



**Far North
District Council**



Te Kaunihera o Te Hiku o te Ika

AGENDA


Te Miromiro - Assurance, Risk and Finance Committee Meeting

Wednesday, 4 September 2024

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

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 Kaunihera 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 McGlinn – 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					
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, updates, performance CCTO's	Quarterly including SOI's for	x		x			x	
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								
Key Council plans	Review of upcoming Annual Plan or LTP and key assumptions and accounting policies					x			

	Legislative compliance with LGFA / LGA						x	
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					
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			

Insurance	Review of policies, processes and strategies					x		
	Review of annual insurance renewals					x		
Treasury	Treasury policies including covenants and policy compliance					x		
	Economic update and impact on to AP/LTP						x	
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
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	

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, 5 Memorial Avenue, Kaikohe 0405 on:
Wednesday 4 September 2024 at 10.00am

Te Paeroa Mahi / Order of Business

1	Karakia Timatanga / Opening Prayer	11
2	Ngā Whakapāha Me Ngā Pānga Mema / Apologies and Declarations of Interest	11
3	Ngā Tono Kōrero / Deputation.....	11
4	Te Whakaaetanga o Ngā Meneti o Mua / Confirmation of Previous Minutes	12
4.1	Confirmation of Previous Minutes	12
5	Ngā Pūrongo Taipitopito / Information Reports	19
5.1	Treasury Update	19
5.2	People and Capability Report - April - June 2024.....	22
6	Te Wāhanga Tūmataiti / Public Excluded	30
6.1	Risk Management Update.....	30
6.2	Confirmation of Previous Minutes Public Excluded	30
6.3	Far North Holdings Governance Review	30
6.4	FNDC Current Legal Action Potential Liability Claims	30
7	Karakia Whakamutunga / Closing Prayer	31
8	Te Kapinga Hui / Meeting Close	31

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: A4840685

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 minutes.

TŪTOHUNGA / RECOMMENDATION

That Te Miromimro - Assurance, Risk and Finance Committee confirm the minutes of the previous meeting held 24 July 2024 are a true and correct record.

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.

ĀPITI HANGA / ATTACHMENTS

- 1. 24 July 2024 Minutes - A4822114**  

Hōtaka Take Ōkawa / Compliance Schedule:

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

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

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	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

24 July 2024

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, KAIKOHE
ON WEDNESDAY, 24 JULY 2024 AT 10.01 AM**

PRESENT: Mr Graeme McGlinn, Deputy Chairperson John Vujcich, Kahika - Mayor Moko Tepania, Kōwhai - Deputy Mayor Kelly Stratford, Cr Penetaui Kleskovic, Cr Steve McNally

IN ATTENDANCE: Cr Tāmāti Rākena (online), Cr Radich (online), Cr Foy (all online), Cr Babe Kapa, Cr Hilda Halkyard-Harawira (online)

STAFF PRESENT: Guy Holroyd (Chief Executive Officer), Carla Ditchfield (Manager – Legal Services), Ruben Garcia (Group Manager – Community and Engagement), Jacine Warmington (Group Manager – Strategic Relationships), Charlie Billington (Group Manager – Corporate Services), Roger Ackers (Group Manager – Planning and Policy), Jonathan Slavich (Chief Financial Officer), Aisha Huriwai (Manager – Democracy Services), Marysa Maheno (Democracy Services), Tanya Proctor (Head of Infrastructure)(online), Emma Healy (Chief of Staff)(online), Trish Routley (Manager – Resource Consents)(online), Maria Bullen (Democracy Adviser)(online), Llani Harding (Manager – Te Hono)(online), Rhonda-May Whiu (Banking Services Officer), Lisa Huria (Team Leader – ICT Operations)(online), Jeanette England (Team Leader – Assets & Project Delivery)(online), Ajay Kumar (Finance & Administration Manager)(online), Jamie-Lee Pulham (Executive Assistant to Group Manager – Strategic Relationships)(online), Marlema Baker (Te Kuaka Committee Coordinator)(online)

1 KARAKIA TIMATANGA / OPENING PRAYER

Kōwhai/Deputy Mayor Kelly Stratford commenced the meeting with a karakia.

At 10:01 am the meeting started.

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

APOLOGY

RESOLUTION 2024/19

Moved: Mr Graeme McGlinn

Seconded: Deputy Chairperson John Vujcich

That the apology received from Cr Ann Court be accepted and leave of absence granted.

CARRIED

RESOLUTION 2024/20

Moved: Mr Graeme McGlinn

Seconded: Deputy Chairperson John Vujcich

That Councillors in present have speaking rights for Te Miromiro – Assurance, Risk and Finance Committee meeting held Wednesday 24 July 2024.

CARRIED

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

24 July 2024

3 NGĀ TONO KŌRERO / DEPUTATION

There were no deputations.

4 NGĀ KŌRERO A TE TIAMANA / CHAIRPERSON ANNOUNCEMENTS

Chairperson Graeme McGlenn advised he will be away for Te Miromiro – Assurance, Risk and Finance meeting held 4 September 2024 and proposed Cr John Vujcich chair the meeting.

5 TE WHAKAAETANGA O NGĀ MENETI O MUA / CONFIRMATION OF PREVIOUS MINUTES**5.1 CONFIRMATION OF PREVIOUS MINUTES**

Agenda item 4.1 document number A4778772, pages 12 - 18 refers

RESOLUTION 2024/21

Moved: Mr Graeme McGlenn

Seconded: Deputy Chairperson John Vujcich

That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the Extraordinary meeting held 22 May 2024 are true and correct.

CARRIED**6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS****6.1 MAYORAL DISCRETIONARY FUND**

Agenda item 5.1 document number A4743615, pages 19 - 21 refers.

RESOLUTION 2024/22

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

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

CARRIED

At 10:30 am Cr Babe Kapa arrived to the meeting.

At 10:47 am, Kōwhai - Deputy Mayor Kelly Stratford left the meeting and returned at 10:49 am.

6.2 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2024

Agenda item 5.2 document number A4779887, pages 22 – 47 refers.

RESOLUTION 2024/23

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr Penetaui Kleskovic

That Te Miromiro – Assurance Risk and Finance Committee:

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

CARRIED

6.3 PROBITY, WASTE, AND POLICIES UPDATE

Agenda item 5.3 document number A4780549, pages 48 - 50 refers.

RESOLUTION 2024/24

Moved: Cr Penetaui Kleskovic

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

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

CARRIED

At 11:18 am, Kōwhai - Deputy Mayor Kelly Stratford left the meeting.

At 11:24 am, Kōwhai - Deputy Mayor Kelly Stratford returned to the meeting.

6.4 REVENUE RECOVERY REPORT

Agenda item 5.4 document number A4780954, pages 51 - 53 refers.

RESOLUTION 2024/25

Moved: Deputy Chairperson John Vujcich

Seconded: Kahika - Mayor Moko Tepania

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

CARRIED

At 11:34 am, Kōwhai - Deputy Mayor Kelly Stratford left the meeting and 11.35am.

7 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2024/26**

Moved: Kahika - Mayor Moko Tepania

Seconded: Deputy Chairperson John Vujcich

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	s7(2)(g) - the withholding of the information is necessary to maintain legal professional	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

24 July 2024

Kaitaia, Kerikeri	privilege	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
6.5 - Risk Management Update	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.6 - Far North Holdings Limited financier change to the Local Government Funding Agency	s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege s7(2)(h) - the withholding of the information is necessary to enable Council to carry out,	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

Page 4

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

24 July 2024

	without prejudice or disadvantage, commercial activities 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)	
CARRIED		

RESOLUTION 2024/27 Moved: Deputy Chairperson John Vujcich Seconded: Cr Penetaui Kleskovic That Te Miromiro – Assurance, Risk and Finance Committee allow for Elected Members to stay in the room and online during the Public Excluded part of the meeting.	CARRIED
--	----------------

8 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

AT 1:44PM CR PENETAUI KLESKOVIC CLOSED THE MEETING WITH A KARAKIA

9 MEETING CLOSE

The meeting closed at 1:44pm.

The minutes of this meeting will be confirmed at Te Miromiro - Assurance, Risk and Finance Committee Meeting held on 4 September 2024.

.....
CHAIRPERSON

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 TREASURY UPDATE

File Number: A4844335

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Throughout the 2023-24 financial year, Council was fully compliant across all treasury policies.

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

Treasury compliance is adherence to policies, legislation, and best practice governing the management of Council's financial assets, liabilities, income and expenditure. It ensures that Council's funds are managed prudently, safeguarding public resources and provides a framework against which financial risk can be monitored. Maintaining strict treasury compliance is crucial as it upholds public trust, ensures legal and regulatory adherence, and supports the council's ability to deliver services efficiently by ensuring financial stability and sustainability.

As at 30 June 2024, Council's borrowings was \$131m, with \$61m due within 12 months (current), and \$70m due beyond 12 months (non-current).

Current council borrowings (draft unaudited as at 30 June 2024)

	Council	
	2024 \$000s	2023 \$000s
Maturity periods		
Payable no later than 1 year	61,000	55,500
Later than 1, not later than 2 years	10,000	20,000
Later than 2, not later than 5 years	40,000	20,000
Later than 5 years	20,000	10,000
	131,000	105,500

This maturity profile is shorter than might normally be expected, due largely to expectations decreases in interest rates in the short term.

The weighted average effective interest rates on secured loans (current and non-current) were:

	2024	2023
Secured loans and debentures	4.62%	3.95%

Financial ratios

Ratios are key tools in measuring treasury compliance as they provide a clear and quantifiable insight into the financial health and performance of Council. Key ratios include:

- **Debt affordability benchmark (Net debt as a % of total revenue):**
Indicates Council's leverage and its capacity to manage debt relative to its income, for assessing long-term financial sustainability.
- **Balanced budget benchmark (Total revenues over total expenses):** The balanced budget benchmark demonstrates Council's financial management by confirming that it has funded its operations without incurring deficits.
- **Debt servicing benchmark (Net annual interest to total revenue):** Evaluates the burden of interest payments on total revenue, reflecting the cost and efficiency of debt servicing.
- **Debt control benchmark (Actual net debt over planned net debt):** The debt control benchmark assesses whether the council's actual net debt is within the limits of its planned net debt, ensuring effective debt management and adherence to financial plans.
- **Current ratio (Current assets over current liabilities):** Measures the council's ability to meet its short-term liabilities with its short-term assets, providing insight into liquidity and operational efficiency.

Council demonstrates compliance with these key financial ratios.			
Ratio	2023/24	Limit	Headroom
Debt affordability	66%	Statutory limit: Debt not greater than 280% of revenue	Increase debt: \$393m Decrease revenue: \$140m
		Policy limit: Debt not greater than 175% of revenue	Increase debt: \$200m Decrease revenue: \$114m
Balanced budget	1.01	Statutory limit: > 1 Revenue exceeds operating expenses	Increase operating expense: \$1m Decrease in revenue: \$1m
Debt servicing	3%	Statutory Limit: Less than 10%	Increase interest: \$12m Decrease revenue: \$122m
Debt control	0.81	Statutory limit: < 1 Actual net debt is less than or equal to planned net debt	Increase in actual net debt: \$36m Decrease in planned net debt: \$36m
Current ratio	118%	Policy Limit: Equal to or greater than 110%	Increase debt: \$10m Decrease cash: \$9m

The above information is subject to audit finalisation.

Bancorp Treasury Market Update

As part of Council treasury management, Council consults with treasury advisors Bancorp for refinancing and new borrowings. Bancorp provides professional advice around the debt terms, considering various factors including market assessment, current debt portfolio and associated maturities, treasury policies, and best practice.

Bancorp provides a full range of independent corporate treasury and cash management services, delivered by a team of professional treasurers.

Earl White, Executive Advisor at Bancorp, the Far North District Council's treasury advisors, will share a treasury update to the Committee. The presentation will focus on a market update and current and projected borrowing outlook.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

N/A

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

N/A

ĀPITIHINGA / ATTACHMENTS

Nil

5.2 PEOPLE AND CAPABILITY REPORT - APRIL - JUNE 2024**File Number: A4846407****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 Te Miromiro - Assurance, Risk and Finance Committee with the quarterly update on People and Capability activities.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the report People and Capability Report - April - June 2024.

TĀHUHU KŌRERO / BACKGROUND

This report will be presented to 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

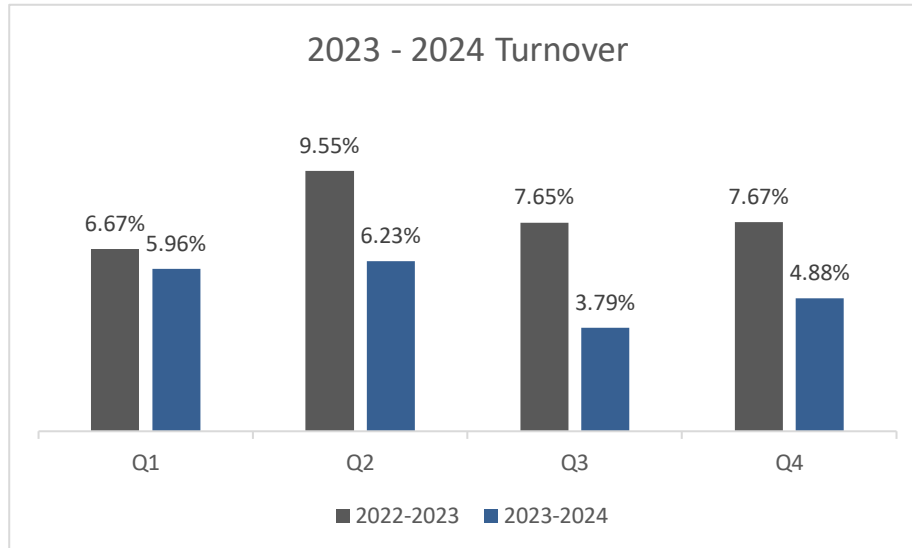
ĀPITIHINGA / ATTACHMENTS

Nil

TURNOVER QUARTER FOUR (Apr - Jun 2024)

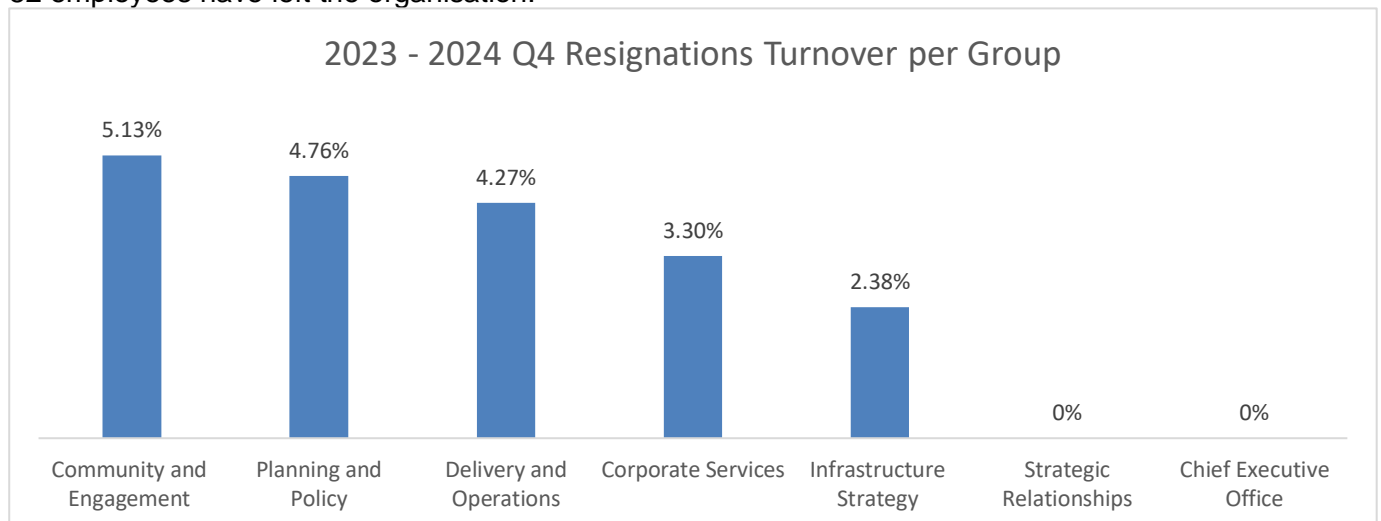
23 employees left FNDC in Quarter 4.

The turnover rate for this quarter is 4.88% (compared to 7.67% for the same quarter last year).



TURNOVER YEAR TO DATE (July 2023 – June 2024)

82 employees have left the organisation.



In the 2023-2024 financial year a total of 82 staff left FNDC which accounted for a total turnover of 22.22% - compared to the 82 staff that left in the 2022-2023 Financial Year which accounted for a total turnover of 21.81%.

Formal comparative turnover information for the local government sector could not be sourced. However, information shared informally amongst ten People & Capability local government teams shows an average turnover rate of 15.8% for these Councils in 2023.

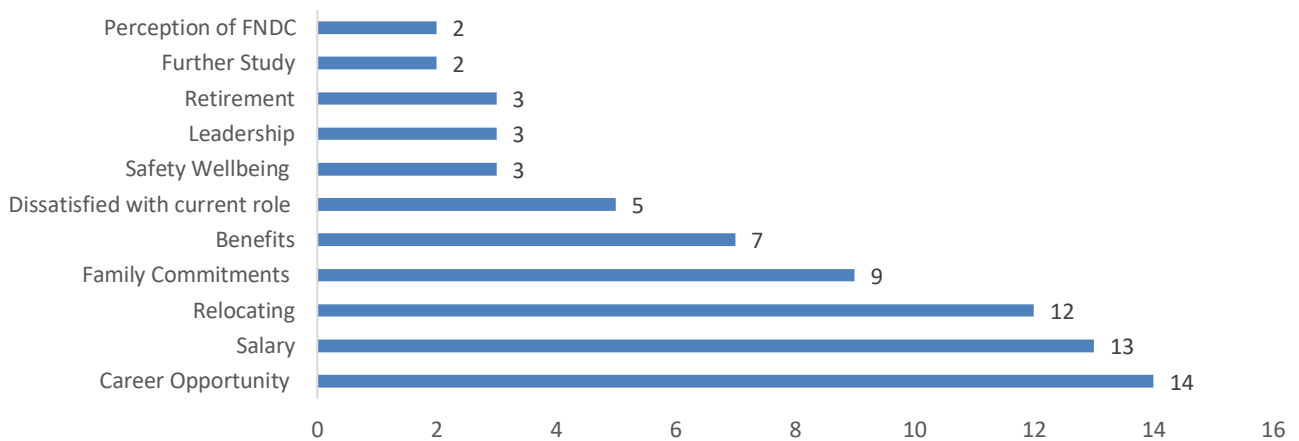
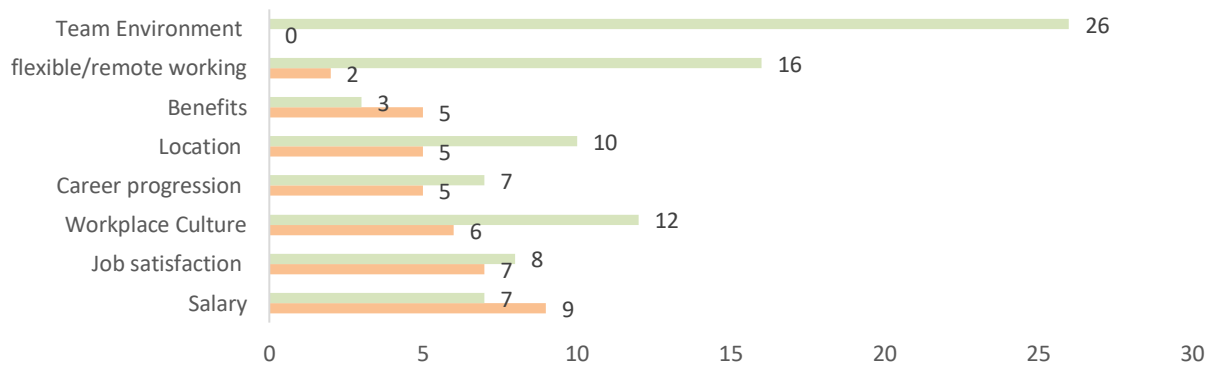
[Lawson Williams Employment & Staff Turnover Survey Report](#) notes an average national staff turnover of 21.4% for 2023. [Te Kawa Mataaho \(Public Service Commission\)](#) reports on unplanned turnover which measures the rate that organisations lose permanent staff due to reasons they had not planned for, such as resignations, retirements and dismissals. The 2023 figure is 15.9% (excluding planned turnover which would account for structural change impacts).

Exit Interview Analysis

	2022/23	2023/24
Key reasons for Leaving FNDC	Career opportunity Salary Family Commitments	Career opportunity Salary Relocating
What staff liked most about FNDC	Team environment Flexible/remote working Job satisfaction	Team environment Flexible/remote working Workplace culture

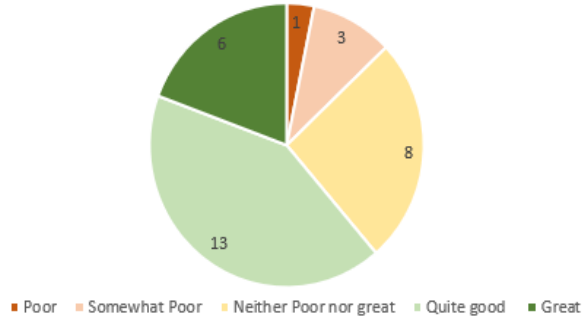
5 exit interviews were completed for this quarter. 32 exit interviews have been completed for this financial year, and the main themes are:

- What staff liked most about working at FNDC:
 - Team Environment
 - Flexible/Remote Working
 - Workplace Culture
- Top reasons to leave FNDC:
 - Salary
 - Job Satisfaction
 - Workplace Culture

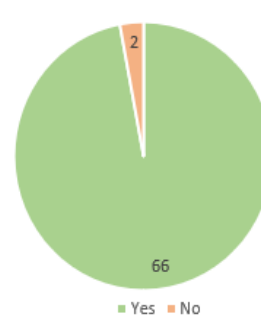
Other Factors that influenced your decision to leave FNDC**Other things that you like most and least about working at FNDC?**

■ Other things that you like most about working at FNDC? ■ Other things that you like least about working at FNDC?

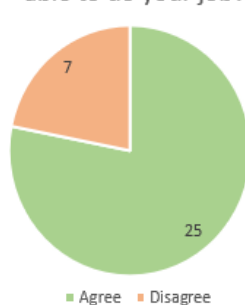
How would you overall rate the culture at FNDC?



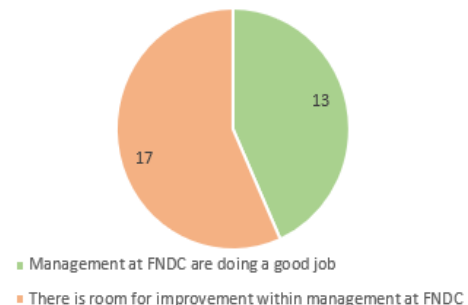
Would you recommend FNDC as an employer of choice?



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 continues to be in alignment with the top-rated question from the engagement survey. The CE Workshop actions have picked up this key piece of feedback as well, looking to how we can leverage this to further improve our working spaces in the physical offices as more teams are spending “group days” in various offices, fostering these relationships further.
- **Flexible/Remote working** – A refreshed remote and hybrid working policy has crystallised our ‘business first, digitally supported’ and continues to allow us to give our staff some flexibility their lives require as well as attracting specialised talent beyond the district. Work is also ongoing with people leaders on how to lead in this environment.
- **Workplace culture** – this has continued to be an area of focus over the past 12 months, with more mahi coming from the Organisational Development (previously named Projects & Transformation) team in this space.

Top Reasons to Leave FNDC:

- **Salary & job satisfaction** – Recognizing that job satisfaction is unique to each individual, our CE workshops provided a valuable opportunity for staff to engage directly with the Chief Executive and share their perspectives and ideas for improvement to help in this space. Salary will continue to be a pressure point for some and is a reality of working in the public sector as opposed to private. Salaries are aligned with the rest of Local Government and are evaluated by Strategic Pay to ensure consistency. Part of this year’s work programme, and responding to the Engagement Survey and CE workshop feedback, is to review the employee benefits package.

- **Workplace Culture** – as stated above, it is a key focus area and one of continuous improvement and evolution. Working within specific teams to address where this is a concern is ongoing with the People & Capability Advisors.

Recruitment Activity

Recruitment has slowed over the last quarter following numerous successful key appointments earlier in the year. There are still a number of vacancies within the Infrastructure Strategy Group, with work underway to re-purpose those positions, create new and additional roles and optimize the Group's capacity to deliver over the next three years. Recruitment activity will increase upon its completion.

The 2023-24 cadet program has concluded successfully at the end of June, with all five cadets securing continued employment within FNDC, demonstrating the programme's effectiveness in nurturing and developing the talent we have in our communities.

Finally, planning is beginning with Mayors Taskforce for Jobs (MTFJ), Tertiary Education Commission (TEC), and Ministry of Education (MoE) on an innovative initiative called "Te Reo Māori Inspiring the Future." This upcoming event will provide an immersive Te Reo Māori experience for students, allowing them to interact with role models, offering an exciting new direction for youth engagement in the Far North District.

Quarterly New Starters

During this quarter 19 new employees started.

Group Manager – Corporate Services	15 th April 2024
Team Leader – District Plan	15 th April 2024
Property Information Officer	15 th April 2024
Casual – i-Site (Ōpononi) <i>returning staff member</i>	29 th April 2024
Manager – Contact Centre	29 th April 2024
Building Support Officer - Bookings	29 th April 2024
Casual – i-Site (Ōpononi) <i>returning staff member</i>	29 th April 2024
Casual i-Site (Paihia) <i>returning staff member</i>	13 th May 2024
Team Leader – Resource Consents	13 th May 2024
Casual – i-Site (Kaitiāia)	13 th May 2024
Infrastructure Planner	10 th June 2024
Museum Assistant	10 th June 2024
Customer Service Officer - Multiskilled	10 th June 2024
Casual i-Site (Paihia)	10 th June 2024
Process Design Specialist	24 th June 2024
Casual – Libraries (Kaitiāia & Kāeo)	24 th June 2024
Casual – Publications	24 th June 2024
Resource consents Engineer	24 th June 2024
Senior Building Specialist <i>returning staff member</i>	24 th June 2024

Culture

Quarterly Celebration – Took place Monday, 22 July in Chambers. This celebration welcomes our New Starters over the past Quarter with a pōwhiri, and combines with FNDC's Love Your Work awards and Long Service recognition. This quarter nine recipients received a Love Your Work Award, including one Team Award for two staff members who were first on the scene of a serious motor vehicle accident, providing first aid and managing busy morning traffic. One staff member was recognised for serving FNDC and their community for 32 years. Certificates were also awarded to Te Reo course graduates.

Staff Engagement – Our engagement survey was held for a two-week period for completion, closing on 2 June 2024. An increase in participation at 87% resulted in 347 employees taking the time to give feedback. There was an increase in the engagement score from 6.8 to 6.9. Submitted comments have been reviewed and acknowledged by People Leaders. The results have been discussed by People Leaders and their teams, with relevant focus areas identified and agreed action plans implemented. The Strategic Leadership Team have continued to set Strategy as a focus area which is actively being addressed.

CE Team Workshops – The CE Workshops have continued to be delivered to 40 Teams across Council. The Chief Executive communicated objectives and updated on the organisational strategy while getting to know each individual teams' contribution to Council. This also gave the opportunity for teams to offer firsthand continuous improvement ideas which have been collated for the Service Improvement Programme. These ideas have been reviewed for trends with some initiatives implemented straight away.

Team Building - Workshops for Team Management Profiles have been undertaken by three teams including the Strategic Leadership Team during this quarter, with more booked, to assist with team building. The workshops give insights for work preference behaviours resulting in greater awareness for more effective communication and collaboration.

People Leaders Hui - Our people leaders were brought together to share information, network and to give feedback on objectives. Topics covered included the Chief Executive's key messages, Te Pae o Uta, Organisational Strategy and Leadership. Feedback was sought on the draft organisational strategy from activities associated with the strategic goals.

Organisational Strategy – Work on the draft organisational strategy is continuing, with feedback taken onboard. Three strategic goals have been set:

- Employer of Choice
- We are capable, credible, and provide high quality service
- We thrive together to achieve shared success.

The Strategic Leadership Team have contributed their thoughts on priority areas with next steps to create actions associated with objectives.

Employment Relations

	Quarter Four (Apr - Jun 2024)	Financial Year to Date (Jul 2023 – Jun 2024)
Number of personal grievances (completed)	1	4 (3 are as a result of the April 2023 restructure)

Negotiated exits & medical retirements	1	9
--	---	---

Note: Collective Bargaining with the PSA and FNDC representatives is currently underway.

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 - Risk Management Update	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 - 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
6.3 - Far North Holdings Governance Review	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	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 - 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

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE