



**Far North
District Council**



Te Kaunihera o Te Hiku o te Ika

AGENDA

Te Miromiro - Assurance, Risk and Finance Committee Meeting


Wednesday, 24 July 2024

Time: 10.00am

Location: Council Chamber, Kaikohe

Membership:

Mr Graeme McGlinn - 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

Audit, Finance and Risk Committee work plan

		Work Plan Dates						
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Internal Controls framework	Outstanding auditor recommendations, progress and updates	x	x					x
	Issues arising from Audits, register of issues and risks, updates	x	x					x
	Internal audit plans, and focus audits							x
	Cyber security and system availability risks (PX)		x					
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Finance and reporting oversight	Budget v actual review of key areas, year end forecasts	x		x	x		x	
	Capital expenditure and financing	x		x	x		x	
	Debt, liquidity, and debtor performance, hygiene factors	x		x	x		x	
	Levels of service (SSP) review	x		x			x	

	Financial, Quarterly updates, including performance SOI's for CCTO's	x		x			x	
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
External reporting and accountability	Review of accounting policies			x				
	Review of valuations					x		
	Review of Auditor Planning documents			x				
	Review of key audit issues						x	
	Review of Draft annual report, representation letters and recommendation to Council re signing					x		
	Review of Report to Governance						x	
	Emerging accounting issues and requirements (Green)							
	Changes in the legislative environment and emerging risks and changes							
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Key Council plans	Review of upcoming Annual Plan or LTP and key assumptions and accounting policies					x		

	Legislative compliance with LGFA / LGA						x	
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Risk management	Review of top risks - update	x		x		x		x
	AFRC and Executive team risk issues and emerging risks (Horizon scan)	x		x		x		x
	Risk management update on projects and work streams	x		x		x		x
	Risk management workshop to update the overall risk register (annual) and brain storm			x				
	Deep dive into a risk area (cyclical)	x		x	x			x
	Delegations register review		x					
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Probity, Waste, and Policies	Sensitive expenditure review, critical fraud controls and reviews of control effectiveness				x			
	Fraud risk update and work streams				x			x
	Cyclical review of key fraud and internal control risk areas	x		x	x		x	
	Policies - cyclical review schedule				x			

Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Insurance	Review of policies, processes and strategies					x		
	Review of annual insurance renewals					x		
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Treasury	Treasury policies including covenants and policy compliance					x		
	Economic update and impact on to AP/LTP						x	
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Occupational Health and Safety	Report on progress, and learnings	x	x	x	x	x	x	x
	Stopwork notices and handling	x	x	x	x	x	x	x
	Key risk areas and compliance	x	x	x	x	x	x	x
Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Legal issues and updates	Current legal issues in progress (Px)	x	x	x	x	x	x	x
	Potential legal issues and risks (Px)	x	x	x	x	x	x	x
	Legal compliance review across Council					x		
	Ratings validity review						x	

Terms of reference	Work stream	28-Feb	3-Apr	22-May	24-Jul	4-Sep	22-Oct	3-Dec
Other	Review and confirmation of Terms of Reference		x					
	Review and update the ARFC work plan		x					
	Review of the effectiveness of the AFRC		x					
	Review of the external auditor performance (3 yearly)		x					
		17	13	18	13	15	16	13

Far North District Council
Te Miromiro - Assurance, Risk and Finance Committee Meeting
will be held in the Council Chamber, Kaikohe on:
Wednesday 24 July 2024 at 10.00am

Te Paeroa Mahi / Order of Business

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6.2	Risk of non-compliance with Manatū Hauora directive to fluoridate water supplies Kaitaia, Kerikeri.....	58
6.3	Confirmation of Previous Minutes Public Excluded	58
6.4	Health, Safety and Wellbeing - May-June 2024	58
6.5	Risk Management Update.....	59
6.6	Far North Holdings Limited financier change to the Local Government Funding Agency	59
7	Karakia Whakamutunga / Closing Prayer	60
8	Te Kapinga Hui / Meeting Close	60

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: A4778772

Author: Marysa Maheno, Democracy Advisor

Authoriser: Aisha Huriwai, 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 22 May 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. **2024-05-22 Te Miromiro - Assurance, Risk and Finance Committee Minutes - A4717813**



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 -
 Unconfirmed

22 May 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, 22 MAY 2024 AT 10.00AM**

PRESENT: Mr Graeme McGlinn, Deputy Chairperson John Vujcich, Kahika - Mayor Moko Tepania, Kōwhai - Deputy Mayor Kelly Stratford, Cr Ann Court, Cr Penetaui Kleskovic (virtually), Cr Steve McNally.

IN ATTENDANCE: Crs Kapa, Foy, and Rākena (virtually), Andy Knock and Lisa Parkes (Far North Holdings Limited), Mr Bennie Greyling and Mr Darren Naicker – Deloitte (virtually).

STAFF PRESENT: Guy Holroyd (CEO), Charlie Billington (Group Manager – Corporate Services), Emma Healy (Chief of Staff – Chief Executive Office), Jacine Warmington (Group Manager - Strategic Relationships), Carla Ditchfield (Manager - Legal Services), Rebecca Rowsell (Senior Solicitor – Legal Services), Kevin Johnson (Group Manager – Delivery Operations), Jonathan Slavich (Chief Financial Officer), Tanya Proctor (Head of Infrastructure), Roger Ackers (Group Manager – Planning and Policy), Zena Tango (Team Leader – Transaction Services), Joshna Panday (Risk and Assurance Specialist), Casey Gannon (Manager – Democracy Services), Fleur Beresford (Democracy Advisor – Democracy Services).

1 KARAKIA TIMATANGA / OPENING PRAYER

At 10.01am Kahika/Mayor Moko Tepania commenced the meeting with a karakia.

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

Nil

3 NGĀ TONO KŌRERO / DEPUTATION

Nil

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

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A4692742, pages 8 - 14 refer.

RESOLUTION 2024/9

Moved: Deputy Chairperson John Vujcich

Seconded: Cr Ann Court

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

CARRIED

At 10.13am Kahika Mayor Moko Tepania left the meeting.

At 10.14am Kahika Mayor Moko Tepania returned to the meeting.

At 10.27am Kowhai Deputy Mayor Kelly Stratford left the meeting.

At 10.30am Kowhai Deputy Mayor Kelly Stratford returned to the meeting.

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes -
Unconfirmed

22 May 2024

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.6 FNHL QUARTERLY REPORT - MARCH 2024

Agenda item 5.6 document number A4696812, pages 85 - 106 refer.

RESOLUTION 2024/10

Moved: Kahika - Mayor Moko Tepania
Seconded: Kōwhai - Deputy Mayor Kelly Stratford

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

CARRIED

5.3 AUDIT PLAN, AUDIT PROPOSAL LETTER AND AUDIT ENGAGEMENT LETTER

Agenda item 5.3 document number A4692339, pages 28 - 73 refer.

RESOLUTION 2024/11

Moved: Mr Graeme McGlenn
Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Te Miromiro - Assurance, Risk and Finance Committee:

- a) receive the report Audit Plan, Audit Proposal Letter and Audit Engagement letter; and**
- b) recommend the Mayor accepts and signs on behalf of Council.**

CARRIED

At 11.19am Kahika Mayor Moko Tepania left the meeting.

At 11.21am Kahika Mayor Moko Tepania returned to the meeting.

5.1 RISK UPDATE REPORT - MAY 2024

Agenda item 5.1 document number A4691141, pages 15 - 16 refer.

RESOLUTION 2024/12

Moved: Kōwhai - Deputy Mayor Kelly Stratford
Seconded: Deputy Chairperson John Vujcich

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

CARRIED

At 11.36am Cr Steve McNally left the meeting.

At 11.37am Cr Steve McNally returned to the meeting.

5.2 HEALTH, SAFETY AND WELLBEING REPORT - MARCH-APRIL 2024

Agenda item 5.2 document number A4691614, pages 17 - 27 refer.

RESOLUTION 2024/13

Page 2

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes -
Unconfirmed

22 May 2024

Moved: Cr Steve McNally
Seconded: Deputy Chairperson John Vujcich

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

CARRIED

At 12.07pm Kowhai Deputy Mayor Kelly Stratford left the meeting.
At 12.12pm Cr Court left the meeting.
At 12.13pm Kowhai Deputy Mayor Kelly Stratford returned to the meeting.

5.4 REVENUE RECOVERY REPORT 31 MARCH 2024

Agenda item 5.4 document number A4696494, pages 74 - 78 refer.

RESOLUTION 2024/14

Moved: Mr Graeme McGlinn
Seconded: Cr Steve McNally

That Te Miromiro - Assurance, Risk and Finance Committee receive the Revenue Recovery Report 31 March 2024.

CARRIED

At 12.15pm Chairperson Graeme McGlinn adjourned the meeting for a comfort break.
At 12.46pm Chairperson Graeme McGlinn recommenced the meeting.

5.5 PEOPLE AND CAPABILITY REPORT - JANUARY - MARCH 2024

Agenda item 5.5 document number A4696651, pages 79 - 84 refer.

RESOLUTION 2024/15

Moved: Deputy Chairperson John Vujcich
Seconded: Kōwhai - Deputy Mayor Kelly Stratford

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

CARRIED

At 1.07pm Cr Steve McNally rejoined to the meeting.

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 MAYORAL DISCRETIONARY FUND

File Number: A4743615

Author: Donna Hippolite, Executive Assistant

Authoriser: Guy Holroyd, Chief Executive Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

For Te Miromiro - Assurance, Risk and Finance Committee to note the quarterly expenditure from the Mayoral Discretionary Fund.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Council policy requires the reporting from the Mayoral Discretionary Fund to the Committee. This report covers the quarterly period of **1 April 2023 to 30 June 2024**.

Due to organisational restructure/movement, this report has been overlooked but it is now returning and will be updated and reported on quarterly.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the report Mayoral Discretionary Fund.

TĀHUHU KŌRERO / BACKGROUND

The Mayoral Discretionary Fund was established as a response to ongoing requests for financial assistance that are not eligible under existing funding avenues within Council or are of an emergency assistance nature.

All funding decisions are at the discretion of the Mayor.

In the interests of transparency for ratepayers, Council policy requires that the grants made are reported publicly.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This report is for information only.

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

The total fund is in the amount of \$20,000 excluding GST. The fund is to be included as a recurrent item in Council's annual operational budget.

ĀPITIHINGA / ATTACHMENTS

Nil

Mayoral Discretionary Fund 1 April 2023 to 30 June 2024.

Organisation	Purpose of funding	Amount Approved
Removed due to privacy	Travel assistance to support team members attending games and tournaments. Total cost \$4,500.00	\$ 2,000.00
Removed due to privacy	Funding to assist with transportation of materials, accommodation for volunteers, demolition and supplies for emergency funding for housing homeless whānau. Total cost \$11,000.00	\$ 2,000.00
Removed due to privacy	Funding for a community youth celebration activity. Total cost \$605.25	\$ 605.25
Removed due to privacy	Funding to support cat rescue initiatives. Total cost \$1,000.00	\$ 1,000.00
Removed due to privacy	Travel assistance including accommodation and competition costs to attend Torian Pro Australasian CrossFit Games in Australia. Total cost \$1,700.00	\$ 900.00
Removed due to privacy	Travel and related costs to attend basketball tournament in the United States, September 2023. Total cost \$5,500.00	\$ 1,000.00
Removed due to privacy	Funding to support travel to Kurangaituku Netball Tournament in Rotorua. Total cost \$3,520.00	\$ 1,000.00
Removed due to privacy	Funding to support the purchase of winter uniform for U14's sports team. Total cost \$2,500.00	\$ 1,000.00
Removed due to privacy	Funding to support desexing and vaccination programmes. Total cost 2,500.00	\$ 1,000.00
Removed due to privacy	Monetary support for travel costs including: flights, food, accommodation and activities to attend a basketball tournament in the United States 6/09/23 – 4/10/23. Total cost \$5,500.00	\$ 1,000.00
Removed due to privacy	Monetary support for team travel costs to the Tamaki Māori League Tournament in Whakatane 23-24 September 2023. Total cost \$11,000.00	\$ 500.00
Removed due to privacy	Monetary support for travel, accommodation, food and activities to attend a basketball tournament in the United States 6/09/23 – 4/10/23. Total cost \$5,500.00	\$ 500.00
Removed due to privacy	To assist 15 volunteers' in obtaining their first aid refresher course. Total cost \$2,500.00	\$ 1,500.00
Removed due to privacy	Support for travel costs to attend the North Island NZ Secondary School Choir Competition. Total cost \$3,000.00	\$ 1,000.00

Removed due to privacy	Travel costs to represent Te Tai Tokerau U18 Rugby Team in Cook Islands Tournament. Total cost \$1,500.00	\$ 500.00
Removed due to privacy	Travel and accommodation costs to attend CrossFit competition in Australia. Total cost \$1,700.00	\$ 1,000.00
Removed due to privacy	Support to voluntary roopu with costs providing day to day necessities for vulnerable whānau.	\$ 1,000.00
Removed due to privacy	Funding to support with travel costs. Total cost \$500.00	\$ 250.00
Removed due to privacy	Funding to support managing traffic control, advertising and related costs for the annual Cruz'n the Bayz event. Total cost \$18,000.00	\$ 2,000.00
Removed due to privacy	Funding to support travel and accommodation costs for medical rehabilitation. Total cost \$10,000.00	\$ 2,000.00
Removed due to privacy	Travel and accommodation costs to support team participation to attend Junior U16 Pool Tournament in United States. Total cost \$7,000.00	\$ 1,000.00
Removed due to privacy	Support to voluntary roopu with travel and related costs to provide day to day necessities for vulnerable whānau.	\$ 2,000.00
Removed due to privacy	Travel and accommodation costs for U16 Rugby team to travel and participate in tournament in Australia. \$40,000	\$ 2,500.00
Removed due to privacy	Travel and accommodation costs for school tram travelling to United States to compete in an Auto-Bots competition. Total cost \$20,000	\$ 2,500.00
Removed due to privacy	Funding to support hosting, advertising and related costs for community event.	\$ 2,000.00
Removed due to privacy	Funding to support local school initiative with resources to maintain litter pickup. Total cost \$500.00	\$ 500.00
Removed due to privacy	Travel assistance for netball representative teams to attend regional tournaments.	\$ 500.00
Removed due to privacy	Funding to support travel costs to attend International Science Conference in Japan. \$5,500	\$ 1,000.00
		\$ 33,755.25

5.2 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2024

File Number: A4779887

Author: Angie Thomas, Team Leader - Accounting Services

Authoriser: Jonathan Slavich, Chief Financial Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an overview and information on the current financial position and performance of the Far North District Council as at 31 May 2024.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro – Assurance Risk and Finance Committee:

- a) **Receive the Council Financial Report for the period ending 31 May 2024.**

1) TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at the period ending 31 May 2024.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

This report is for information only.

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

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

ĀPITIHINGA / ATTACHMENTS

1. **Council Financial Report May 2024 - A4790927** [↓](#) 

5.3 PROBITY, WASTE, AND POLICIES UPDATE

File Number: A4780549

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

Information report to Te Miromiro - Assurance, Risk and Finance Committee (the Committee).

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

To provide update on:

- Any instances of fraud or misappropriation of assets;
- Any material changes to fraud processes and controls;
- Audit focus areas;
- Continuous improvement initiatives; and
- Financial services policy reviews and updates.

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the report Probity, Waste, and Policies Update.

TĀHUHU KŌRERO / BACKGROUND

As part of Te Miromiro annual work plan, this report is presented to the Committee to update on probity, waste, and policies. The Council maintains a rigorous approach to ensuring best practice by reviewing and reporting any instances of fraud to the Committee. Additionally, this report highlights any material changes to internal controls and processes, including key policy reviews. The aim is to maintain transparency, accountability, and the integrity of Council operations.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Fraud or misappropriation of assets

Following internal review, we confirm no instances of fraud or misappropriation of assets have been identified during the 2023-24 financial year. The review has identified certain minor instances of staff misunderstanding, such as use Council vehicles for personal errands, such as school drop offs which were beyond what is considered reasonable. These issues were promptly addressed to prevent recurrence.

Material changes to fraud processes and controls

Over the 2023-24 financial year, there have been no significant changes to fraud processes or internal controls other than updates based on previous audit recommendations which have been implemented to strengthen Council's controls framework. These enhancements were previously reported to the Committee and are part of our ongoing commitment to continuous improvement.

Audit focus areas

Deloitte's interim audit of the Far North District Council's 2024 financial year results is due to commence from 29 July. Deloitte will be alert for issues of effectiveness of Council's financial controls environment, they plan to:

- 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. Their 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.

Deloitte will also focus on management's ability to override controls, as this is a critical consideration in the audit of financial statements for detecting fraud. They are required to design and perform audit procedures to address the risk of management overriding controls. This risk is significant because it involves the potential manipulation of financial results, undermining the integrity of financial reporting. The Deloitte team will look to:

- 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 they 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.

Continuous improvement initiatives

- **Eftsure** – The Far North District Council is in the process of integrating Eftsure with its finance system TechOne. Eftsure offers a comprehensive risk management solution across the payment lifecycle, reducing payment fraud and errors through a cross-verification process. Key features include:
 - Cleansing the vendor master file to provide an initial health check.
 - Verifying onboarding and changes.
 - Reviewing payment files.
 - Conducting online banking checks.

We are currently uploading current suppliers into Eftsure, and all new suppliers will go through Eftsure's onboarding process.

- **Procurement Tender Panel reinstatement** - The Far North District Council is in the process of reinstating the Procurement Tender Panel. This Panel provides quick turnaround to support agile procurement, and consists of core staff (representing Legal, Finance, Risk, Operations and Sustainable Procurement). The Procurement Panel provides probity by the following means:
 - Providing due diligence over financials, legal compliance, and risk. Fixed panel membership builds broad knowledge over time as procurement plans are reviewed.

- The panel oversees high-value, high-risk procurement plans and ensures sound probity in supplier recommendations, assuring the CEO of due process. The Procurement Specialist supports the panel with technical advice and engages directly with staff conducting procurement.
 - Scheduling fortnightly 30-minute meetings for agile turnaround, expediting market entry and supplier decisions as needed.
 - Intends to provide regular reporting to the Committee on material procurements, including plans to market and tenders awarded.
- **Promapp** - Promapp, the Council's process mapping software, has been reinstated to document critical processes. Promapp helps build, improve, and share key process knowledge from a central online repository. Financial Services has identified several critical processes to document as part of this initiative.
 - **Blackhawk GPS Vehicle Monitoring Review**
The Council is conducting a review of Blackhawk GPS vehicle monitoring to enhance oversight of workplace vehicle usage. Blackhawk GPS provides real-time tracking and detailed reports on vehicle locations, routes, and usage patterns. This system helps ensure that Council vehicles are used appropriately and in compliance with policies. By monitoring vehicle usage, the Council aims to reduce misuse, improve efficiency, and enhance accountability. The data collected from Blackhawk GPS will support better decision-making and resource allocation, contributing to the overall effectiveness of fleet management.

Financial services policy reviews and updates

The following financial services related policies have or currently undergoing review and update:

- Motor Vehicle Policy
- Sensitive Expenditure Policy
- Koha Policy
- Elected Members Allowances and Reimbursement Policy

Reviews have led to minor changes to address audit recommendations, updates to OAG guidelines, internal processes, team updates, and minor date and naming corrections.

Under the policy development framework, the *Elected Members Allowances and Reimbursement Policy* review/update will need to be presented to Council. Other operational policies will follow the standard review and approval process.

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

This information paper is for update only and does not contain direct budgetary implications.

ĀPITI HANGA / ATTACHMENTS

Nil

5.4 REVENUE RECOVERY REPORT

File Number: A4780954

Author: Zena Tango, Team Leader - Transaction Services

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide quarterly reporting to Te Miromiro - Assurance, Risk, and Finance Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue Recovery Report – as at 30 June 2024

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and sundry debt as of 30 June 2024 and the actions taken by the Revenue Recovery team for the collection of the 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 land and water accounts, Māori freehold land rates and water accounts, and sundry debtors. Since the 1st of July 2023, the general title rates total arrears balance has decreased 33% and the water rates has increased 70%. Year on year general title rates have increased 10%, and water rates increased by 1%. (See footnote A.1 in attachments)

General title rates and water debt

Key actions since the last report:

- All final demands for mortgage demand with the major financial institutions were completed.

Next actions:

- Prepare for the new rating year.
- Review all accounts with arrears that hold a mortgage.
- Review legal action commenced with external contractor.

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

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 33% of properties only have last year's rates in arrears and 20% 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.

- 16% of these accounts have arrears of 3 or more rating years. Revenue Recovery 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 19% since the start of the year of which 11% was for Māori freehold land remissions. The water rates debt has reduced by 50% since the start of the year. Year on year we also have seen a reduction in Māori freehold land debt by 3%, with water rates debt seeing a decrease of 27%. (See footnote A.2 in attachments)

The Whenua Māori rating relief working group

Council conducted workshops in March and April on Whenua Māori Rates Relief which involved a deep dive into the state of arrears, impacts on operations, and financial impacts. With one of the key deliverables is to establish a working group.

The Whenua Māori rating relief working group was established to ensure Far North District Council (FNDC) provides ongoing support to Māori freehold landowners as required through the Local Government (Rating of Whenua Māori) Amendment Act 2021 (the Act) and FNDC Rating Relief Policies (Policies).

- To date, the Working Group has established a cross-functional team, collected and analysed data on Māori freehold land, created a tracking dashboard, developed necessary documentation, and initiated property reviews to address debt and usage status.
- The Working Group has committed to a holistic approach with cross Council collaboration and community engagement in order to achieve key outcomes of to reducing debt levels, clarify rating information, eliminating barriers to land use and development, stimulating regional growth, and enhancing understanding of Whenua Māori.

Analysis and rating relief

As at 30 June 2024 the working group has reviewed 159 properties. A review of the remaining 2501 accounts will be completed by 2024/2025 rating year, with future reviews to be conducted annually.

- 111 properties - \$447,889 arrears – still unused, and arrears have been written off.
- 31 properties - \$116,716 arrears – further investigation required – buildings/activity identified on the land.
- 17 properties - \$92,431 arrears – 6 of these properties will need to have further research done as they may qualify for a Papakainga remission.
- There has been \$103,523 in CE write offs applied to Māori freehold land accounts with a further 5 applications in progress.

Currently the Working Group are working with the Data Analytics team to streamline the process of classifying accounts with Geospatial mapping with up-to-date aerial imagery.

Engagement

The Senior Leadership Team has approved the draft engagement plan for the Whenua Māori Freehold Rating Relief initiative. This plan focuses on addressing outcomes identified in the Terms of Reference and includes the following action points:

- Workshops: Hosting workshops to receive feedback and ensure points of view are considered prior to engaging in Marae visits.
- Marae Visits: Engaging with Māori freehold landowners through Marae visits.

- Online Platforms: Developing culturally relevant online engagement platforms which may include videos, articles, interactive maps, and dedicated web pages. Engagement will also include emails, surveys, and social media content.
- Cultural Festivals and Events: Participating in or sponsoring events that celebrate Māori culture to foster informal interactions and relationship-building.

The Working Group will be engaging with Elected Members for feedback on the draft Engagement plan.

Next Steps

Updates of the Working Group's review, with all Māori freehold land accounts throughout the FY25 rating year being reported to Te Kuaka – Te Ao Māori Committee, and further information being included in the revenue recovery report currently provided to this committee.

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the start of the year, partly driven by timing due year end invoices being raised before 30 June 2024.

Since the prior report, the total building debt and resource debt has increased, however the 90+ days has reduced for both areas. The Revenue Recovery team continues to work in with both teams to target and reduce the debt.

(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 rates is made in comparison to general title rates and water due to the difference in collection options available to Council.

ĀPITIHINGA / ATTACHMENTS

1. **Attachments Revenue Recovery report June 2024 - A4781989** [↓](#) 

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 - Risk of non-compliance with Manatū Hauora directive to fluoridate water supplies Kaitaia, Kerikeri	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 - 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
6.4 - Health, Safety and Wellbeing - May-June 2024	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)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

<p>6.5 - Risk Management Update</p>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>6.6 - Far North Holdings Limited financier change to the Local Government Funding Agency</p>	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE