



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

AGENDA

Te Miromiro - Assurance, Risk and Finance Committee Meeting


Tuesday, 3 December 2024

Time: 10:00 AM

**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

	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

(1) 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:

- 1.1 The robustness of financial management practices;
- 1.2 The integrity and appropriateness of internal and external reports and accountability arrangements;
- 1.3 The robustness of the risk management framework;
- 1.4 The robustness of internal controls and the internal audit framework;
- 1.5 Compliance with applicable laws, regulations, standards and best practice guidelines;
- 1.6 The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets;
- 1.7 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.

(2) 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 elected members, and one independent appointed member, appointed as Chair with full voting rights.

Membership is as follows:

Mr Graeme McGlenn – Chairperson and Independent Member

John Vujcich – Deputy Chairperson

Kahika - Moko Tepania

Kōwhai - Kelly Stratford

Ann Court

Penetaui Kleskovic

Steve McNally

(3) Quorum

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

(4) Frequency of Meetings

The Committee shall meet six weekly.

(5) Power to Delegate

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

(6) Responsibilities

The Committees responsibilities are described below:

6.1 Financial systems and performance of the Council

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

6.2 Far North Holdings Limited (FNHL)

- 6.2.1 Recommend to Council the approval of the Letter of Expectation and Statement of Intent
- 6.2.2 Receive Annual Report (s67 LGA)
- 6.2.3 Receive quarterly financial statements (s66 LGA)
- 6.2.4 Receive reports on FNHL strategies and plans

6.3 Risk Management

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

6.4 Internal Audit and Controls

- 6.4.1 Review whether management has in place a current and comprehensive internal audit framework
- 6.4.2 Receive and review the internal audit dashboard reports
- 6.4.3 Provide input, annually, into the setting of the internal audit programme of work
- 6.4.4 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.

(7) 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

Terms of reference	Work stream	Work Plan Dates						
		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, Quarterly updates, including performance SOI's for CCTO's	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, Kaikohe on:
Tuesday 3 December 2024 at 10:00 AM

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1 KARAKIA TĪMATANGA / 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: A4981489

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 23 October 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.

ĀPITIHINGA / ATTACHMENTS

1. [2024-10-23 Te Miromiro - Assurance, Risk and Finance Committee Minutes - A4940363](#)
 

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.

UNCONFIRMED

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

23 October 2024

**MINUTES OF FAR NORTH DISTRICT COUNCIL
TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, KAIKOHE
ON WEDNESDAY, 23 OCTOBER 2024 AT 10:01AM**

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

IN ATTENDANCE: Emma Jurisich and Deanna MacDonald (AON Staff)

STAFF PRESENT: Guy Holroyd (Chief Executive Officer), Emma Healy (Chief of Staff), Aisha Huriwai (Manager – Democracy Services), Carla Ditchfield (Manager – Legal Services), Briar Macken (Manager – Strategy and Policy), Jonathan Slavich (Chief Financial Officer), Charlie Billington (Group Manager – Corporate Services), Ian Wilson (Manager – Health, Safety and Wellbeing)

1 KARAKIA TIMATANGA / OPENING PRAYER

Kōwhai-Deputy Mayor Kelly Stratford commenced the meeting with a karakia at 10:01 am.

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

APOLOGY

RESOLUTION 2024/34

Moved: Kōwhai - Deputy Mayor Kelly Stratford
Seconded: Cr Steve McNally

That the apologies received from Kahika-Mayor Moko Tepania, Kōwhai-Deputy Mayor Kelly Stratford, and Councillor John Vujcich be accepted and leave of absence granted.

CARRIED

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

3.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 4.1 document number A4899755, pages 12 - 17 refers.

RESOLUTION 2024/35

Moved: Cr Steve McNally
Seconded: Deputy Chairperson John Vujcich

That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the previous meeting held 4 September 2024 are a true and correct record.

CARRIED

UNCONFIRMED

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

23 October 2024

4 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS**4.1 MAYORAL DISCRETIONARY FUND**

Agenda item 5.1 document number A4780944, pages 18 - 19 refers.

RESOLUTION 2024/36

Moved: Deputy Chairperson John Vujcich

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

That Te Miromiro - Assurance, Risk and Finance Committee receive the report Mayoral Discretionary Fund.**CARRIED****4.2 HEALTH SAFETY AND WELLBEING**

Agenda item 5.4 document number A4915219, pages 76 - 79 refers.

MOTION

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

- a) That Te Miromiro - Assurance, Risk and Finance Committee receive the report Health Safety and Wellbeing

CARRIED**AMENDMENT**

Moved: Deputy Chairperson John Vujcich

Seconded: Cr Steve McNally

- a) That Te Miromiro - Assurance, Risk and Finance Committee receive the report Health Safety and Wellbeing; and
- b) That Te Miromiro – Assurance, Risk and Finance Committee requests an update on the steps taken to protect the Health Safety and Wellbeing of Elected Members when undertaking Council business.

CARRIED

The amendment became the substantive motion.

RESOLUTION 2024/37

Moved: Deputy Chairperson John Vujcich

Seconded: Cr Steve McNally

- a) **That Te Miromiro - Assurance, Risk and Finance Committee receive the report Health Safety and Wellbeing; and**
- b) **That Te Miromiro – Assurance, Risk and Finance Committee requests an update on the steps taken to protect the Health Safety and Wellbeing of Elected Members when undertaking Council business.**

CARRIED

UNCONFIRMED

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

23 October 2024

5 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION 2024/38**

Moved: Deputy Chairperson John Vujcich

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
5.1 - 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
5.2 - 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

CARRIED**4 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS (CONTINUED)****4.3 INSURANCE UPDATE**

Agenda item 5.2 document number A4911948, pages 20 - 23 refers.

RESOLUTION 2024/39

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

That Te Miromiro - Assurance, Risk and Finance Committee receive the report Insurance update.**CARRIED**

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5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 INSURANCE RENEWAL UPDATE

File Number: A4967043

Author: Angie Thomas, Team Leader - Accounting Services

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide an update on the 2025 Council insurance renewal process and future insurance review.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

The insurance renewal process sees a refresh and update of our asset information and insurance requirements to allow Council's insurance broker, Aon, to work with insurance underwriters to prepare the best insurance renewal option for our needs.

An update was provided at the 23 October 2024 Te Miromiro – Assurance, Risk and Finance meeting, which included a market update from Aon.

This update provides the final insurance renewal information and premiums for the 2024/25 year.

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

Aon New Zealand Ltd

Aon New Zealand Ltd have been Council's Insurance Broker since 2011. Aon is responsible for providing Council with options for all insurance provision across a range of Insurance Policies and has finalised Council's insurance renewal for 2024/25.

Aon currently service 36 Councils for insurance.

Annual insurance renewal process

Each year, Council goes through an insurance renewal process. This begins in April and is concluded by October. The process begins with a series of pre-renewal engagements with our broker, followed by a significant amount of data collection, information updates and submissions of renewal schedules. This information is used by our broker to engage with the various insurance underwriters to pull together the best renewal option for Council.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**Summary of Council Insurance Policies and Premiums****Far North District Council – Renewal Premiums**

Policy	2022-23	2023-24	2024-25
Material Damage & Business Interruption	\$630,312	\$1,023,225	\$1,166,961
Commercial Motor	\$66,689	\$107,508	\$100,146
Employers Liability	\$2,315	\$2,547	\$2,547
Statutory Liability	\$14,719	\$16,191	\$17,810
Fidelity/Crime	\$10,840	\$11,798	\$11,647
General Liability	\$58,688	\$64,332	\$68,753
Professional Indemnity	\$367,855	\$408,319	\$434,950
PL & PI - Liability Excess Layer	\$40,099	\$53,841	\$54,185
Cyber Liability	\$42,500	\$45,000	\$45,000
Standing Timber	\$1,266	\$901	\$875
Marine Hull	\$19,416	\$26,256	\$26,256
Total Premium (excl. GST)	\$1,254,699	\$1,759,918	\$1,929,130

Recent years insurance market pressures have seen insurance premiums increase. The 2024/25 premiums saw an increase of \$176,649 or 9.6%, this was largely driven by material damage, having an increase by \$143,736 (81.4% of the total increase), which due assets acquired – including as Turner Centre, Waipapa Sports Hub, wastewater and water treatment plants and storage tanks, Kerikeri squash courts, 8 public toilets, and various heritage assets.

Opportunities to reduce premiums:

As a part of the renewal exercise, FNDC discussed with Aon options to evaluate in reducing premiums. These options primarily revolve around Council taking on more risk related to its Material Damage & Business Interruption policy and are included in the following table.

The table below provides varying options and implications:

Area of consideration	How this can help achieve value for money	What we do now	Option to reduce premiums	Consideration/Next steps
Increase claim excess	Increasing the excess can lower premiums by Council taking on more risk itself.	\$10,000 Additional excess for Storm/flood/windstorm is \$100,000	Moving from the current \$10,000 excess to \$50,000 or \$100,000 offers no immediate premium reduction. Savings up to 20% (seen by Manawatu Whanganui councils), would require an excess of \$500,000 or \$1,000,000.	Increasing excess to these levels substantially increases risk to Council as it is not economic to make a claim unless the value of that claim exceeds the excess. Indicative savings might be up to 20% of the MD policy, which is likely insufficient to warrant the additional risk.
Loss Limit – The total amount we can claim in an insurance year.	Increasing the loss limit can lower premiums by Council taking on more risk itself.	\$300,000,000 on 40% of the programme; no loss limit on 60% Fire loss limit - \$45,000,000 FNDC's low earthquake exposure means the likelihood of widespread devastation is fairly low, and the insurers are not currently pricing or restricting capacity for this.	Reducing loss limit to \$200,000,000 or \$150,000,000 is feasible and would reduce premiums. Reducing the fire loss to \$40,000,000 or \$30,000,000 would not change the premium but would reduce the FENZ levy payable.	Staff to consult with Aon to quantify potential savings. If savings would equate to a material amount, review loss limits requirements against asset register and consider likelihood of loss event occurring. Request insurance professional guidance if required.
Remove low value assets	Removing assets can lower premiums by Council taking on more risk.	FNDC have many assets under \$25,000 on the Material Damage Schedule.	Removing assets valued below the excess from the Material Damage Schedule would decrease premiums but increase FNDC's risk exposure to widespread events (e.g., storms/floods).	Staff to identify and categorise low-value assets below the excess threshold and assess the risks of removal from the schedule as against impact of cost savings.
Aging Assets	Removing aging assets can lower premiums by Council taking on more risk itself.	The age of all the assets is noted in the Material Damage schedule.	Insuring aging assets (those beyond 75% of their life) for indemnity value rather than replacement value reduces premiums but increases risk if replacement is planned. Assets not intended for	Staff to identify aging assets and assess whether replacement is planned. Consult with Aon to quantify the financial impact of updating insurance policies to indemnity value only.

			replacement could be removed from the schedule. Removal reduces premiums but increases risk to large balance sheet losses.	
Business Interruption (BI) Insurance	Removing BI cover can lower premiums by Council taking on more risk itself.	FNDC has BI cover for income generating assets with an annual income/rent over \$20,000.	Reviewing BI could lower premiums. However, some assets with low BI values may have high Material Damage (MD) replacement values, posing risk if removed from coverage. In widespread events, combined MDBI excess allows for lower-value assets to remain covered.	Staff to conduct a review of assets with BI coverage to determine whether coverage aligns with risk. Consult with Aon to quantify the financial impact of changes to policy.
Review of policies for asset categories	Varying the type of cover for assets (e.g., full replacement, current value, or demolition only) can impact premiums.	FNDC currently has full cover for the majority of its assets. Exceptions are where an asset is separately identified and insured under a different policy, such as the Peterson Toyota building which was insured until recently under demolition only policy.	<p>During the renewal process, the type of cover can be adjusted. Examples show that premiums vary by cover type:</p> <ul style="list-style-type: none"> - Lake Ohia Public Hall: Full Replacement: \$1,420; Current Value: \$334; Demo Only: \$44. - Oruru Public Hall: Full Replacement: \$3,703; Current Value: \$859; Demo Only: \$128. - Ōpononi Community Centre Freese Park: Full Replacement: \$393; Current Value: \$175; Demo Only: \$28. 	<p>Review the cost implication of insurance cover types for each asset category type during the renewal process and present Elected Members with options and financial impacts and cost benefit of alternative funding options (i.e. targeted rate).</p> <p>This is likely to require consultation as it would impact levels of service to communities.</p>

What FNDC currently doesn't insure and or don't fully insure:

- Boat ramps
- Network (roads)
- Underground assets (water, wastewater and stormwater pipes)
- Buildings/assets to be demolished (demolition and liability only)
- Most reserves not insured where non-significant buildings/structures (i.e. where there is only a carpark, fencing, footpaths)

Next steps

To optimise FNDC's insurance coverage, staff will work with Aon Insurance Brokers to analyse the outlined opportunities and report to Elected Members. Given the scale of the data sets and reliance on professional input in pricing the policies, this process is expected to take 6–12 months. This will align with input to the FY2026/27 annual plan and include consideration of any necessary public consultation.

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

The current budget for 2024/25 financial year is \$1,607,761, and a revised budget is included in the Annual Plan 2025/26 reflecting updated costs.

ĀPITIHINGA / ATTACHMENTS

Nil

5.2 FNHL QUARTERLY REPORT - SEPTEMBER 2024

File Number: A4977351

Author: Angie Thomas, Acting Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive FNHL Quarterly Report - September 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. Far North Holdings Quarterly Report - A5001230 [↓](#) 

5.3 REVENUE RECOVERY REPORT - AS AT 30 SEPTEMBER 2024

File Number: A4978275

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 the Far North District Council Assurance, Risk, and Finance Committee.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

This is the first report for the financial year 2024-25 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 Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue Recovery Report - as at 30 September 2024.

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and sundry debt as of 30 September 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

BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and Sundry debt as of 30 September 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.

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 2024, the General Title rates total arrears balance has increased significantly, and the water rates has increased by 25%. Council has observed the continued impact of last year's cost-of-living increase into this rating year. (See footnote A.1 in attachments)

General Title rates and water debt

Key actions since the last report:

- The Revenue recovery team have initiated pre-calling ratepayers who have arrears balances and a mortgage before mortgage demands were initiated (this has not been done previously).
- After rating instalment 1 2024-2025, Council pre-called contacted 363 ratepayers to set up a payment plan.

- The mortgage demand process has initiated for 2 financial institutions.

Next actions:

- Complete reporting for all properties with mortgages and commence pre-mortgage demand calling.
- Prepare and issue mortgage demand to the final major financial institutions after January 2025 once pre-mortgage demand has been completed.
- Initiate abandoned land process with external Law firm.
- Prioritise Revenue Recovery time to collection of outstanding debt for rates and sundry debtors.
- Initiate monthly reporting of debt levels to Chief Financial Officer and General Manager Corporate Services to review financial trends.

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 18% 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.
- 12% 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 increased by 12% since the start of the year of which 9% was for Māori Freehold land remissions (See footnote A.2 in attachments). The water rates have increased 20% since the start of the year. (See footnote A.3 in attachments)

The Whenua Māori Working Group is working on providing information to the community to increase awareness of rate relief available under the Whenua Māori Rating Act. The Working Group has been engaged with the following:

Property Reviews

A total arrears balance of \$433,861 has been written off Far North District Council rates since the start of this rating year.

Since the last report the total CE write-offs completed this rating year is \$29,700.

Training Sessions

The Working Group have completed the first learning and development training session for Whenua Māori with the customer care team. Further sessions with other customer facing teams to be scheduled in the calendar for the upcoming weeks. An invite has also been extended to other council teams who are interested in participating.

External trial learning workshop

A trial workshop held on the 6 November between 4.30pm and 6pm Chambers in Kaikohe. The session was to evaluate the FNDC presentation, and the presentations from Te Puni Kōkiri and Māori Land Court, with a selection of invited Whenua Māori owners and 13 owners attended.

The intention was to deliver workshop content and receive feedback, to allow for any required revision to be made prior to the first Marae hui.

Marae visits

The itinerary for the Marae visits will be based on the tikanga on each Marae. The draft run sheet for Marae visits consists of the following:

- Pōwhiri/whakataua
- Introductions
- Whakawhanaungatanga – cuppa tea
- Joint presentations FNDC and Māori Land Court
- Q&A session after presentations
- Re-set in breakout areas

Breakout areas allow whenua Māori owners to discuss their concerns with different representatives with examples noted below:

1. Far North District Council - land rates, remission applications, write offs, occupation orders, development support/rates remissions.
2. Māori Land Court – Succession, whānau trusts, occupation orders, reverting general land owned by Māori, to Māori Freehold Land.

Below are the confirmed bookings:

Day	Date	Marae	Time
Saturday	23 November	Waipuna Marae, Panguru	10am - 3pm
Monday	16 December	Otiria Marae, Moerewa	10am - 3pm

Sundry debtors debt

The total sundry debtors aged debt balance has increased since the start of the year. There have been several significant, diverse sundry invoices raised that have had an impact on reporting. This has now since decreased due to payment being received.

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

Due to a rise in 60+ debt, Revenue Recovery will devote resources to debt reduction in these areas.

(See footnote A.4 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. **30 September Revenue Recovery Report attachment - A4986513** [↓](#) 

5.4 HEALTH, SAFETY AND WELLBEING REPORT

File Number: A4978440

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

Authoriser: Carla Ditchfield, Manager - Legal Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide the Te Miromiro – Assurance, Risk and Finance Committee with an overview of key activities related to Health Safety and Wellbeing across the organisation for September - October 2024).

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

The Health, Safety and Wellbeing (HSW) team is focused on managing FNDC's risks, in particular critical risks. A critical risk is one that will occur infrequently but has serious consequences to health, safety, and well-being should an incident occur.

The report provides an update on critical risk mitigation, HSW training, and other achievements across the organisation.

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

The health, safety, and well-being (HSW) of employees and stakeholders remain a key priority for the Far North District Council (FNDC). Ensuring a safe and supportive environment is critical not only for regulatory compliance but also for fostering a culture that values the physical and mental health of the workforce.

Critical risks, defined as those with low frequency but high potential impact, pose significant challenges to the organisation. Addressing these risks requires proactive identification, robust mitigation strategies, and continuous monitoring to prevent incidents and protect the well-being of all individuals involved.

This report, covering the period from September to October 2024, highlights the FNDC's ongoing efforts in health, safety, and well-being. It aims to provide the Te Miromiro – Assurance, Risk and Finance Committee with a comprehensive overview of activities, focusing on critical risk management, HSW training initiatives, and key achievements. This information underscores the organisation's commitment to enhancing workplace safety and wellbeing through strategic interventions and continuous improvement.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Health, Safety, and Wellbeing Achievements

- Engagement with 128 staff around critical risks.
- No lost time injuries (LTIs) due to work injuries

Hazard and Risk Management

The Health, Safety, and Wellbeing (HSW) team is focused on managing FNDC's risks, particularly critical risks. A critical risk is one that will occur infrequently but has serious consequences to health and safety should an incident occur.

Following consultation with staff in 2023 six critical risks were identified that are involved with activities conducted by FNDC staff. The critical risks identified are listed below:

- Driving on Council business
- Lone working
- Psychosocial hazards
- Contractor management occupational health & safety (OHS)
- Site Visits
- Threatening behaviour towards customer-facing staff

Table 1 below shows the various ways the HSW team has proactively collaborated with staff regarding managing critical risks during September – October 2024. 128 staff were engaged through audits, workshops, team talks, and training.

Table 1 – HSW Engagement

Date	Risk	Engaged	Attendees	Description
12/09/2024	Contractor Management	Ventia (external contractor)	1	Audit
13/09/2024	Strategy review	SLT	7	SLT engagement
19/09/2024	Site visits - Introduce JSA	Resource Consents Team	12	Team talk
20/09/2024	Lone Worker Device training	Animal Management	2	Staff training
23/09/2024	Psychosocial hazards (1 hour session)	All staff	23	Team workshop
25/09/2024	Site visits - Introduce JSA	Technical Operations	5	Team talk
26/09/2024	Psychosocial hazards (1 hour session)	All staff	21	Team workshop
14/10/2024	Lone working	Transportation Safety and Traffic Engineering	3	Staff training
18/10/2024	Fire Emergency Evacuation 6 monthly drill	Kaeo SC/Library	3	Audit
30/09/2024	Fire Emergency Evacuation 6 monthly drill	Kaikohe HQ	50	Audit

29/10/2024	Fire Emergency Evacuation 6 monthly drill	Southern Animal Shelter	1	Staff training
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HSW Incidents

There have been five staff warning flags (SWFs) raised by staff during Sept – Oct 2024 for threatening behaviour.

What is a SWF?

- SWFs are memo alert pop-ups in Pathways that open automatically when an address or person has a SWF allocated against them.
- The SWF will warn employees of hazards associated with the person or address.
- SWFs are usually created as a result of abusive, violent, or dangerous behaviour by the occupant of the address. Other hazards, such as dangerous dogs, may be listed.

Health Safety and Wellbeing of Elected Members when undertaking Council business

It is recognised that elected members in their governance role are asked to attend meetings with residents/ratepayers/general public and sometimes at private residences. It is strongly recommended that elected members make contact with appropriate council staff or the HSW team, to confirm whether or not there are SWFs either on the person/people or address before accepting meetings.

Elected members can have any stories relating to injuries, incidents or accidents (including near misses, risks, hazards, etc.) they are aware of, logged in PeopleSafe by contacting Democracy Services who will input information on their behalf.

PeopleSafe is FNDC's Health and Safety reporting database for all work-related injuries, incidents, accidents, near misses, risks, hazards, discomfort and pain. It is a requirement under the Health and Safety at Work Act (2015) for FNDC to provide a platform to report such incidents. The most frequently reported incidents are threatening behaviour, which are listed as critical risks. 13 HSW incidents were entered into PeopleSafe during Sept – Oct 2024.

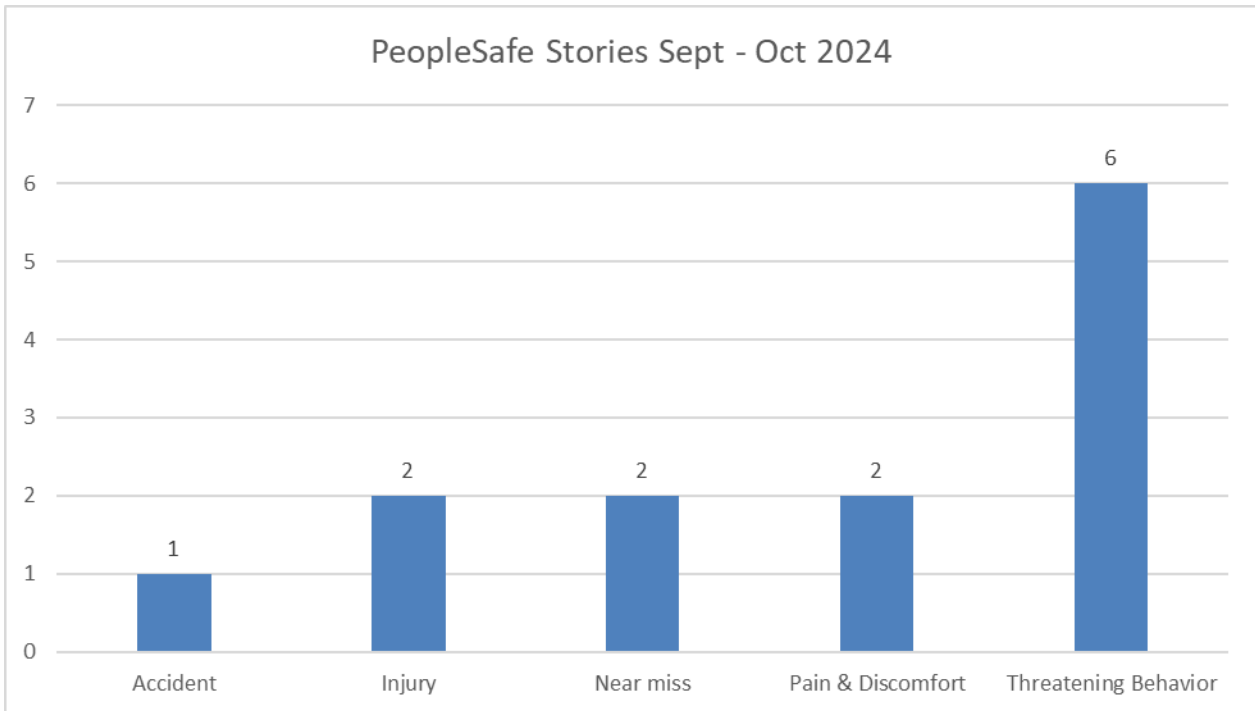


Figure 1 – PeopleSafe stories reported during Sept – Oct 2024

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

There are no financial implications.

ĀPITIHINGA / ATTACHMENTS

Nil

5.5 PEOPLE AND CAPABILITY REPORT TO ASSURANCE, RISK AND FINANCE JULY 2024 - SEPTEMBER 2024

File Number: A4979336
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.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

Included in the report is information on:

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro - Assurance, Risk and Finance Committee receive the report People and Capability Report to Assurance, Risk and Finance July 2024 - September 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

1. People and Capability Report to Assurance, Risk and Finance Committee July 2024 - September 2024 - A4979297 [↓](#) 

5.6 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 OCTOBER 2024

File Number: A4979681

Author: Angie Thomas, Team Leader - Accounting Services

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro – Assurance Risk and Finance Committee receive the Far North District Council Financial Report for the period ending 31 October 2024.

1) TĀHUHU KŌRERO / BACKGROUND

This report provides financial information as at quarter ending 31 October 2024.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Accept the commentary for the month ending 31 October 2024.

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 by LTP Oct 2024 - A5002237 [↓](#) 

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 - 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 - Independent Review of Animal Management Practices and Procedures	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
6.3 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.4 - Tenders Panel and Procurement 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)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations	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

	(including commercial and industrial negotiations)	
6.5 - 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

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE