjmy and illness ar,d are llkeL,yto hmrm tine most significant ben.em for our workers.
 - To be able to provide-strategj.es to build resrllenc.ea:111d general hlealh oifour workers both!mentally and physically_
 - Manag:e a:nd monitor all oritrcal risk are.is through the risk ma:nagemeJ11t framework.

FINDC wrll ensure it coliliSu lts, w--0,perates and coordtrnates with rts workers am n.eaallh and wellbeing matters, ensuring c.ontnuous improvemelliton themganisarimll's offeringis and performance.

Signed by:

Guy Holroyd
 Chief Ecle1t:Uli:ve Offi:Eer

Date: 15th April 2024

5.3 AUDIT PLAN, AUDIT PROPOSAL LETTER AND AUDIT ENGAGEMENT LETTER

File Number: A4692339

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

This report presents the external audit plan, audit proposal letter and audit engagement letter from Deloitte.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Far North District Council is required to be audited by the auditor appointed by the Office of the Auditor General, which for Far North District Council is Deloitte.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report Audit Plan, Audit Proposal Letter and Audit Engagement letter.

TĀHUHU KŌRERO / BACKGROUND

Far North District Council, in compliance with the Local Government Act 2002, prepares an Annual Report at the end of each financial year. This is required to be audited by the appointed Auditor, which for Far North District Council is Deloitte. The schedule of dates agreed with Deloitte for the financial year 2023/2024, are as follows:

- o Interim Audit – 24 June, 29 July (2 weeks)
- o Final Audit – 26 August, 30 September




MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Attached to this report is the proposed audit engagement letter.

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

This report presents the external audit plan, audit proposal letter and audit engagement letter from Deloitte.

ĀPITIHINGA / ATTACHMENTS

1. FNDC Planning report to the Audit Risk and Finance Committee - A4706286 [↓](#) 
2. FNDC Audit Proposal Letter 2024 - A4706285 [↓](#) 
3. FNDC FY24 Engagement Letter - A4706284 [↓](#) 



Far North District Council audit plan

Year ending 30 June 2024

May 2024



Purpose of report

This report has been prepared for Far North District Council's Audit, Risk and Finance Committee ("the Committee") and is part of our ongoing discussions as auditor in accordance with our engagement letter and master terms of business and as required by New Zealand auditing standards.

This plan is intended for the Committee (and other Council members) and should not be distributed further. We do not accept any responsibility for reliance that a third party might place on this report should they obtain a copy without our consent.

This report includes only those matters that have come to our attention as a result of performing our audit procedures to date and which we believe are appropriate to communicate to the Committee. The ultimate responsibility for the preparation of the financial statements rests with the Council members.

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Responsibility statement

We are responsible for conducting an audit of Far North District Council ("the Council") for the year ended 30 June 2024 in accordance with auditing standards issued by the Auditor-General that incorporate the New Zealand auditing standards issued by the NZ Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Public Audit Act 2001, the Crown Entities Act 2004 and the Financial Reporting Act 2013, with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Council. The audit of the financial statements does not relieve management or the Council of their responsibilities.

Our audit is not designed to provide assurance as to the overall effectiveness of the Council's controls but we will provide you with any recommendations on controls that we may identify during the course of our audit work.

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Planning report

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Introduction

Dear Audit, Risk and Finance Committee members

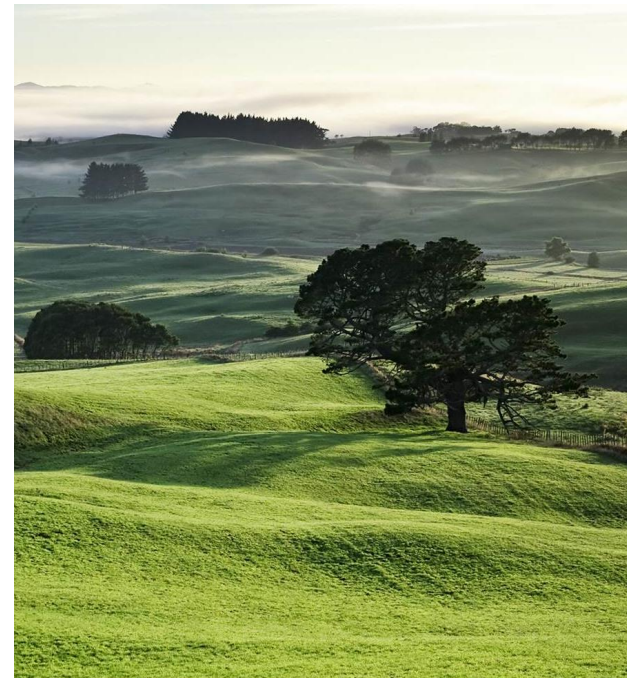
We are pleased to provide you with our planning report for the audit of Far North District Council for the year ending 30 June 2024. We understand our responsibility to you, and we have developed a tailored audit plan that summarises the key aspects of our audit scope and approach, our planned communications with you, and our team structure.

This report is designed to outline our respective responsibilities in relation to the audit, to present our audit plan and to facilitate a two-way discussion on the plan presented. This plan is therefore intended for the Audit, Risk and Finance Committee (the "Committee") (and other Council members) and should not be distributed further.

We appreciate the opportunity to serve the Council. We hope the accompanying information will be useful to you, and we look forward to answering your questions about our plan.

A handwritten signature in blue ink, appearing to read 'Bennie Greyling', located below the introductory text.

**Bennie Greyling, Partner
for Deloitte Limited**
Appointed Auditor on behalf of the Auditor-General
Auckland | May 2024





Areas of audit focus

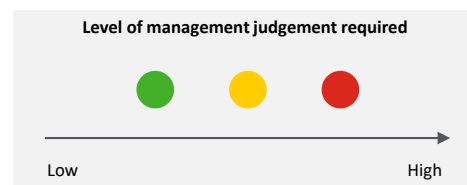
Financial statements dashboard

Area of audit focus	Significant risk	Fraud risk	Control testing planned	Level of management judgement	Area of focus status
Valuation of infrastructural assets	✓	✗	D	●	🔄
Management's ability to override controls	✓	✓	D	N/A	🔄
Revenue recognition	✗	✗	D	●	🔄
Statement of Service Performance	✗	✗	D	●	🔄
ESG and Climate Change	✗	✗	N/A	●	🔄
Matters raised by the OAG	✗	✗	N/A	●	🔄

Control testing planned

D: Evaluate whether control design manages risk appropriately

OE: Planning to test if controls were operating effectively and can be relied upon



🔄 Continuing area of focus



Areas of audit focus

Area of audit focus	Our approach
<p>Valuation of infrastructure assets</p> <p>The Council has a significant asset base with infrastructural assets carried at fair value and accounts for revaluations of infrastructure assets on a class of asset basis. The asset classes include sewerage, water, refuse, stormwater and roading assets.</p> <p>The fair value assessment of infrastructure assets is an area that continues to receive increased focus in the sector. This is especially critical for the current year with the current market conditions and high inflation rates which may cause material movements in valuations, and it is possible that classes of assets that are not due to be revalued would be required to be revalued.</p> <p>Management have adopted a rotational plan for revaluing the asset classes, so the valuations are not all completed in the one year. Assets that are exposed to significant changes in fair value are revalued outside the rotational plan.</p> <p>The Council plans to engage independent third-party valuation experts to undertake the valuation of asset classes expected to be revalued. For the other asset classes, management are required to perform an assessment to determine whether the carrying value of these assets still approximate fair value as at 30 June 2024. The assessment to determine whether the carrying value of these assets still approximate fair value, requires a degree of judgement and consideration of different assumptions. Input into these assumptions may come from in-house or independent experts. Where there are indicators that the carrying value is materially different to the fair value a revaluation is required to be undertaken.</p> <p>There is a risk that revaluations are not appropriate because of incorrect assumptions and/or data, and that revaluation movements are not adequately reflected in the financial statements.</p>	<p>For infrastructural assets carried at fair value but not revalued in the current year, we plan to:</p> <ul style="list-style-type: none"> Obtain management’s assessment of the indicative movement in fair value for all assets classes carried at fair value; Obtain supporting evidence from independent valuers supporting the indicative fair value movement (if applicable); and Review the key assumptions applied in determining the indicative fair value, assess and challenge management’s overall conclusions. <p>For infrastructure assets carried at fair value and revalued in the current year, we plan to:</p> <ul style="list-style-type: none"> Obtain the revaluation of infrastructure class(es); Obtain representation directly from the independent valuer confirming their methodology; Reviewing and testing the key underlying assumptions used to ensure these assumptions are reasonable and in line with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”); and Ensure the revaluation transaction is correctly accounted for and disclosed in the financial statements in order to comply with PBE IPSAS. <p><i>The fair value assessment of infrastructure assets is an area that continues to receive increased focus in the sector and Management and the Committee will need to work to ensure a robust and timely review is performed.</i></p> <p><i>To ensure that there are no delays in the FY24 audit, it is crucial that there is ownership over the fixed asset reconciliation process and both the finance and infrastructure asset teams need to complete the following procedures including but not limited to, before our August visit:</i></p> <ul style="list-style-type: none"> Prepare a reconciliation between the general ledgers and fixed asset registers as at 30 June 2024; Ensure that construction and renewal information have been updated in the underlying fixed asset databases; Prepare a reconciliation between the opening, additions, disposal and closing balances in the valuation reports and the underlying financials and RAAM data; Management to review the valuation reports and challenge the assumptions and statements made by the external valuers; and Provide updates to the audit team on the recommendations made by external valuers and peer reviewers from the prior year valuations and reviews performed.



Areas of audit focus

Area of audit focus	Our approach
<p>Management override of controls</p> <p>The auditor’s responsibility to consider fraud in an audit of financial statements (ISA (NZ) 240) requires us to presume there are risks of fraud in management’s ability to override controls and therefore this is a focus area for the audit.</p> <p>We are required to design and perform audit procedures to respond to the risk of management’s override of controls.</p> <p>Management’s override of controls is identified as a fraud risk because it represents those controls in which manipulation of the financial results could occur.</p> <p>It has a potential impact to the wider financial statements and is therefore a significant risk for our audit.</p>	<p>As part of our audit process, we will:</p> <ul style="list-style-type: none"> • Understand and evaluate the financial reporting process and the controls over journal entries and other adjustments made in the preparation of the financial statements; • Test the appropriateness of selected journal entries and adjustments and make enquiries about inappropriate or unusual activities relating to the processing of journal entries and other adjustments; • Review accounting estimates for biases that could result in material misstatement due to fraud, including assessing whether the judgements and decisions made, even if individually reasonable, indicate a possible bias on the part of management.; • Perform a retrospective review of management’s judgements and assumptions relating to significant estimates reflected in last year’s financial statements; and • Obtain an understanding of the business rationale of significant transactions that we become aware of that are outside the normal course of business or that otherwise appear to be unusual given our understanding of the Council and its environment.



Areas of audit focus

Area of audit focus	Our approach
<p>Revenue recognition</p> <p>The Council has various revenue streams which need to be considered separately to ensure they are in-line with PBE Standards.</p> <p>Failure to comply with rating law and the associated consultation requirements can create risks for rates revenue. Compliance with the detail of the Local Government (Rating) Act 2002 (LGRA) is vital; if the rate is not within the range of options and restrictions provided for in that Act, it may not be valid.</p> <p>Management and Council need to ensure that the requirements of the LGRA are all adhered to and that there is consistency between the rates resolution, the funding Impact Statement for that year, and the Revenue and Financing Policy in the respective Long-Term Plan (LTP) or Annual Plan (AP).</p> <p>Material misstatement due to fraudulent financial reporting relating to revenue recognition often results from an overstatement of revenues through, for example, premature revenue recognition or recording fictitious revenues. It may also result from an understatement of revenues through, for example, improperly shifting revenues to a later period. Through our understanding of the Council with the processes in place and level of risk assessed we have rebutted the significant risk of fraud associated with revenue recognition.</p>	<p>As part of our audit process, we will:</p> <ul style="list-style-type: none"> • Understand, evaluate and assess the relevant controls that address the risks of revenue recognition; • Assess the quality of information produced from the IT system and ensure accuracy and completeness of reports that are used to recognise revenue; • Complete a 'rates questionnaire' compiled by the OAG*, to confirm whether rates have been correctly set; • Review the meeting minutes recording the adoption of the rates resolution, to ensure the rates are in accordance with the Revenue and Financing Policy as well as reviewing any other information available with regards to rates; • Complete analytical procedures by developing expectations based on our knowledge of the sector and key performance measures; and • Assess the impact of any changes to revenue recognition policies. <p>*Please note that the completion of the 'rates questionnaire' is not a legal exercise but aims to provide us with some indication of the rates setting processes being used by the Council. We remind Council that the overall responsibility for the compliance of rates rests with the Councillors.</p>



Areas of audit focus

Area of audit focus	Our approach
<p>Statement of Service Performance</p> <p>The Council’s annual report is required to include an audited Statement of Service Performance (SSP) which reports against the performance framework included in the annual plan/long-term plan. This is line with the requirements of <i>PBE FRS 48 Service Performance Reporting</i>.</p> <p>The SSP is an important part of Council’s annual performance reporting, and it is important it adequately “tells the performance story” for each group of activities.</p> <p>Our audit opinion considers whether the service performance information:</p> <ul style="list-style-type: none"> • Is based on appropriately identified elements (outcomes, impacts, outputs), performance measures, targets/results; and • Fairly reflects actual service performance for the year (i.e. not just reports against forecast). 	<p>As part of our audit process, we will:</p> <ul style="list-style-type: none"> • Review Council’s SSP against legislative requirements and good practice. This will include checking consistency with the performance framework included in the 2021-2031 LTP and 2023/2024 annual plan; • Audit a sample of the reported performance measures, with a focus on the more significant groups of activities; and • Review the narrative commentary and explanatory information provided in the annual report to ensure that this provides sufficient information to the readers i.e. “tells the performance story”.
<p>ESG and Climate Change</p> <p>Matters related to climate and the broader Environment, Social and Governance (ESG) landscape are rapidly evolving. Stakeholders are increasingly asking entities to provide transparent disclosures about climate-related risks, and the New Zealand Government is taking action to reduce our emissions profile which over time will impact most entities.</p> <p>ESG and climate related matters will likely create physical and transitional risks and opportunities for the Council and these matters could lead to potential impacts on the financial statements.</p>	<p>As part of the audit process, we will consider ESG and climate-related risks and their potential impact on the Council’s financial statements. We will consider the Councils’ consideration of ESG and climate risks and tailor our audit approach as required.</p>



Areas of audit focus

Matters raised by the Office of the Auditor General

Area of audit focus	Our approach
<p>Effectiveness, efficiency, waste and probity</p> <p>Good practice involves the establishment of policies and controls to ensure that expenses have a justifiable business purpose; preserve impartiality; have been made with integrity; are moderate and conservative; have regard to the circumstances; have been made transparently; and are appropriate in all respects.</p>	<p>We are required to remain alert for issues of effectiveness and efficiency, waste, and a lack of probity or financial prudence throughout the audit. We also plan to:</p> <ul style="list-style-type: none"> • Assess policies and procedures in place for expenses and procurement processes, and • Test a sample of expenses for appropriateness against good practice and other guidance issued as relevant for the Council. Our tests will focus primarily on sensitive expenditure such as Councillors and senior management pay, travel and expenses; large contract tenders; related party transactions; and payments to offshore locations.
<p>Government reviews and proposals</p> <p>There continues to be change in the sector with newly introduced or changes to regulatory requirements (new and updated national policy statements), and other areas being considered by the Government. This constant change makes it challenging for Councils to plan ahead, particularly because of uncertainties of regulatory settings and the significant cost implications of these changes.</p>	<p>As part of our audit process, we will:</p> <ul style="list-style-type: none"> • Continue to follow up and discuss with management on the impact of these initiatives to the Council, where necessary, will consider them within our audit approach; and • Maintain close communication with the Office of the Auditor-General, if there are any other areas that requires further consideration.
<p>Stimulus Spending</p> <p>If applicable, the Council may have received funding from central government. It is important that Council is accounting for this funding in accordance with PBE accounting standards, are being transparent with communities and meeting any obligations.</p>	<p>We plan to meet with management to update our understanding of the plans and processes in place to address the focus areas of the OAG, including understanding any information requests from central government organisations during the period.</p> <p>We will assess whether any stimulus spending received has been appropriately accounted for in accordance with PBE accounting standards and appropriately disclosed in the financial statements and service performance information where applicable.</p>



An elevated focus on the Council’s control environment

We continue to increase our focus on internal controls as a core element of our audit as a strong control environment is core to both reliable financial reporting and business resilience

The economic environment is challenging. Increasing operational, regulatory and financial complexity, renders businesses more exposed than ever to fraud and error. In addition, reflecting macroeconomic volatility – entities are having to identify and respond to new risks more frequently than ever before.

As a result, stakeholders globally, not just the financial markets and regulators, but also government and wider society are expecting higher standards of corporate and financial governance.

In today’s economic climate, it is critical for a company to be able to effectively identify and then respond to risks and challenges on a timely basis. Strong governance and control are essential in this regard.

Robust processes and controls are fundamental to financial resilience, with internal controls being the foundation that enables a company protects itself and builds stakeholder trust and confidence. Whilst controls cannot predict the future, they can be a good indicator as to whether a company is prepared for uncertainty, change, and risk.

The benefits of investing in strong governance, a robust finance function and internal control environment will extend far beyond just compliance and may be the difference between a company’s success and failure.

When designed and implemented appropriately, a robust internal control environment:

- Reduces risk** – through fraud and error prevention and detection, safeguarding of company assets and ensuring compliance with laws and regulations;
- Increases financial resilience** – by enabling transparency, accountability, viability and increased reliability and integrity of financial information; and
- Optimises returns** – by establishing a foundation to support growth, including easier access to markets and funding.

An effective, robust control environment is particularly important in times of uncertainty, where risks arise, and the company needs to identify them quickly and respond confidently.

Key information and data that is reliable and accurate is integral for decision-makers for analysis and evaluation in real-time, allowing companies to achieve its commercial objectives with a grounded understanding of the risks associated with its decisions.

Today, the risks entities face continuously evolve, pulling the finance function and existing internal control environment in multiple directions. Every change made to a business model likely requires a corresponding change to internal controls which is often overlooked, resulting in increased exposure to risk as a result of a disconnected finance function and internal control environment.

Given the factors noted we are looking to elevate the transparency of our evaluation of your control environment and thematic observations on where strengthening would support business resilience and financial reporting reliability.

Our approach to controls for areas of audit focus was outlined on the earlier pages.





A focus on the IT control environment

The importance of the IT environment which underpins financial reporting

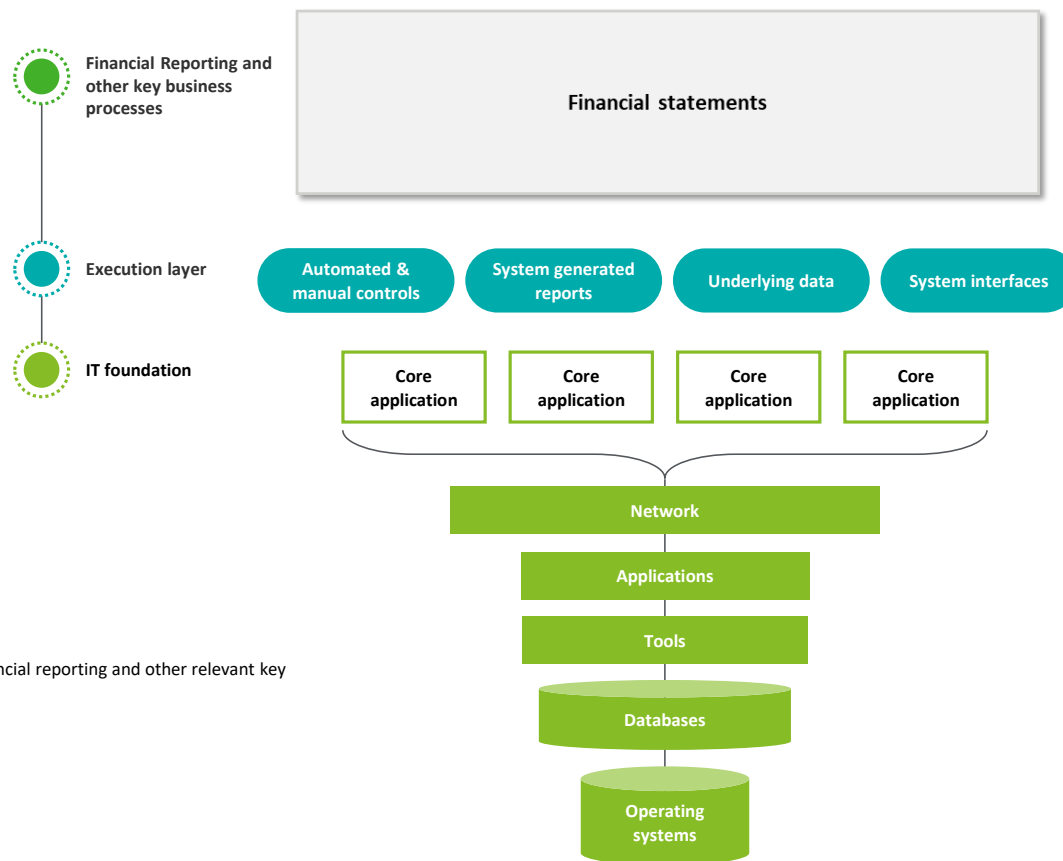
A specific focus on foundational technology controls

Technology plays a substantial and increasingly important role in the overall system of internal controls. Manual controls in the form of approvals, reviews and reconciliations typically rely on information produced by IT systems. A myriad of fully automated controls are also baked into modern systems to enhance the integrity of information and protect data and assets. All of these depend, in turn, on effective general IT controls to ensure that access to information is protected, that people are able to fulfill their responsibilities but not bypass any of the controls, and that IT systems continue to operate effectively and evolve to meet ever-changing business needs and the ever-changing risk landscape.

Internal controls over financial reporting are a subset of the overall system of internal controls, and where you have invested in technology based internal controls it allows the Committee greater confidence in the accuracy of financial reporting and an opportunity for us to leverage your systems in our audit approach. This starts with identification of the most attractive automated and partially automated controls, as well as the underlying and pervasive general IT controls on which they depend. Where effective, reliance on these IT controls provides tremendous benefits in the efficiency and effectiveness of our audit, and allows us to provide feedback, insights and opportunities for improvement in critical business risk areas such as cyber risk and technology change.

We will focus our efforts on the following key systems which support financial reporting and other relevant key business processes:

- Technology One
- Ci Anywhere
- Pathway



5.4 REVENUE RECOVERY REPORT 31 MARCH 2024

File Number: A4696494

Author: Zena Tango, Team Leader - Transaction Services

Authoriser: Jonathan Slavich, Chief Financial Officer

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 third 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 31 March 2024.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and Sundry debt as of 31 March 2024 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 decreased by 30% and the water rates has decreased by 40% (See footnote A.1 in attachments)

General Title rates and water debt

Key actions since the last report:

- Completed reporting for all properties with mortgages and completed pre-mortgage demand calling.
- Prepared and issued mortgage demand to three major banks.
- Statutory demand proceedings have been lodged 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 have been made.
- The wider Transaction services team vacancy has been filled. Revenue recovery team will be at full capacity going forward.

Next actions:

- Complete statutory demand proceedings against properties owned by organisations with Law North.

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.
- 44% 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.
- 15% 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 2% since the start of the year of which 11% was for Māori Freehold land remissions. The water rates were reduced by 14% since the start of the year. (See footnote A.2 in attachments)

Sundry debtors debt

The total sundry debtors aged debt balance has decreased since the start of the year.

Since the prior report, the building debt and resource debt has dropped. 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.3 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. **Footnote A.1 General Title Rates and Water arrears comparison - A4706672** [↓](#) 
2. **Footnote A.2 Maori Freehold Land Rates and Water - A4706681** [↓](#) 
3. **Footnote A.3 Sundry Debtors - A4706684** [↓](#) 

Footnote A.1 General Title Rates and Water arrears comparison

Third quarter report 2023-2024 Financial Year General Title Rates

General Title Rates 2023-2024							
General Title Rates - 31 March 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Abandoned Land	65,618	57,751	53,948	54,955	112,438	344,711	39
Payment Arrangement	24,694	10,923	5,324	5,643	7,585	54,169	20
Deceased Rate Payer	86,528	72,696	64,666	63,565	111,849	399,304	47
Mortgage Run 2023-2024	1,514,811	509,659	376,490	282,216	440,461	3,123,638	796
Legal Action Commenced (external)	106,218	88,520	81,697	75,907	238,493	590,834	50
Legal Action Commenced (FNDC)	31,709	30,190	28,286	22,463	36,461	149,110	12
Liquidation	2,183	2,074	1,938	1,966	2,063	10,225	2
Direct Debit	134,752	39,998	16,566	9,039	9,162	209,518	96
Debt recovery action to commence	1,018,911	696,906	554,510	312,680	411,501	2,994,507	591
Rates Total	2,985,423.45	1,508,716	1,183,426	828,437	1,370,014	7,876,016	1,653

Comparison to the Third quarter report 2022-2023 Financial Year General Title Rates

General Title Rates and Water Arrears 2022-2023							
General Title Rates - 31 March 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	59,666	55,903	56,094	55,460	161,384	388,507	40
Payment Arrangement	38,242	23,451	17,742	10,429	24,337	114,200	22
Deceased Rate Payer	89,518	78,234	68,949	64,052	157,138	457,891	49
Mortgage Run 2022-23	794,943	285,989	54,643	35,998	39,198	1,210,771	481
Legal Action Commenced (external)	101,762	94,576	89,872	64,953	195,067	546,230	52
Legal Action Commenced (FNDC)	14,789	14,097	14,617	11,045	29,845	84,393	7
Liquidation	2,074	1,938	1,966	1,892	171	8,041	2
Direct Debit	117,850	39,409	21,294	10,245	2,527	191,324	80
Debt recovery action to commence	1,445,025	1,006,982	648,384	501,033	920,184	4,519,588	822
Rates Total	2,663,869	1,600,579	971,541	755,107	1,529,851	7,520,947	1,555

Third quarter report 2023-2024 Financial Year General Title Water

General Water Arrears 2023-2024							
General Title Water 31 March 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	3,011	3,302	1,850	798	-	8,961	2
Deceased Rate Payer	12,161	8,502	11,689	26,763	33,357	92,473	10
Mortgage Run 2023-2024	250,695	75,179	47,252	39,238	39,068	451,432	318
Legal Action Commenced (external)	6,395	9,316	4,736	4,744	23,966	49,156	8
Legal Action Commenced (FNDC)	6,116	7,140	4,038	4,860	10,725	32,879	6
Liquidation	-	-	-	-	-	-	-
Direct Debit	59,049	11,508	7,389	1,455	3,798	83,200	83
Debt recovery action to commence	96,987	59,607	63,435	2,713	46,126	268,868	203
Water Total	434,415	174,554	140,389	80,570	157,040	986,968	630

Comparison to the Third quarter report 2022-2023 Financial Year General Title water

General Title Water Arrears 2022-2023							
General Title Water 31 March 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	5,039	2,591	1,334	377	5,083	14,424	7
Deceased Rate Payer	9,101	11,689	26,763	21,266	23,592	92,412	10
Mortgage Run 2021-2022	142,732	68,407	47,921	35,365	18,848	313,273	275
Legal Action Commenced (external)	9,700	5,660	4,996	7,187	16,779	44,323	9
Legal Action Commenced (FNDC)	6,074	4,038	4,860	3,409	7,816	26,196	2
Liquidation	-	-	-	-	-	-	-
Direct Debit	46,747	22,920	15,534	3,482	11,159	99,842	79
Debt recovery action to commence	177,420	154,246	61,354	57,469	73,557	524,045	236
Water Total	396,814	289,551	162,763	128,555	156,833	1,114,515	618

Footnote A.2 Maori Freehold Land Rates and Water

Third quarter report 2023-2024 Financial Year Maori Freehold Land Rates

MFL Rates Arrears 2023-2024							
MFL Rates 31 March 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Payment Arrangement	11,121.62	7,619.35	6,684.72	6,823.07	-	32,249	6
Deceased ratepayer	20,008.08	19,076.49	18,407.47	18,761.73	12,140.34	88,394	10
Direct debit	33,909	27,503	27,822	23,544	34,988	147,766	14
Abandoned Land	1,194.06	1,138.67	1,066.55	1,093.94	2,222.28	6,716	1
Debt recovery action to commence	2,024,987.18	1,928,440.74	1,874,229.03	1,815,072.97	1,485,314.95	9,128,045	1,155
Rates Total	2,091,220	1,983,778	1,928,210	1,865,296	1,534,666	9,403,170	1,186

Comparison to the Third quarter report 2022-2023 Financial Year Maori Freehold Land Rates

MFL Rates Arrears 2022-2023							
MFL Rates - 31 March 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Payment Arrangement	9,497	9,296	9,231	6,379	7,953	42,356	8
Deceased ratepayer	20,594	20,726	20,185	7,565	10,792	79,862	12
Direct debit	37,539	30,838	27,088	23,631	51,808	170,905	19
Abandoned Land	3,683	3,492	3,653	3,604	10,551	24,983	2
Debt recovery action to commence	2,113,951	2,038,831	1,969,259	871,337	2,305,393	9,298,772	1,246
Rates Total	2,185,264	2,103,183	2,029,417	912,516	2,386,497	9,616,878	1,287

Third quarter report 2023-2024 Financial Year Maori Freehold Water

MFL Water Arrears 2023-2024							
MFL Water 31 March 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Payment Arrangement	-	-	-	-	-	-	-
Direct Debit	7,024.47	4,691.61	-	-	-	11,716	2
Debt recovery action to commence	41,867.85	42,525.23	55,489.45	34,441.27	70,273.17	244,597	38
Water total	48,892	47,217	55,489	34,441	70,273	256,313	40

Comparison to the Third quarter report 2022-2023 Financial Year Maori Freehold Land Water

MFL Water Arrears 2022-2023							
MFL Water - 31 March 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Payment Arrangement	-	-	-	-	-	-	-
Direct Debit	6,413	148	-	-	-	6,561	3
Debt recovery action to commence	47,968	68,034	49,848	53,732	94,216	313,798	42
Water total	54,381	68,181	49,848	53,732	94,216	320,358	45

Footnote A.3 Sundry Debtors

Third quarter report 2023-2024 Financial Year Sundry Debtors

Sundry Debtors Aged Period Report as at 31 March 2024						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	25,896	25,388	-	212,276	770,587	27%
Bookings	-	750	-	6,943	11,381	0%
Septage	6,567	33	-	208	11,879	0%
Refuse	-	-	-	3,030	3,030	0%
Building	35,546	28,477	4,592	572,017	769,620	27%
Resource	77,763	45,791	480	837,530	1,103,159	39%
Liquor	-	-	184	3,475	14,288	1%
Health	5,883	4,145	1,240	134,913	164,616	6%
Total	151,654	104,585	6,496	1,770,393	2,848,560	100%

Comparison to the Third quarter report 2022-2023 Financial Year Sundry Debtors

Sundry Debtors Aged Period Report as at 31 March 2023						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	212,217	26,528	11,445	88,624	338,814	26%
Bookings	-	-	-	6,645	6,645	1%
Septage	-	-	-	109	109	0%
Refuse	-	-	-	3,030	3,030	0%
Building	27,306	17,675	38,004	289,560	372,545	28%
Resource	49,654	19,839	37,591	385,803	492,886	37%
Liquor	1,817	297	316	4,415	6,845	1%
Health	5,185	2,713	5,968	88,105	101,970	8%
Total	296,178	67,051	93,323	866,292	1,322,844	100%

5.5 PEOPLE AND CAPABILITY REPORT - JANUARY - MARCH 2024**File Number:** A4696651**Author:** Kerry Brett, Systems Support Officer**Authoriser:** Emma Healy, Chief of Staff**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 on People and Capability activities.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

- Exit Interviews and Analysis.
- Recruitment activity; and
- Employment Relations.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the People and Capability Report - January - March 2024 .

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.

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

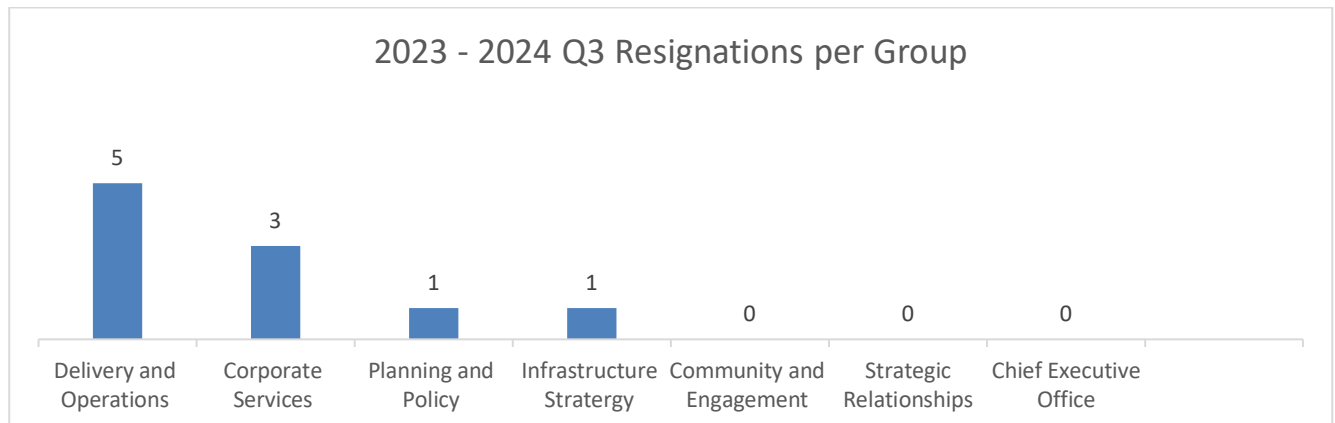
Nil

ĀPITIHINGA / ATTACHMENTS

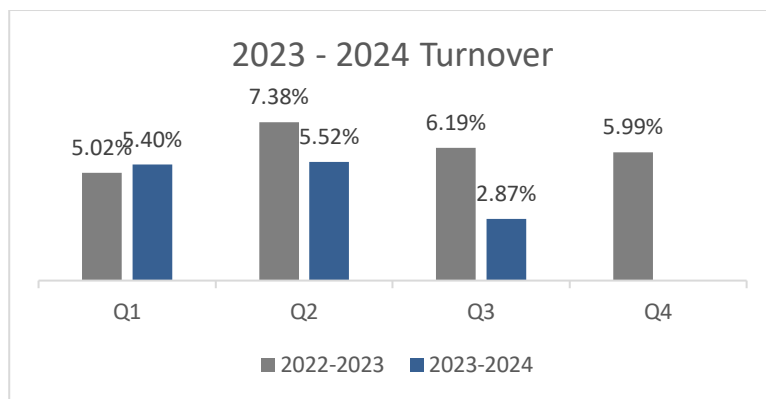
Nil

Turnover Quarter Three (Jan – Mar 2024)

10 employees left FNDC in Quarter 3.



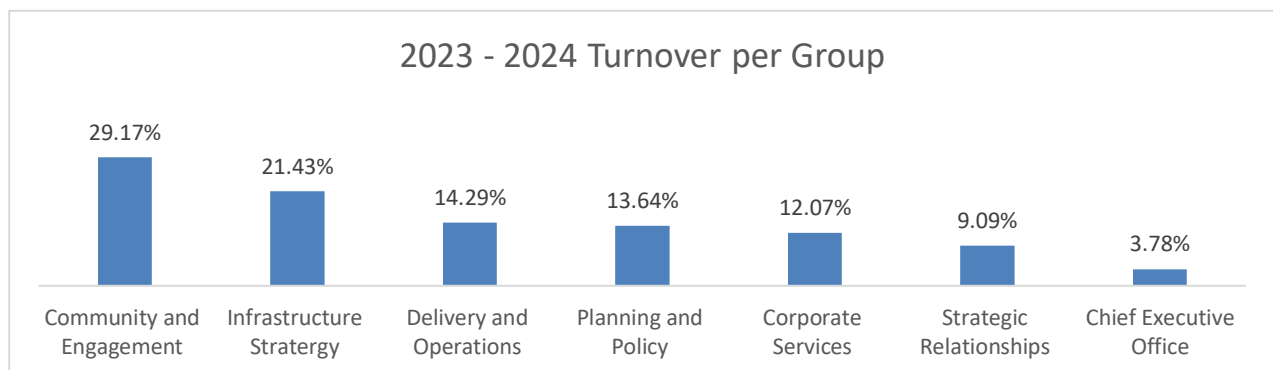
The turnover rate for this quarter is 2.87% (compared to 6.19% for the same quarter last year).



7 exit interviews were completed.

Turnover Year to Date (July 2023 – Mar 2024)

49 employees have left the organisation.

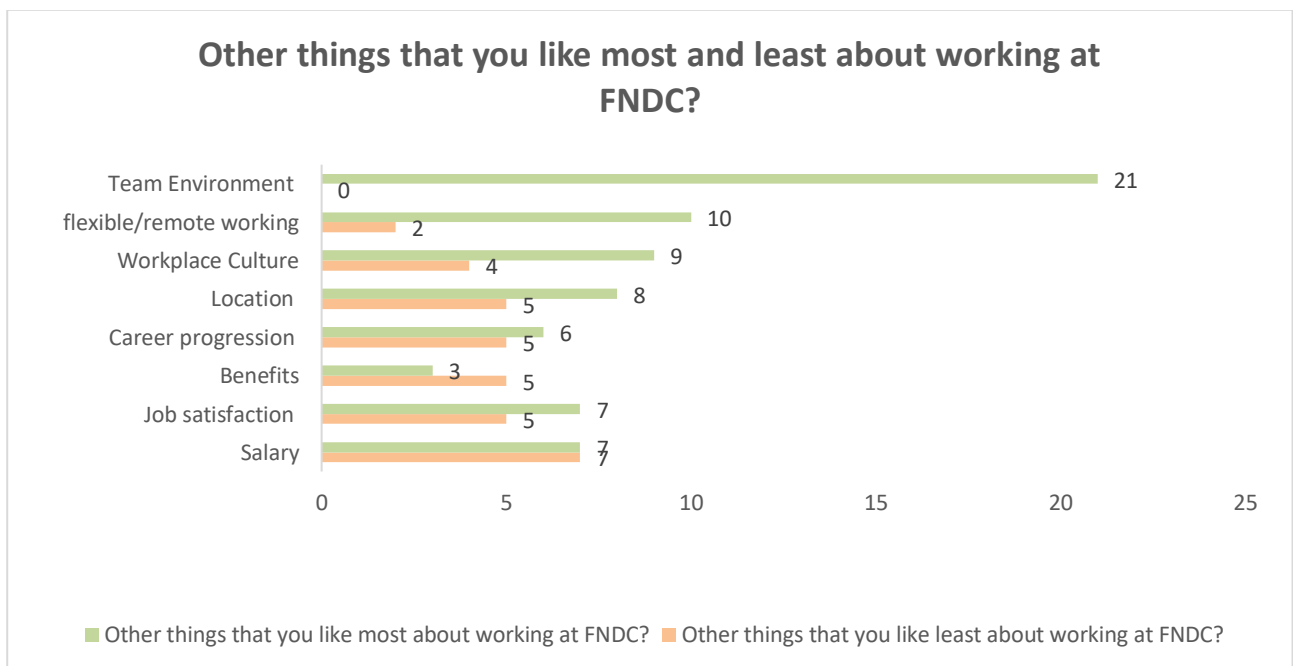
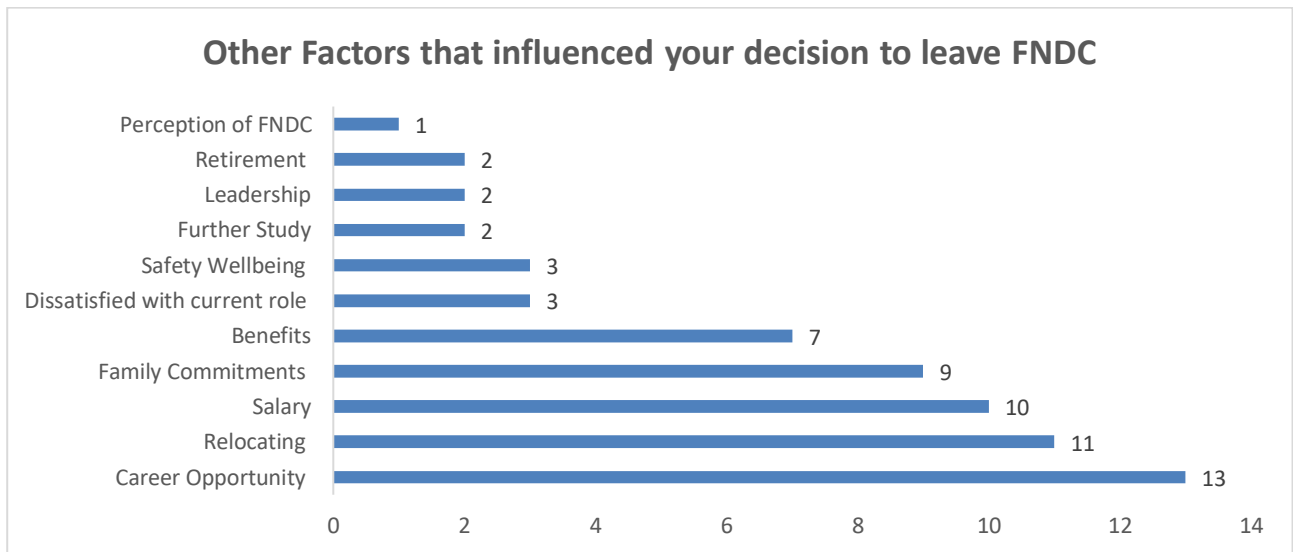


The turnover rate for the year to date is 13.79% (compared to 18.59% for the same period the previous year).

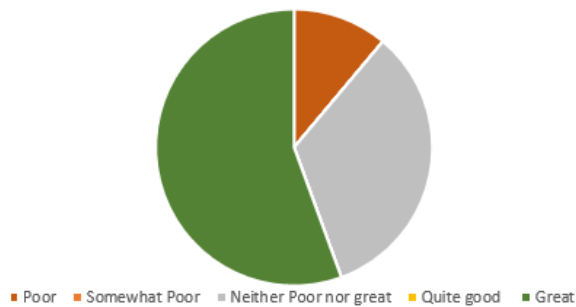
27 exit interviews have been completed, and the main themes are:

- What staff liked most about working at FNDC:
 - Team Environment
 - Flexible/Remote Working
 - Workplace Culture

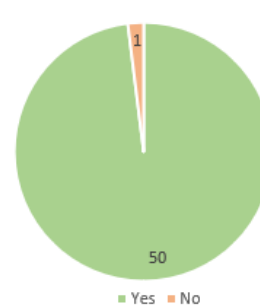
- Top reasons to leave FNDC:
 - Salary
 - Job Satisfaction, Career Progression, Benefits



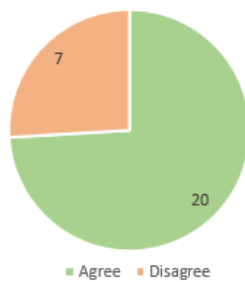
How would you overall rate the culture at FNDC?



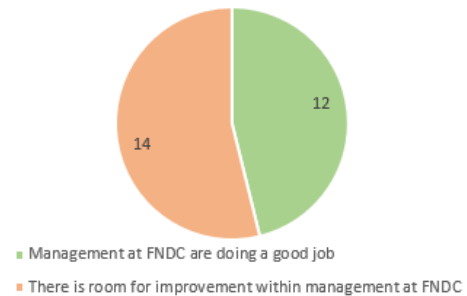
Would you recommend FNDC as an employer of choice?



You had the resources that you needed to be able to do your job?



How would you rate the overall management at FNDC?



Response to Exit Interview Analysis

What staff liked most about working at FNDC:

- Team environment – This is consistent with the top-scoring question in the engagement survey. To maintain this, the CE workshops have been gauging areas for improvement. Staff are also being encouraged to spend more time in the office to build peer relationships and the team environment.
- Flexible/Remote working – This has allowed us to recruit talent for specialist roles outside of the district, effectively widening our talent pool and allow the flexibility to manage work/life balance. A 'business first, digitally supported' philosophy is promoted to strike the right balance of flexibility in how work is delivered.
- Workplace culture – This has been a focus over the last six months.

Top Reasons to Leave FNDC:

- Salary & job satisfaction – When required roles are reviewed to ensure that they are still fit for purpose. Job satisfaction is personal to the individual and the CE workshops have focused in on giving staff time with the CE to hear and understand first-hand what's going well and areas for improvement.
- Career progression & benefits – Twice yearly succession planning is being undertaken to identify potential internal successors and target development and career planning. The next

round of succession planning will take place in August. FNDC does offer employee benefits and work will be done to communicate and expand this offering.

Recruitment Activity

During this quarter 34 positions have been filled. While recruitment over the past 12 months has proven difficult, progress has been made with some key leadership roles this past quarter. Consideration to the final Team Leader Resource Consents appointment is underway, as well as the new Manager Contact Centre (Community and Engagement Group) and Team Leader District Plan (Planning and Policy Group) both starting on Monday 15 April.

We have continued to use external recruitment agencies with success, which have enabled us to hire hard to fill roles. This approach to find specialists combined with our hybrid working model has seen a rise in appointments in the last quarter.

The 2024 Job Explore in Kaikohe and Kaitaia were important events for FNDC to not only talk to prospective new employees, but to raise awareness of the variety of opportunity that Council has available. We attended both days, speaking not only with our local rangitahi but more senior members of the community who wanted to engage with us in meaningful ways and explore possible career pathways.

We have also undergone training in the new functionalities with our main online recruitment platform (Seek) which allows us to take a more direct approach and match with prospective job seekers, in addition to further conversations with LinkedIn as to the types of targeted recruitment marketing that is available.

Finally we have recently established further connections with local high school gateway educators as well as Te Pūtahi-Nui-o-Rehua Charitable Trust, based in Kaikohe, on what we can look at regarding possible placement and upskilling in council.

Culture

Quarterly Celebration – This took place Monday, 29 April in Chambers. This celebration welcomes our New Starters over the past Quarter with a powhiri and combines with FNDC's Love Your Work awards and Long Service recognition. This quarter eight recipients received a Love Your Work Award and four staff were recognised for serving FNDC and their community for 30 plus years. Certificates were also awarded to staff who participated in our Kapa Haka group who competed in the Te Tai Tokerau Senior Kapa Haka Regional Competition, 23 March in Whangarei at McKay Stadium.

Staff engagement – The final month of 2023 saw the completion of the latest staff engagement survey. Participation in this survey was at 77%, compared to the previous survey in June 2023 which was 67%. Participation in the survey increased markedly, with 2772 comments made by staff – an increase of 60% - which indicates we can have confidence in the results of the survey. The overall engagement score itself did not significantly improve, which has meant a focus on responding to the themes of the survey.

Some engagement drivers did show improved scores from the previous survey; 'Growth', 'Diversity & Inclusion', 'Health & Wellbeing' and 'Freedom of Opinions'. SLT has agreed on three priority areas

highlighted in the results: Strategy, Support and Equality. The next survey is scheduled for May 2024.

Organisational strategy - One of the lowest scoring sections of the staff engagement survey related to strategic direction of the organisation. In response to this, an organisational strategy is under development with an initial Mission, Vision, Values and Purpose drafted by SLT. A working group made up of individuals across groups has further developed this and engaged with all People Leaders. This work will continue with wider engagement across the organisation anticipated, with a final organisational strategy due for completion by Q2 2024/5.

Succession Planning – The past 6 months has seen a targeted focus on succession planning. This strategic focus allows for People Leaders to identify and develop their team members to fill the key roles that are critical to the business, with an action plan ready when these roles become vacant. This process allows not only for business continuity in times of change and uncertainty, but it allows for opportunity and growth within our team members, strengthening our Employer Value Proposition and desire to be an employer of choice.

Staff retention - The aforementioned engagement survey and succession planning and talent identification are key to help mitigate this risk. Stay Interviews are undertaken for teams that may be unsettled. Team Management Profiling has also been provided to a number of teams to give insights on how people prefer to work and interact with others in the workplace and build high levels of trust and confidence within teams. The end of this financial year will also be the first round of the newly implemented Performance Recognition Framework. This framework was developed in response to staff survey feedback.

CE Team Workshops - The CE has been meeting each of the 40 teams across council in a workshop format to share the organisational strategy direct and give the opportunity to brainstorm improvement ideas and initiatives. To date 18 teams have had their workshops which has resulted in 391 ideas being generated (some of which are duplicates) but it has already shown a unified voice from staff in some areas, and some actions have already been taken on board and implemented. The Projects team undertaking this work and developing the associated Service Improvement Programme to work through the resulting ideas. The remaining 22 teams are scheduled to be met with in the coming months.

Employment Relations

	Quarter Three (Jan – Mar 2024)	Financial Year to Date (Jul 2023 – Mar 2024)
Number of personal grievances	0	3 <i>Note: These were a result of the April 2023 restructure</i>
Negotiated exits & medical retirements	1	8

FNDC has a solid relationship with the PSA representative and the delegates within council. Recently the long-standing representative has stepped aside to focus on the Health sector, with a new delegate taking on that role as of April 2024.

Negotiations for the upcoming renewal of the Collective Employment Agreement will be taking place in May. Pre-negotiation discussions have been positive, with both PSA delegates and FNDC representatives having the same focus of supporting our people.

5.6 FNHL QUARTERLY REPORT - MARCH 2024

File Number: A4696812

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

Present Far North Holdings Limited's (FNHL) March 2024 quarterly report.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

To provide FNHL's March 2024 quarterly report, issued in accordance with Part 5, Section 67 of the Local Government Act.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive FNHL Quarterly Report - March 2024 .

TĀHUHU KŌRERO / BACKGROUND

In accordance with Part 5, Section 67 of the Local Government Act 2002 and FNHL Statement of Intent, FNHL submit a quarterly report to Council on the activities of the Group - Far North Holdings Limited, Bay of Islands Marina Limited and Housing Limited.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The purpose of this quarterly report is for the Board to provide Council with:

- an update on key achievements and activities during the quarter;
- quarterly performance and progress against key SOI targets;
- unaudited financial results for the quarter; and
- specific Health & Safety reporting as required by the SOI.

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

There are no financial implications for this update report.

ĀPITIHINGA / ATTACHMENTS

1. 24_05 March 2024 Report to Shareholder - A4707524 [↓](#) 

5.7 FNDC FINANCIAL SUMMARY MARCH 2024

File Number: A4696879

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide a FNDC financial summary for the period to 31 March 2024.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Operating surplus for the period ending 31 March 2024 recorded \$21.0 million against a planned year-to-date budget of \$19.4 million. This was due to higher operating income which was up \$16.2m on budget, partially offset by higher operating expenditure, which was \$14.6m higher than budget.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report FNDC Financial Summary March 2024.

TĀHUHU KŌRERO / BACKGROUND

FNDC Financial Summary year to date 31 March 2024.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Operating surplus for the period ending 31 March 2024 recorded \$21.0 million against a planned year-to-date budget of \$19.4 million. The operational surplus is therefore up 8% compared against the year-to-date budget.

Operating Income was \$112.3 million compared to budget of \$96.1 million, the key drivers for the higher income were in relation to:

- Central government subsidies of \$15.6 million, of which:
 - \$8.9 million related to roading network,
 - \$2.3 million related to emergency works; and
 - \$0.8 million related to ferries.
- Other income of \$5.2 million, of which:
 - \$2.3 million was associated with water operational grants, largely for water \$1.3 million (3 waters DIA Better Off Funding), \$0.5m for community services (public toilets);
 - \$0.8 million for waste disposal;
 - \$0.6 million for recoveries;
 - \$0.5 million for interest income; and
 - \$0.4 million for development agreement income (Arvida).

When we strip out central government subsidies and other income, the total operational income reduces to \$95.0 million, which is in line with budget for the year to date.

Operating expenditure was \$91.3 million compared to budget of \$76.7 million, the \$14.6 million higher spend was due to:

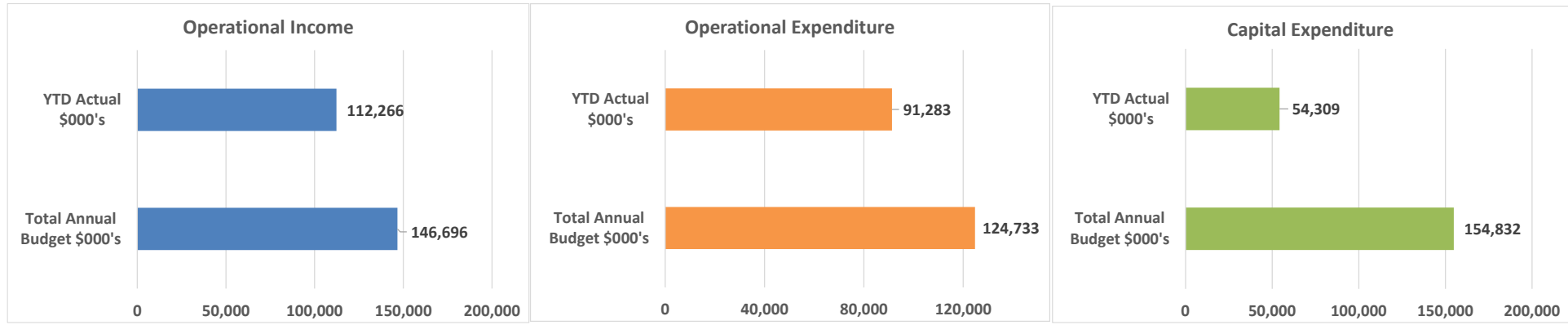
- Higher spend in contractor & professional fees, \$18.4 million higher than budget. The contractor & professional fees costs were attributed primarily to:
 - Roading spend of \$15.7 million, of which \$2.7 million was for emergency works;
 - \$9.8 million for wastewater;
 - \$5.8 million for water;
 - \$5.3 million for Refuse; and
 - \$4.4 million for community services.

A key component of the higher spend to budget is due to budget phasing, where a large part of the budget is planned for in the final month of June 2024. The reality is the actuals have come in earlier and more consistently through the year. Based on this, a large levelling up in the final month of June is expected.

- General expenses were \$0.8 million higher than budget, driven primarily by higher insurance costs which are running \$1.0 million higher than budget.
- Rate remissions were \$0.3 million higher than budget.
- The above increased costs were partially offset by:
 - Lower payroll related costs (\$3.0 million lower than budget), which has been driven by the larger number of vacancies during the year;
 - Lower grants and donations (\$1.0 million lower than budget); and
 - Lower interest costs (\$1.0 million lower than budget).

Capital expenditure for the year continues with funds spent to March 2024 for the following areas:

- Roading & footpaths \$28.1 million
- District Facilities \$13.6 million
- Stormwater \$2.1 million
- Solid Waste \$0.4 million
- Wastewater \$5.1 million
- Water Supply \$1.9 million



Whole of Council Statement of Operational Financial Performance for the period ending 31 March 2024								
	Year to date			Full year				
	YTD Actual \$000's	YTD Budget \$000's	Variance \$000's	Actuals YTD as a % of Total Budget	Actuals YTD as a % of Annual Forecast	Total Annual Budget \$000's	Total Annual Forecast \$000's	Forecast Variance \$000's
Operations								
Operational income								
Rates - general (excl water supply rates)	78,444	78,455	(11)	75%	75%	104,607	104,607	0
Rates - penalties	996	1,589	(593)	48%	48%	2,063	2,063	0
Fees & charges (inc water supply rates)	15,582	15,008	574	75%	69%	20,835	22,680	1,845
Central govt subsidies - operational	12,025	87	11,938	70%	68%	17,205	17,756	551
Other income	5,218	962	4,256	263%	218%	1,985	2,393	408
Total operating income	112,266	96,102	16,164			146,696	149,500	2,804
Operating Expenditure								
Payroll related costs	25,290	28,314	3,024	66%	66%	38,203	38,113	89
Other staffing related costs	1,668	1,684	16	73%	72%	2,273	2,301	(27)
General expenses	7,563	6,765	(797)	84%	83%	9,055	9,074	(20)
Rate remissions	2,399	2,053	(346)	110%	96%	2,189	2,494	(305)
Contractor & professional fees	50,452	32,015	(18,437)	77%	73%	65,259	68,781	(3,521)
Grants and donations	816	1,772	956	35%	35%	2,345	2,345	0
Interest costs	3,095	4,057	962	57%	57%	5,409	5,409	0
Total operating expenditure	91,283	76,661	(14,622)			124,733	128,517	(3,784)
Net operating surplus/(deficit)	20,983	19,441	1,542			21,964	20,983	(981)

Statement of Capital Financial Performance for the period ending 31 March 2024	Year to date \$000's			Actuals as % of Total Budget	Actual as % of Annual Forecast	Full year \$000's		
	YTD Actual	YTD Total Budget	Variance			Total Annual Budget	Total Annual Forecast	Forecast Variance
Capital Works								
IAM's								
District Facilities	13,646	10,274	(3,372)	31%	35%	43,961	39,336	4,625
Stormwater	2,120	897	(1,223)	24%	20%	8,667	10,496	(1,829)
Solid Waste	362	366	4	32%	28%	1,124	1,306	(182)
Wastewater	5,116	2,960	(2,155)	26%	23%	19,820	22,213	(2,393)
Water Supply	1,921	3,501	1,580	23%	17%	8,347	11,499	(3,152)
	23,164	17,997	(5,166)	28%	27%	81,919	84,850	(2,931)
Roading & Footpaths	28,121	2,031	(26,091)	43%	36%	64,930	77,344	(12,414)
Other								
Environmental Management	36	0	(36)	0%	148%	0	24	(24)
Governance & Strategic Administration	1,438	2,218	780	26%	23%	5,568	6,227	(659)
Customer Services	1,084	92	(992)	45%	26%	2,416	4,147	(1,731)
Strategic Planning	0	0	0	0%	0%	0	0	0
Vested Asset Additions	466	0	(466)	0%	0%	0	0	0
Total Capital Works	54,309	22,338	(31,971)	35%	31%	154,832	172,591	(17,759)

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

Information report only - there is no financial implications with this report update.

ĀPITIHINGA / ATTACHMENTS

Nil

5.8 FNDC YEAR END PLANNING UPDATE

File Number: A4703291

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide update on the year end, audit, and annual report planning.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Far North District Council (FNDC) is committed to delivering the audited Annual Report for the 2023-24 financial year by 30 October 2024. This report will reflect the Council's annual activities and results, including service performance indicators and financial outcomes for Council-Controlled Organisations.

TŪTOHUNGA / RECOMMENDATION

That the Te Miromiro - Assurance, Risk and Finance Committee receive the report FNDC Year End Planning Update.

TĀHUHU KŌRERO / BACKGROUND

To effectively project plan the preparation of the Annual Report, FNDC incorporates insights gained from previous report cycles, examines changes in accounting policies, and considers any change of organisational activities or other significant items.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

As part of this planning, the Accounting Services team has met with the Deloitte audit manager and audit partner to:

- Conduct a comprehensive review of the previous audit to identify and discuss areas of focus/improvement;
- Identify relevant changes in accounting standards;
- Review planned revaluations;
- Timeline and agree key delivery milestones.

Changes in Accounting Policies:

No new accounting standards have been identified that will impact the FNDC 2023/2024 Annual Report. One new amendment has been identified for PBE IPSAS 1 disclosure of fees, which is expected to have minimal impact on delivery milestones.

Planned Revaluations:

Below is the list of asset classes with planned valuations.

FNDC plans to revalue specific asset classes. For those not scheduled for revaluation, a carrying value assessment has been initiated. If this assessment indicates significant value fluctuations, it may trigger a revaluation of those assets.

Class	Revalue 2023-2024	Last Valuation Date	Valuer
Water - Reticulation	Yes	30/06/2022	SPM
Water - Treatment Plants	Yes	30/06/2022	SPM
Water - Pump Stations	Yes	30/06/2022	SPM
Water - Reservoirs / Dams	Yes	30/06/2022	SPM
Water - Land	Yes	30/06/2022	QV
Sewerage - Reticulation	Yes	30/06/2022	SPM
Sewerage - Treatment Plants	Yes	30/06/2022	SPM
Sewerage - Pump Stations	Yes	30/06/2022	SPM
Sewerage - Land	Yes	30/06/2022	QV
Roading - Streetlighting	No	30/06/2023	SPM
Roading - Traffic Services	Yes	30/06/2023	SPM
Roading - Pavement	Yes	30/06/2023	SPM
Roading - Walls	Yes	30/06/2023	SPM
Roading - Drainage	Yes	30/06/2023	SPM
Roading - Bridges	Yes	30/06/2023	SPM
Roading - Ferry	No	30/06/2023	EmTech
Roading - Road Marking	No	30/06/2023	SPM
Stormwater	No	30/06/2023	SPM
Refuse - Transfer Stations	No	30/06/2023	SPM
Refuse - Land	Yes	30/06/2022	QV
Comm Halls etc	No	30/06/2023	QV
Swimming Pools	No	30/06/2023	QV
Public Toilets	No	30/06/2023	QV
Footpaths	No	30/06/2023	SPM
Carparks	No	30/06/2023	SPM
Parks and Reserves Improvements	No	30/06/2023	QV
Housing for the Elderly	No	30/06/2023	QV
Cemeteries	No	30/06/2023	QV
Camping Grounds	No	30/06/2023	QV
Maritime Facilities	Yes	30/06/2023	Telfer Young
Libraries, Info, Serv Buildings	No	30/06/2023	QV
Library Books	No	28/02/2023	Internal / SPM
Land - Parks and Reserves	Yes	30/06/2022	QV
Land - District Facilities	Yes	30/06/2022	QV
Heritage	Yes	30/06/2022	WSP
Roading Strategic Property	Yes	30/06/2023	QV
Roading Strategic Land	Yes	30/06/2023	QV

Timeline planning:

Item	Delivery	Date
Audit planning meeting with Deloitte	Remote	22 nd March 2024
Audit Committee Meeting to present the BAC report	Remote	22 nd May 2024
Deloitte interim audit (1 week)	In-house	24 th June 2024 29 th July 2024
Deloitte Interim audit FNHL (1 week)	In-house	1 st July 2024
Notes to the Accounts and Benchmarks completed	Remote	9 th August 2024
Debenture Trust documentation received	Remote	14 th August 2024
Draft Council AR to CFO for review	Remote	19 th August 2024
Draft Council AR to Deloitte	Remote	21 st August 2024
Deloitte commences FNHL final audit (3 weeks)	In-house & remote	5 th August 2024
Deloitte commences FNDC main audit (3 weeks)	In-house & remote	26 th August 2024
Consolidation & cashflow completed	Remote	25 th September 2024
Deloitte continues FNDC main audit (4 weeks)	In-house & remote	30 th September 2024
Deloitte provides FNHL audit opinion	In-house	7 th October 2024
Deloitte provides FNDC verbal audit clearance	In-house	11 th October 2024
Deloitte provides FNDC and Debenture Trust audit opinions, final AR ready to print	In-House	15 th October 2024
Final Council AR delivered to Council	In-house	16 th October 2024
Extraordinary Council meeting to adopt AR	In-house	30 th October 2024
Deliver AR Summary to Deloitte	Remote	1 st November 2024
Deloitte provides AR Summary approval	Remote	4 th November 2024
Upload AR to FNDC website, send for print and distribution	Remote	5 th November 2024
Upload AR Summary to FNDC website	Remote	5 th November 2024

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

The external audit conducted by Deloitte is a pre-planned and budgeted expense and is provided for in the Long Term Plan. As an indication the 2022-23 audit was budgeted for \$240,922 (plus disbursements and GST). For the 2024/2025 year the budget noted in the LTP is \$273,000 (plus disbursements and GST).

ĀPITIHINGA / ATTACHMENTS

1. **AR 2023-24 Project Brief - Final - A4707519** [↓](#) 

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

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - 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
6.2 - 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 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE