



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

# AGENDA


## Te Miromiro - Assurance, Risk and Finance Committee Meeting

**Wednesday, 14 May 2025**

**Time: 10:00 AM**

**Location: Council Chamber,  
5 Memorial Avenue,  
Kaikohe 0405**



	<b>Authorising Body</b>	Mayor/Council
	<b>Status</b>	Standing Committee
<b>COUNCIL COMMITTEE</b>	<b>Title</b>	Te Miromiro – Assurance Risk and Finance Terms of Reference
	<b>Approval Date</b>	15 December 2022
	<b>Responsible Officer</b>	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 McGlinn – 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**  
**Te Miromiro - Assurance, Risk and Finance Committee Meeting**  
**will be held in the Council Chamber, Memorial Ave, Kaikohe on:**  
**Wednesday 14 May 2025 at 10:00 AM**

**Te Paeroa Mahi / Order of Business**

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<b>6</b>	<b>Te Wāhanga Tūmataiti / Public Excluded .....</b>	<b>111</b>
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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:** A5164867

**Author:** Amber Wihongi-Alderton, 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 Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the previous meeting held 8 April 2025 are a true and correct record.

#### 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.

#### 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.

#### 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. **2025-04-08 Te Miromiro - Assurance, Risk and Finance Committee Minutes - A5171568**  
 
2. **Tender Panel and Procurement Activity Update April 2025 - A5171572**  



**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.

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

8 April 2025

**MINUTES OF FAR NORTH DISTRICT COUNCIL  
TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING  
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVE, KAIKOHE  
ON TUESDAY, 8 APRIL 2025 AT 10:00 AM**

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

**IN ATTENDANCE:** Cr Mate Radich (online), Cr Hilda Halkyard-Harawira (online)  
*Note: apology from Cr Felicity Foy*

**STAFF PRESENT:** Guy Holroyd (Chief Executive Officer), Angie Thomas (Acting Chief Financial Officer), Emma Healy (Chief of Staff), Charlie Billington (Group Manager – Corporate Services), Jacine Warmington (Group Manager – Strategic Relationships), Roger Ackers (Group Manager – Planning and Policy), Ruben Garcia (Acting Group Manager - Delivery and Operations) (online), Nicole Smith (Acting Group Manager - Community and Engagement) (online), Tanya Proctor (Head of Infrastructure), Carla Ditchfield (Manager – Legal Services), Aisha Huriwai (Manager – Democracy Services), Ian Wilson (Health, Safety and Wellbeing Specialist), Margriet Veenstra (Manager - Property Information & Business Compliance), Joshna Panday (Risk & Assurance Specialist Corporate Services, Kayla Jonas (Manager - People & Capability), Amber Wihongi-Alderton (Democracy Advisor), Ken Lewis (Manager - Communications & Engagement) (online)

### 1 KARAKIA TIMATANGA / OPENING PRAYER

Kōwhai - Deputy Mayor Kelly Stratford opened the meeting with a karakia at 10:02 AM.

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

Declaration of Interest received from Chair Graeme McGlinn advising appointment to West Coast Regional Assurance and Risk Committee.

#### APOLOGY

##### RESOLUTION 2025/7

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr Steve McNally

##### Recommendation:

a) That the apology received from Kahika - Mayor Moko Tepania be accepted and leave of absence granted; and

b) an apology from Chair Graeme McGlinn for lateness be accepted.

**CARRIED**

### 3 NGĀ TONO KŌRERO / DEPUTATION

There were no deputations.

**UNCONFIRMED**

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

8 April 2025

**4 NGĀ KŌRERO A TE HEAMANA / CHAIRPERSON ANNOUNCEMENTS**

Opening remarks from Deputy-Chair John Vujcich noted the Chairperson's estimated time of arrival.

An update on Northland's 'light touch' regional deal noted the application has been submitted and made available publicly.

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

Agenda item 4.1 document number A5113328, pages 12 - 17 refers

**RESOLUTION 2025/8**

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

**That Te Miromiro - Assurance, Risk and Finance Committee confirm the minutes of the previous meeting held 19 February 2025 are a true and correct record.**

**CARRIED****6 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS****6.1 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 28 FEBRUARY 2025**

Agenda item 5.1 document number A5105286, pages 18 - 42 refers

**RESOLUTION 2025/9**

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Cr Steve McNally

**That Te Miromiro – Assurance Risk and Finance Committee receive the Far North District Council Financial Report for the period ending 28 February 2025.**

**CARRIED**

*At 10:20 AM Cr Penetaui Kleskovic joined the meeting online.*

**6.2 HEALTH, SAFETY AND WELLBEING REPORT**

Agenda item 5.2 document number A5116458, pages 43 - 53 refers

**RESOLUTION 2025/10**

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

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

**CARRIED**

**UNCONFIRMED**

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

8 April 2025

**6.3 REVENUE RECOVERY REPORT AS AT 31 DECEMBER 2024**

Agenda item 5.4 document number A5076088, pages 66 - 74 refers

**RESOLUTION 2025/11**

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

**That Te Miromiro - Assurance, Risk and Finance Committee receive the report Revenue Recovery Report as at 31 December 2024.****CARRIED***At 10.45 AM Chair Graeme McGlenn arrived at the meeting**At 10.46 AM FNHL representatives Lisa Parkes and Robert Binney arrived.***6.4 FNHL QUARTERLY REPORT - DECEMBER 2024**

Agenda item 5.3 document number A5117714, pages 54 - 65 refers

**RESOLUTION 2025/12**

Moved: Kōwhai - Deputy Mayor Kelly Stratford

Seconded: Deputy Chairperson John Vujcich

**That Te Miromiro - Assurance, Risk and Finance Committee receive FNHL Quarterly Report - December 2024.****CARRIED***Apologies received from Andy Nock, FNHL CE***6.5 RESOURCE CONSENT ABATEMENT NOTICE UPDATE**

Agenda item 5.5 document number A5128162, pages 75 - 79 refers

**RESOLUTION 2025/13**

Moved: Deputy Chairperson John Vujcich

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

**That Te Miromiro - Assurance, Risk and Finance Committee receive the report Resource Consent Abatement Notice Risk Profile.****CARRIED***At 11:03 AM Cr Penetaui Kleskovic left the meeting**At 11.25 AM Kōwhai Kelly Stratford left the meeting**At 11.28 AM Kōwhai Kelly Stratford left the meeting***7 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**

**UNCONFIRMED**

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

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**RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2025/14**

Moved: Cr Steve McNally

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

**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:**

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>6.1 - Confirmation of Previous Minutes Public Excluded</b>	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
<b>6.2 - Risk Management Update</b>	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
<b>6.3 - FNDC Current Legal Action Potential Liability Claims</b>	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
<b>6.4 - Tender Panel and Procurement Activity Update</b>	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 (including commercial and industrial 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

**CARRIED**

**UNCONFIRMED**

Te Miromiro - Assurance, Risk and Finance Committee Meeting Minutes

8 April 2025

**CONFIRMATION OF INFORMATION AND DECISIONS TO BE RELEASED IN PUBLIC**

At the conclusion of the public excluded discussion, Te Miromiro – Assurance, Risk and Finance Committee confirmed the following decision be restated in public meeting as follows:

- Summary of the Procurement Tender Panel report excluding sensitive information to be released to the public.

**Attachment:**

Tender Panel and Procurement Activity Update April 2025 – A5171572

**8 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER**

At 12:38 PM Kōwhai - Deputy Mayor Kelly Stratford closed the meeting with a karakia.

**9 MEETING CLOSE**

**The meeting closed at 12:38PM.**

**The minutes of this meeting will be confirmed at the Te Miromiro - Assurance, Risk and Finance Committee Meeting held on 14 May 2025.**

.....  
**CHAIRPERSON**



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 Phone 0800 820 029  
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## Tender Panel and Procurement Activity Update 1 Oct – 31 Dec 2025.

Reporting Officer: Michelle Sharp, Team Leader Project Management Office  
 Date: 8 April 2025

### Take Purongo / Purpose of the Report

To provide Elected members with an update on procurements reviewed by the Tender Panel since the last report, and oversight of procurement activity during the reporting period 1 October – 31 December 2024.

This is a summary of the report presented to the Te Miromiro Assurance Risk and Finance Committee on 8 April 2025, excluding any commercially sensitive information.

### Whakarapopoto Matua / Executive Summary

#### Reporting period 1 October – 31 December 2024.

- 3 Tender Panel meetings held to review 4 procurements.
- 28 procurements to the value of \$13,043,859 were registered and managed.
- 34% of procurements awarded were to companies in the Northland region.
- 57% of total procurements were direct awards, up from 52% last period.

#### 2024 Calendar Year insights

Insights around contracts awarded for the calendar year 2024 have also been included in this report.

- Top 10 suppliers account for 56 out of the 139 contracts awarded. Ventia is our top supplier with a total of 34 contracts awarded.
- \$134 million worth of contracts were awarded in 2024 – of that:
  - Contracts to the value of \$69 million were granted to local Far North suppliers.
  - Contracts to the value of \$9 million were granted to wider Northland suppliers
  - Contracts to the value of \$56 million were granted to suppliers in the rest of NZ.
- Direct awards were 54% of total procurements by count (11% by \$value).

### Ngā kōrerorero | Discussion

Council is accountable to ratepayers for how funds are spent. This report provides assurance to Governance and Senior Leadership that procurement decisions uphold accountability, probity, and financial prudence while meeting audit and public scrutiny requirements

#### Tender Panel Meetings

The Tender Panel provides management oversight and transparency to high risk, value or impact procurements, or where there has been a requested exemption to the procurement policy guidance.

The panel comprises senior management across the council, including the General Manager of Corporate Services as chair, along with representatives from Legal, Finance, Risk, Operations and Health, Safety, and Wellbeing. This composition ensures a comprehensive range of knowledge is applied to procurement decisions, enhancing the quality and integrity of the process.

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The Tender panel does not carry any delegated financial authority (DFA). Its role is to review and endorse procurements ensuring they meet all necessary criteria before advancing to the next stage. Financial decisions remain within the established DFA, including relevant committees and Council.

Three Tender Panel meetings were held to review four procurements – two were high value procurements over \$1m, and two were seeking an exemption to the procurement policy as the approach was either a direct award or closed tender rather than open tender due to the specialist nature of the procurement or limited supply market.

#### Procurement Assurance Report 1 October – 31 December 2024

There was a slight increase in the number of direct awards this quarter at 57% up from 52% last period. While this suggests there is progress to be made, efforts remain focussed on ensuring that procurement strategies balance the use of direct awards with achieving optimal value for money when deciding on best procurement approach.

Approach	Number	Value	Percentage
Closed Tender	3	\$ 1,648,125.00	11%
Direct Award	16	\$ 3,150,274.90	57%
Existing Contract / Variation	5	\$ 570,278.87	18%
Open Tender	4	\$ 7,635,181.00	14%
<b>Total</b>	<b>28</b>	<b>\$13,003,859.77</b>	<b>100%</b>

#### Local Impact

The impact of our procurement decisions on the local district has decreased for this reporting period, while the impact on the wider Northland region has increased by 15%.

Contracts Awarded over \$50,000	Oct - Dec 24	Jul - Sep 24
Local to District	6%	23%
Local to Northland	28%	13%
Rest of NZ / Other	66%	64%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Table 1 - Local Impact

6% of the registered procurements over \$50,000 have been awarded to suppliers based in our district while the contracts awarded to the wider Northland region increased to 28%, up from 13% in the previous quarter. The fluctuating nature of this metric indicates alignment with the LTP planning rhythm where contracts to professional services suppliers for detailed design or feasibility are usually awarded to national suppliers due to a lack of local professional services.

#### Risk Assessment

An internal risk assessment has been carried out by the Procurement Specialist and peer reviewed by the Team Leader Project Management Office. Purchase requisition reporting from TechOne is used to determine the level of compliance with Council procurement policy. This also ensures all procurements are captured and provides a method to track procurements through to contract award. The risk assessment identified the following:

1. Staff are self-registering procurements, albeit some in retrospect.
2. Procurement registration actions are being followed.
3. The correct form of contract is being used.
4. The incidence of using direct award is decreasing and this is a positive sign to ensure we are planning for our procurements.



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### Improvement Actions

1. Engage with staff to ensure procurement planning tasks are completed to ensure procurement and project risks have been assessed and mitigated. Ensure an appropriate health and safety prequalification is held, the correct form of contract used with appropriate contract terms in place.
2. Continuing engaging with staff to ensure appropriate procurement planning is undertaken.

### Annual Insights for 2024 Calendar Year

Direct awards were 54% of all procurements by count, however this represents only 11% of total contract value which demonstrates the organisation has followed a competitive tendering approach for larger value contracts which is our default procurement approach.

Approach	Number	Value	Percentage
Closed Tender	10	\$2,554,451	7%
Direct Award	75	\$11,608,51	54%
Existing Contract / Variation	38	\$6,122,166	27%
Open Tender	16	\$82,854,93	12%
<b>Total</b>	<b>139</b>	<b>\$103,140,068</b>	<b>100%</b>

Nearly 60% (\$78million) of the total value of contracts awarded in 2024 were either to suppliers in the Far North or local to Northland.

Location	Contract Value	Contracts Awarded
Local to District	\$69,134,089	23
Local to Northland	\$9,615,078	20
Rest of NZ	\$56,219,098	70
<b>Grand Total</b>	<b>\$134,968,266</b>	<b>113</b>

## 5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

### 5.1 OPEN RESOLUTIONS AND ACTIONS UPDATE INTRODUCTION

**File Number:** A5177945

**Author:** Amber Wihongi-Alderton, Democracy Advisor

**Authoriser:** Aisha Huriwai, Manager - Democracy Services

#### TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Te Miromiro – Assurance, Risk and Finance Committee with an overview of outstanding open resolutions arising from Te Miromiro – Assurance, Risk and Finance Committee meetings.

#### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- This report introduces a new standing item for Te Miromiro – Assurance, Risk and Finance Committee.
- Open resolutions are a mechanism to communicate progress against decisions/resolutions.
- Open resolutions are also in place for all formal elected member meetings.
- Action points are a mechanism to capture actions that are not part of a formal decision / resolution but require follow up or confirmation from staff.

#### TŪTOHUNGA / RECOMMENDATION

**That Te Miromiro - Assurance, Risk and Finance Committee receive the Open Resolutions and Actions Introduction report.**

#### TĀHUHU KŌRERO / BACKGROUND

This report serves as an introduction, confirming inclusion of an Open Resolutions and Actions Update report as a regular item at future committee meetings.

Any resolution from a decision report is compiled in an open resolution status report, to capture actions triggered by decisions, with staff providing updates on incomplete tasks

Since many reports received by this committee are informational, they do not generate open resolution items. However, a need has been identified to record and track action points arising from information reports or meeting discussions.

As this is the first iteration of the report, there are no open items recorded. Moving forward, these will be captured and reported at committee meetings.

#### MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Managers will assist in recording and following up outstanding open resolutions or actions points with staff where appropriate, and occasionally, may be in a position to provide a further verbal update at meetings following the printing of an agenda. Democracy Services staff will support the process by generating reports.

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

There are no financial implications or need for budgetary provision in receiving this report.

#### ĀPITIHINGA / ATTACHMENTS

Nil

## 5.2 AUDIT PLAN FOR YEAR ENDING 2024/25

**File Number:** A5179315

**Author:** Angie Thomas, Acting Chief Financial Officer

**Authoriser:** Charlie Billington, Group Manager - Corporate Services

### TAKE PŪRONGO / PURPOSE OF THE REPORT

This report presents the audit plan for year ending 2024/25 from Deloitte.

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

#### TŪTOHUNGA / RECOMMENDATION

**That the Te Miromiro - Assurance, Risk and Finance Committee receive the Audit Plan for year ending 2024/25.**

### TĀHUHU KŌRERO / BACKGROUND

Far North District Council, in compliance with the Local Government Act 2002, prepares an Annual Report at the end of each financial year. This is required to be audited by the appointed Auditor, which for Far North District Council is Deloitte.

### MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The planned timing of the audit with Deloitte for the financial year 2024/2025, are as follows:

- o Interim Audit – July
- o Final Audit – August - September

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

The proposed fees have been included in the audit plan.

	<b>Proposed 2024/25 (\$,000)</b>	<b>PY 2023/24 (\$,000)</b>
<b>Fees payable</b>		
2023/24 Base fee	245	245
CPI increase	9.8	
Increased hours	24	
<b>Total audit fees (excludes OAG support, disbursements and GST)</b>	<b>279</b>	<b>245</b>
Trustee reporting	10	8
<b>Total audit relate and other assurance fees</b>	<b>289</b>	<b>253</b>

### ĀPITIHINGA / ATTACHMENTS

1. **Audit Plan for year ending 30 June 2025 - A5179257**  



# Far North District Council audit plan

Year ending 30 June 2025

May 2025



#### **Purpose of report**

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

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

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

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#### **Responsibility statement**

*We are responsible for conducting an audit of Far North District Council ("the Council") for the year ended 30 June 2025 in accordance with auditing standards issued by the Auditor-General that incorporate the New Zealand auditing standards issued by the NZ Auditing and Assurance Standards Board. Our audit is performed pursuant to the requirements of the Public Audit Act 2001, the Crown Entities Act 2004 and the Financial Reporting Act 2013, with the objective of forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of the Council. The audit of the financial statements does not relieve management or the Council of their responsibilities.*

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

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# Contents

## Section 1 – Planning report

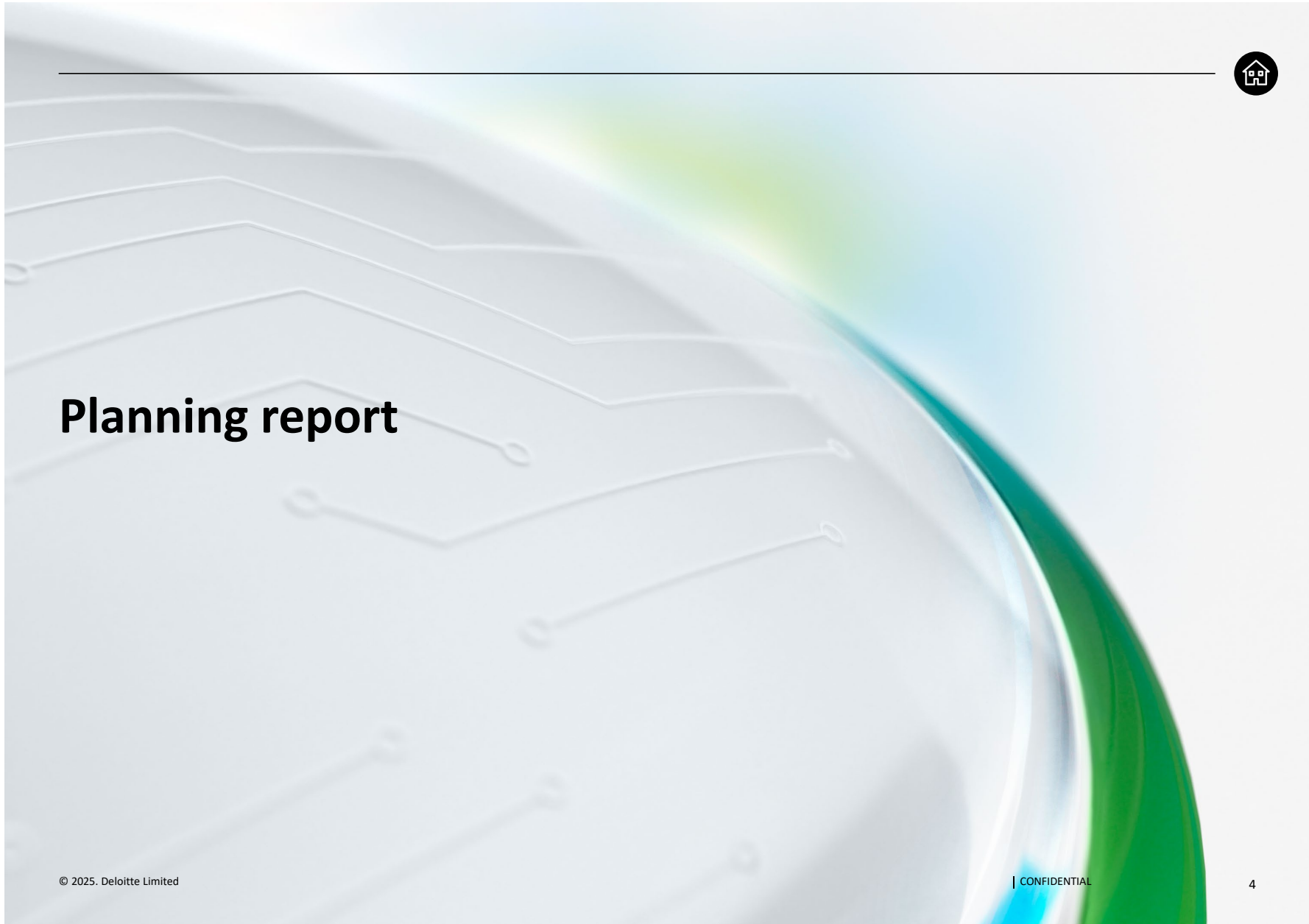
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## Introduction

Dear Audit, Risk and Finance Committee members

We are pleased to provide you with our planning report for the audit of Far North District Council for the year ending 30 June 2025. We understand our responsibility to you, and we have developed a tailored audit plan that summarises the key aspects of our audit scope and approach, our planned communications with you, and our team structure.

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

Our External Audit Strategy for this year will continue to be underpinned by:

- Our risk-based audit approach, use of data and audit technology;
- Our commitment to providing both management and the Committee with objective and timely insights on the Group's financial reporting process and control environment; and
- Our commitment to providing insights on trends and market developments as they relate to financial reporting, sustainability and climate change reporting.

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

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

**Bennie Greyling, Partner**  
for Deloitte Limited  
Appointed Auditor on behalf of the Auditor-General  
Auckland | May 2025







## Areas of audit focus

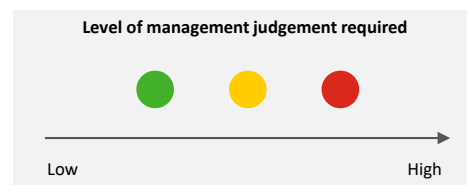
### Financial statements dashboard

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

**Control testing planned**

D: Evaluate whether control design manages risk appropriately

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



🔄 Continuing area of focus



## Areas of audit focus

Area of audit focus	Our approach
<p><b>Valuation of infrastructure assets</b></p> <p>The Council has a significant asset base with infrastructural assets carried at fair value and accounts for revaluations of infrastructure assets on a class of asset basis. The asset classes include sewerage, water, refuse, stormwater and roading assets.</p> <p>The fair value assessment of infrastructure assets is an area that continues to receive increased focus in the sector. This is especially critical for the current year with the current market conditions and high inflation rates which may cause material movements in valuations, and it is possible that classes of assets that are not due to be revalued would be required to be revalued.</p> <p>Management have adopted a rotational plan for revaluing the asset classes, so the valuations are not all completed in the one year. Assets that are exposed to significant changes in fair value are revalued outside the rotational plan.</p> <p>The Council plans to engage independent third-party valuation experts to undertake the valuation of asset classes expected to be revalued. For the other asset classes, management are required to perform an assessment to determine whether the carrying value of these assets still approximate fair value as at 30 June 2025. The assessment to determine whether the carrying value of these assets still approximate fair value, requires a degree of judgement and consideration of different assumptions. Input into these assumptions may come from in-house or independent experts. Where there are indicators that the carrying value is materially different to the fair value a revaluation is required to be undertaken.</p> <p>There is a risk that revaluations are not appropriate because of incorrect assumptions and/or data, and that revaluation movements are not adequately reflected in the financial statements.</p>	<p>For infrastructural assets carried at fair value but not revalued in the current year, we plan to:</p> <ul style="list-style-type: none"> <li>• Obtain management’s assessment of the indicative movement in fair value for all assets classes carried at fair value;</li> <li>• Obtain supporting evidence from independent valuers supporting the indicative fair value movement (if applicable); and</li> <li>• Review the key assumptions applied in determining the indicative fair value, assess and challenge management’s overall conclusions.</li> </ul> <p>For infrastructure assets carried at fair value and revalued in the current year, we plan to:</p> <ul style="list-style-type: none"> <li>• Obtain the revaluation of infrastructure class(es);</li> <li>• Obtain representation directly from the independent valuer confirming their methodology;</li> <li>• Reviewing and testing the key underlying assumptions used to ensure these assumptions are reasonable and in line with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”); and</li> <li>• Ensure the revaluation transaction is correctly accounted for and disclosed in the financial statements in order to comply with PBE IPSAS.</li> </ul> <p><i>The fair value assessment of infrastructure assets is an area that continues to receive increased focus in the sector and Management and the Committee will need to work to ensure a robust and timely review is performed.</i></p> <p><i>To ensure that there are no delays in the FY25 audit, it is crucial that there is ownership over the fixed asset reconciliation process and both the finance and infrastructure asset teams need to complete the following procedures including but not limited to, before our final visit:</i></p> <ul style="list-style-type: none"> <li>• Prepare a reconciliation between the general ledgers and fixed asset registers as at 30 June 2025;</li> <li>• Ensure that construction and renewal information have been updated in the underlying fixed asset databases;</li> <li>• Prepare a reconciliation between the opening, additions, disposal and closing balances in the valuation reports and the underlying financials and RAAM data;</li> <li>• Management to review the valuation reports and challenge the assumptions and statements made by the external valuers; and</li> <li>• Provide updates to the audit team on the recommendations made by external valuers and peer reviewers from the prior year valuations and reviews performed.</li> </ul>



## Areas of audit focus

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



## Areas of audit focus

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



## Areas of audit focus

Area of audit focus	Our approach
<p><b>Statement of Service Performance</b></p> <p>The Council’s annual report is required to include an audited Statement of Service Performance (SSP) which reports against the performance framework included in the annual plan/long-term plan. This is line with the requirements of <i>PBE FRS 48 Service Performance Reporting</i>.</p> <p>The SSP is an important part of Council’s annual performance reporting, and it is important it adequately “tells the performance story” for each group of activities.</p> <p>Our audit opinion considers whether the service performance information:</p> <ul style="list-style-type: none"> <li>• Is based on appropriately identified elements (outcomes, impacts, outputs), performance measures, targets/results; and</li> <li>• Fairly reflects actual service performance for the year (i.e. not just reports against forecast).</li> </ul>	<p>As part of our audit process, we will:</p> <ul style="list-style-type: none"> <li>• Review Council’s SSP against legislative requirements and good practice. This will include checking consistency with the performance framework included in the 2021-2031 LTP and 2024/2025 annual plan;</li> <li>• Audit a sample of the reported performance measures, with a focus on the more significant groups of activities; and</li> <li>• Review the narrative commentary and explanatory information provided in the annual report to ensure that this provides sufficient information to the readers i.e. “tells the performance story”.</li> </ul>
<p><b>ESG and Climate Change</b></p> <p>Matters related to climate and the broader Environment, Social and Governance (ESG) landscape are rapidly evolving. Stakeholders are increasingly asking entities to provide transparent disclosures about climate-related risks, and the New Zealand Government is taking action to reduce our emissions profile which over time will impact most entities.</p> <p>ESG and climate related matters will likely create physical and transitional risks and opportunities for the Council and these matters could lead to potential impacts on the financial statements.</p>	<p>As part of the audit process, we will consider ESG and climate-related risks and their potential impact on the Council’s financial statements. We will consider the Councils’ consideration of ESG and climate risks and tailor our audit approach as required.</p>



## Areas of audit focus

### Matters raised by the Office of the Auditor General

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



## A continued focus on the Group’s control environment

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




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

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

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

Robust processes and controls are fundamental to financial resilience, with internal controls being the foundation that enables a company to protect itself and build stakeholder trust and confidence.

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

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



We continue to elevate the transparency of our evaluation of your control environment and thematic observations on where strengthening would support business resilience and financial reporting reliability.

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

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



## A focus on your internal control activities

### Dashboard of our planned internal controls approach to key processes

We outline below our planned approach for testing controls over key process. The results of this testing may influence the scope of our substantive testing.

Key process	Planned Approach	Key matters for Committee consideration
Valuation of infrastructural assets	M D	N/A
Management’s ability to override controls	M D	Please refer to a summary of deficiencies disclosed in our prior year report in the next slide.
Revenue recognition	M D	N/A
Statement of Service Performance	M D	Performance measures that are based on external reporting should be updated on the latest and most up to date reports. Statement of Service Performance continues to be an area of scrutiny. Entities need to continue design and implement controls to address risks appropriately that are identified with measuring and reporting each measure.

#### Types of controls tested

- M Manual controls
- A Automated controls

#### Controls approach planned

- D Evaluate whether relevant control is designed and implemented to address risk appropriately
- O Planning to test if controls were operating effectively and can be relied upon
- S IT specialists testing automated controls





## A focus on your internal control activities (continued)

### Summary of prior year deficiencies

Finding/observation	Business implication from control deficiency
<p>The financial reporting system allows for journal entries initiated within the system to be reviewed before it processed. However, it was noted that not all journal entries are reviewed on the basis that the system does not prevent a journal for being initiated and processed by the same individual.</p>	<p>Unauthorised journal entries can result in inaccurate or invalid journal entries being recorded for financial reporting purposes.</p>
<p>The consolidation and financial statement process needs to involve more robust processes on how information is reported from the financial reporting system and consolidated at the group level. This process is large, complex with many moving parts and requires increased consistency around the preparation and understanding of the entire model. Key areas to reconsider:</p> <ol style="list-style-type: none"> <li>1. Improved understanding around the completeness, validity and accuracy of consolidated elimination journal entries.</li> <li>2. More careful consideration and reconciliation of notes and rolling forward of documentation within notes. This includes improved and accurate supporting data.</li> <li>3. Increased understanding of the financial reporting frameworks and the local government act and how this impacts the financial statements.</li> </ol>	<p>Potential delays or loss of knowledge in the annual financial statement reporting process or unidentified errors, misclassifications or omissions that may be material to the users of the financial statements.</p>
<p>The cash flow statement process should be improved. This includes but is not limited to improved understanding and record keeping around identifying cash and non-cash items. Management should work with the respective CCO to avoid recalculation of their cashflows but agree on a set position on how to classify key items within their cashflow statement.</p>	<p>Potential delays or loss of knowledge in the annual financial statement reporting process or unidentified errors, misclassifications or omissions that may be material to the users of the financial statements.</p>
<p>Improved understanding is required around information disclosed in the annual report. These include key areas such as certain performance measures and how they are measured, movements in budgeted and actual figures within the funding impact statements and other key disclosures.</p>	<p>Potential unidentified errors, misclassifications or omissions that may be material to the users of the financial statements. Specifically with the funding impact statement, this may result in incorrect future budgeting.</p>
<p>The Elected Members Allowance and Reimbursement Policy has not been updated since 2019.</p>	<p>Outdated policies which are not frequently updated may result in malpractice within the organisation.</p>



## A focus on your IT control activities

We outline below our planned approach for testing controls over key systems. Our IT specialist team will be involved with this part of the work unless indicated otherwise (\*). The results of this testing may influence the scope of our substantive testing. Our IT specialist team will perform a review of the General IT Control (GITC) environment in support of the external audit of Far North District Council for the year ending June 30, 2025. This document outlines the work that will be performed and the key systems that have been identified to be relevant for the IT audit.

Key system(s)	Planned Approach	Scope of Work
TechOne	G D	<ul style="list-style-type: none"> <li>• Obtain an understanding of the IT environment and systems that support financial reporting.</li> <li>• Hold a cybersecurity discussion to understand the Cybersecurity Risk Management Programme.</li> <li>• Perform design and implementation tests of the GITCs over the following systems as they were determined to have a material effect on the financial reporting process.                             <ul style="list-style-type: none"> <li>○ TechOne                                     <ul style="list-style-type: none"> <li>✓ Review the SOC report for TechOne to evaluate controls over the underlying infrastructure.</li> <li>✓ Review the change management process along with access management as part of migration testing covering the move to the cloud.</li> </ul> </li> </ul> </li> </ul>

### Types of controls tested

- G General IT controls (or a portion thereof)
- A Automated controls
- I Information produced by system

### Controls approach planned

- D Evaluate whether relevant control is designed and implemented to address risk appropriately
- O Planning to test if controls were operating effectively and can be relied upon



# Technical update



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## Developments in financial reporting

### Public benefit entities

The following table provides a high-level summary of the major new accounting standards, interpretations and amendments that are relevant to the Group. A full list of the standards on issue but not yet effective is released quarterly and is available here: [https://www2.deloitte.com/nz/en/pages/audit/articles/accounting-alert.html?icid=top\\_accounting-alert](https://www2.deloitte.com/nz/en/pages/audit/articles/accounting-alert.html?icid=top_accounting-alert)

Major new standard, interpretation or amendment	Effective date (periods beginning on or after)
Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)	1 January 2024
2024 Omnibus Amendments to PBE Standards (Amendments to PBE IAS 12 and PBE IPSAS 1)	1 January 2024/1 January 2026
Insurance Contracts in the Public Sector (Amendments to PBE IFRS 17)	1 January 2026
PBE Conceptual Framework Update	1 January 2028

#### Early implementation efforts recommended

Early effort to consider the implementation of these standards is recommended in order to provide stakeholders with timely and decision-useful information. Implementation steps are outlined opposite.

#### Steps for implementation

Determine extent of impact & develop implementation plan

Monitor progress and take action where milestones are not met

Identify required changes to systems, processes, and internal controls

Determine the impact on covenants & regulatory capital requirements, tax, dividends & employee incentive schemes



# Appendices

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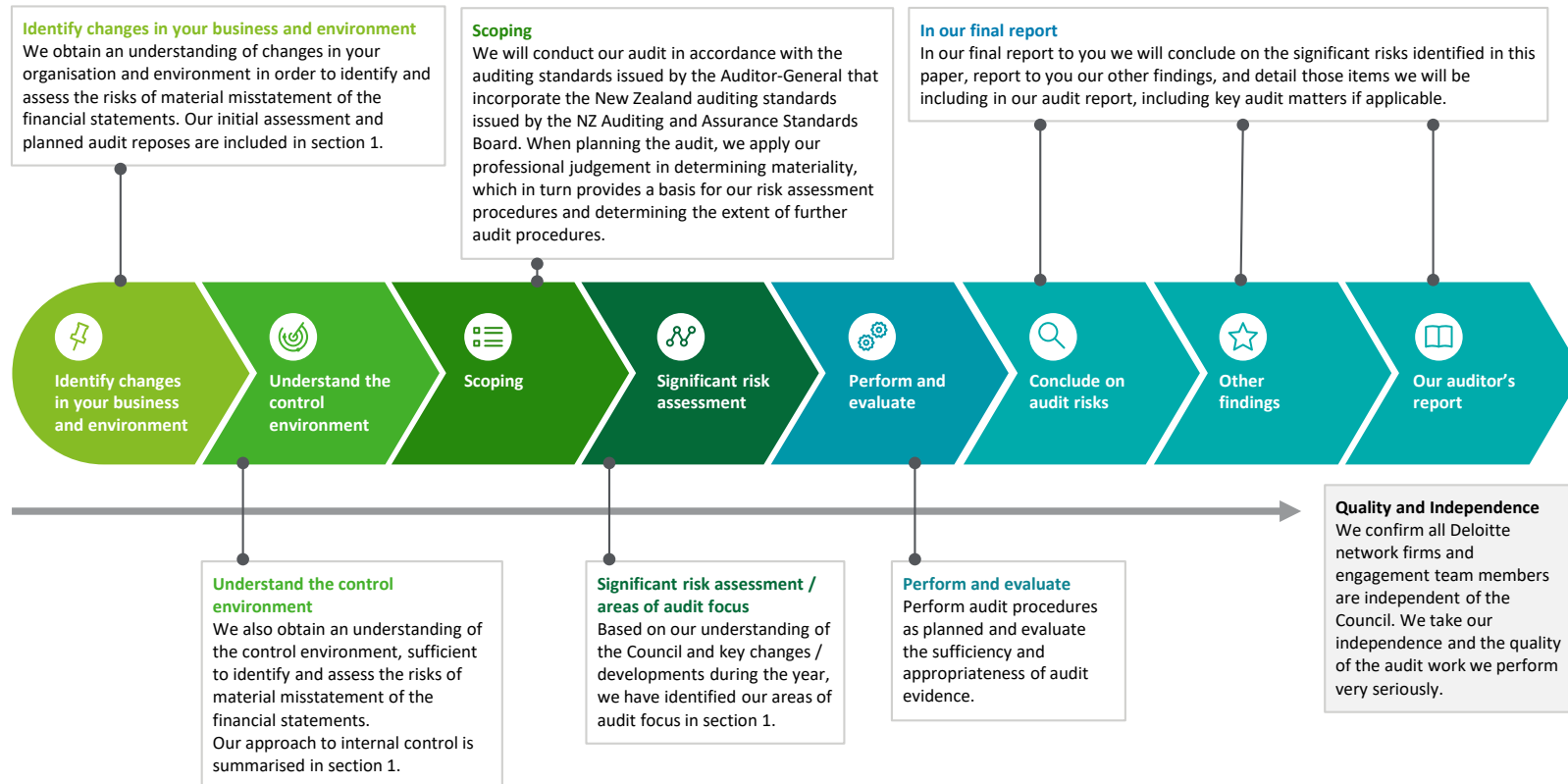
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## Our audit explained

We tailor our audit to your business and your strategy





# Materiality

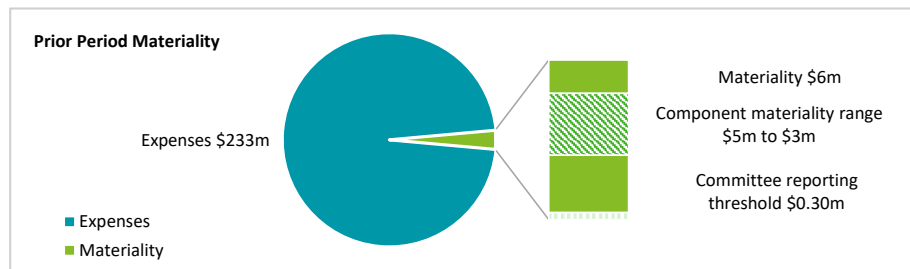
## Our approach to materiality

### Establishing an appropriate materiality level

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Our quantitative materiality for the 2025 audit will be based on expected expenditure in line with prior periods as this is deemed to be a key driver of business value, is a critical component of the financial statements and is a focus for users of those statements.

The extent of our procedures is not based on materiality alone but also on local considerations of the quality of systems and controls in preventing material misstatement in the financial statements, and the level at which known and likely misstatements are tolerated by you in the preparation of the consolidated financial statements.



Although materiality is the judgement of the audit partner, the Committee must satisfy themselves that the level of materiality chosen is appropriate for the scope of the audit.



## Other compliance matters

There are a range of matters we are required to report to you as part of our communications to management and the directors.

### Related Party Transaction Disclosures

- The Group is required to identify, account and disclose related party relationships and transactions in accordance with the applicable financial reporting framework.
- We will perform procedures to obtain an understanding of the controls, if any, that the Group has established around identifying, accounting for, and disclosing related party relationships and transactions in accordance with the applicable financial reporting framework; as well as the authorisations and approvals process for significant transactions and arrangements with related parties or those outside the normal course of business.
- We will also identify and assess the risks of material misstatement associated with related party relationships and transactions, including determining whether any of those risks are fraud or significant risks, and design and perform further audit procedures to obtain sufficient appropriate audit evidence.

### Compliance with Laws and Regulations

- The Group is also required to ensure that its operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements.
- We are required to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to understand its nature, and evaluate the effect on the financial statements.

### Fraud Characteristics

- In relation to fraud, the primary responsibility for the prevention and detection of fraud rests with management and the directors, including establishing and maintaining internal controls over the reliability of financial reporting.
- We will obtain an understanding of how the directors exercise oversight of the Group's processes for identifying and responding to the risks of fraud and the internal controls that have been established to mitigate these risks, as well as making enquiries of management and the directors to determine whether you have knowledge of any actual, suspected or alleged fraud affecting the Group.

### Written Representations

We will request a number of written representations in a representation letter, relating to each of these areas, including that appropriate disclosure of all matters has been made to the auditor.





## Independence and fees

### Fees

The proposed audit fee for the 2025 audit is in the process of being reviewed by the Office of the Auditor General. The Office of the Auditor General is responsible for monitoring audit fees to ensure that fees are based on realistic hours (that is, hours that reflect the nature and extent of work required), an appropriate audit team mix and charge-out rates that are in line with market rates.

Once the Auditor General has approved the proposed audit fee for negotiation, this will be presented to Management and the Committee for consideration.

	CY (\$'000)	PY (\$'000)
Fees payable for the audit of the financial statements <i>These exclude OAG support charges (PY: \$23k), estimated disbursement and technology charges (PY: \$14k).</i>	279	245
<b>Total audit fees for financial statements</b>	<b>279</b>	<b>245</b>
Other assurance services		
- Trustee Reporting	10	8
<b>Total audit related and other assurance fees</b>	<b>289</b>	<b>253</b>



## Prior year unadjusted differences

### Financial differences

We take this opportunity to remind you of the unadjusted differences identified in the prior year. The current year effect of these is summarised below.

	(Credit)/ Charge to the income statement \$'000	Increase/ (Decrease) in net assets \$'000	(Increase)/ Decrease in retained earnings \$'000
<b>Prior period misstatements</b>			
FNDC: Sundry debtors – petrol tax (under accrued)	374		(374)
FNDC: Unreconciled deposits – NRC (under accrued)	(293)		293
FNDC: Unreconciled deposits – Other (under accrued)	895		(895)
FNDC: Provision for doubtful debts – rates receivable (under provided)	(1,154)		1,154
FNHL: IFRS 15 Revenue – property development (accounting error)	225		(225)
<b>Total</b>	<b>47</b>	<b>-</b>	<b>(47)</b>

We obtained written representations from the Councilors confirming that after considering all these uncorrected items, both individually and in aggregate, in the context of the consolidated financial statements taken as a whole, no adjustments were required.

Note: Immaterial balance sheet and income statement reclassifications have not been included in the summary of unadjusted differences



## Prior year unadjusted differences

### Disclosures

#### Omitted disclosures

No material unadjusted disclosure differences were identified during the course of our prior year audit:

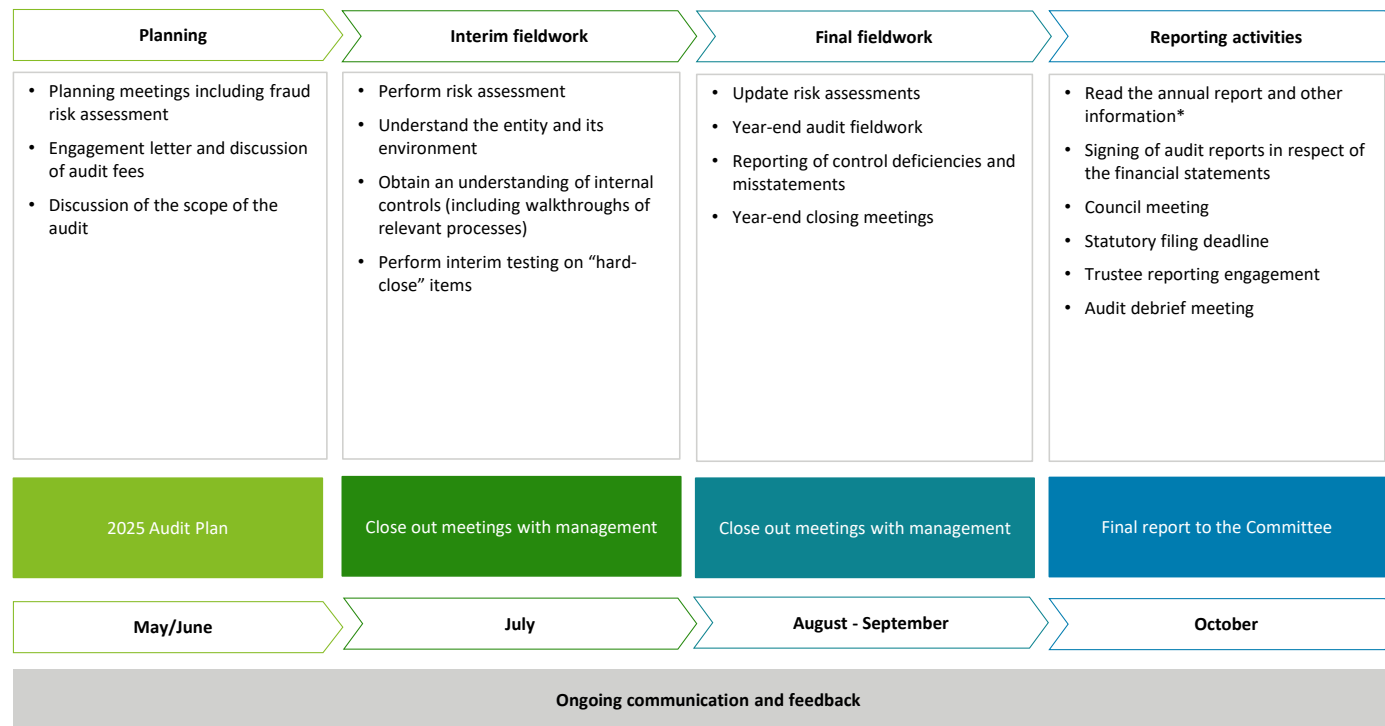
Disclosure	Summary of disclosure requirement	Quantitative or qualitative consideration
IAS 40.53	FNHL: We identified a difference in the application of the accounting standards whereby management did not revalue their investment property according to IAS 40.53 prior to the sale of investment property as part of the acquisition of an investment in associate. This did not result in a material impact on the statement of profit or loss, or balance sheet however resulted in a material reclassification difference between the other profit or loss items not recognised within operating profit.	The disclosure deficiency will not qualitatively influence the users of the financial statements and their decisions thereof given that these items are all classified as other profit or loss financial statement captions which are not included and do not impact the operating profit of the Group.
IPSAS 41	FNDC: We identified that interest on borrowings is separately recognised under trade and other payables and not capitalised to the principal borrowings outstanding at year end.	The disclosure deficiency will not quantitatively or qualitatively influence the users of the financial statements and their decisions given its immaterial nature and that liabilities are not misstated.
IPSAS 2	FNDC Group: Various cashflow misclassifications particularly in relation cash vs non-cash classifications within the cash flow statement. Refer to other deficiency raised.  Please note that there were various items which were identified by the audit team and corrected by management.	The disclosure deficiency will not quantitatively or qualitatively influence the users of the financial statements and their decisions given its immaterial nature.
IPSAS 1 and IAS 1	FNDC Group: Various misclassifications, omissions and other various uncorrected differences in the financial statement reporting process. Refer to other deficiency raised.  Please note that there were various items which were identified by the audit team and corrected by management.	The disclosure deficiency will not quantitatively or qualitatively influence the users of the financial statements and their decisions given its immaterial nature.



## Continuous communication and reporting

### Planned timing of the audit

As the audit plan is executed throughout the year, the results will be analysed continuously, and conclusions (preliminary and otherwise) will be drawn. The following sets out the expected timing of our reporting to and communication with you.



\* We are required to read the other information to consider if there are any material inconsistencies which we are obliged to report on. We will need sufficient time to perform the review.



## Your client service team

Team member	Role
<p><b>Bennie Greying</b>  <b>Audit Engagement Partner</b>                      +64 93064354  <a href="mailto:bengreyling@deloitte.co.nz">bengreyling@deloitte.co.nz</a></p>	<ul style="list-style-type: none"> <li>Responsible for overseeing the service delivery to the Council</li> <li>Responsible for the development and execution of our Audit Plan</li> <li>Key point of contact for the Council Executives</li> </ul>
<p><b>Darren Naicker</b>  <b>Audit Associate Director</b>                      +64 93064498  <a href="mailto:dnaicker@deloitte.co.nz">dnaicker@deloitte.co.nz</a></p>	<ul style="list-style-type: none"> <li>Responsible for overseeing our response to technical accounting issues</li> <li>Responsible for the day-to-day execution of the audit process and activities</li> <li>Key point of contact for the finance team</li> </ul>



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### 5.3 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 MARCH 2025

**File Number:** A5168784

**Author:** Angie Thomas, Acting Chief Financial Officer

**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 for the period ending 31 March 2025.

#### 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 March 2025.**

#### TĀHUHU KŌRERO / BACKGROUND

This report provides financial information for the period ending 31 March 2025.

#### MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

#### TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

Accept the commentary for the period ending 31 March 2025.

#### 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 Mar 2025 - A5171458 [↓](#) 



Far North District Council

# Council Financial Report

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for the period ending **31-March-2025**

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## 5.4 LEVEL OF SERVICE KPI QUARTER 3 PERFORMANCE REPORT FOR 2024-2025

**File Number:** A5168796

**Author:** Angie Thomas, Acting Chief Financial Officer

**Authoriser:** Charlie Billington, Group Manager - Corporate Services

### PURPOSE OF THE REPORT

The purpose of this report is to present the Level of Service KPI Performance Report for the Assurance, Risk and Finance Committee's consideration.

### EXECUTIVE SUMMARY

This report is to present the level of service KPI performance report for the Te Miromiro - Assurance, Risk and Finance committee's consideration.

### RECOMMENDATION

**That the Te Miromiro - Assurance, Risk and Finance Committee receive the Level of Service KPI Quarter 3 Performance Report for 2024-2025.**

### BACKGROUND

An overview of staffing and financial data is included to give an overall picture of the activity groups, and what factors may have an influence on performance.

### DISCUSSION AND NEXT STEPS

This report is for information only.

### FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or budgetary provision needed as a result of this report.

### ATTACHMENTS

1. KPI Quarterly Report Jan to March 2025 - A5173184  









































## 5.5 HEALTH, SAFETY AND WELLBEING REPORT

**File Number:** A5170713

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

**Authoriser:** Jacine Warmington, Group Manager - Strategic Relationships

### TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide Te Miromiro – Assurance, Risk and Finance Committee with an overview of key activities related to Health Safety and Wellbeing across the organisation for March – April 2025.

### 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 remains 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 of March and April 2025, 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 176 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. 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 shows the various ways the HSW team has proactively collaborated with staff regarding managing critical risks during March and April 2025. 176 staff were engaged through audits, workshops, team talks, and training.

**Table 1 – HSW Engagement**

<b>Date</b>	<b>Topic</b>	<b>Team</b>	<b>No. of attendees</b>	<b>Description</b>
3/03/2025	HSW role profiles	D&O - Property & Facilities Management	4	Staff engagement
3/03/2025	HSW inductions	All staff	5	Staff training
6/03/2025	HSW role profiles	D&O - Resource Consents Administration	1	Staff engagement
6/03/2025	HSW role profiles	P&P - Planning & Policy Leaders	5	Staff engagement
7/03/2025	HSW role profiles	CS - Transaction Services	1	Staff engagement
10/03/2025	HSW role profiles	I - Capital Works & Renewals - Transportation	6	Staff engagement
10/03/2025	Lone working	Capital Works & Renewals - Transportation	6	Staff training
12/03/2025	HSW role profiles	D&O - Building Compliance	5	Staff engagement
14/03/2025	Awhi mai, Awhi atu	All staff/people leaders	1	Wellbeing initiative
17/03/2025	Heights Safety & Awareness	HSW team	2	Staff training
18/03/2025	HSW inductions	All staff	4	Staff training
18/03/2025	Awhi mai, Awhi atu	All staff/people leaders	1	Wellbeing initiative
21/03/2025	Awhi mai, Awhi atu	All staff/people leaders	2	Wellbeing initiative
21/03/2025	Psychosocial Hazards	All staff	88	Staff awareness

26/03/2025	Contractor Management	Infrastructure delivery (Hoskin Civil)	1	Audit
27/03/2025	HSW inductions	All staff	1	Staff training
27/03/2025	HSW role profiles	I - Waters	7	Staff engagement
28/03/2025	HSW Committee	HSW Committee	6	Staff engagement
31/03/2025	HSW inductions	All staff	4	Staff training
3/04/2025	HSW role profiles	I - Infrastructure services	13	Staff engagement
4/04/2025	HSW role profiles	SR - Te Hono	5	Staff engagement
8/04/2025	HSW role profiles	C&E - Communications & Engagement	8	Staff engagement
10/04/2025	HSW role profiles	I - Infrastructure Engineering	4	Staff engagement

### Current Projects

- Review of the contractor management H&S process (completion Q1 25)
- Review of the lone working process and associated tools and devices (completion Q1 25)
- Role profiles (completion Q1 25)

### Future Projects

- Emergency procedures (commencing Q1 25)
- Review of driving on Council business (commencing Q1 25)
- Review of threatening behaviour (commencing Q1 25)

### Emergency Management

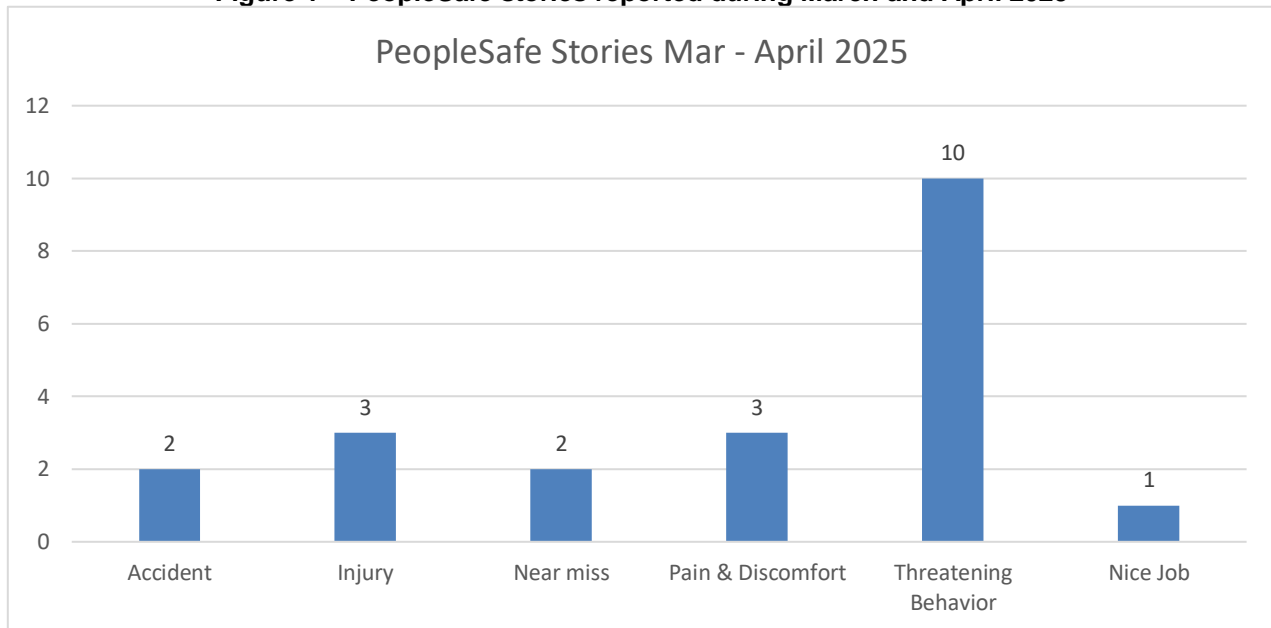
Trained fire wardens conduct six monthly fire drills across its offices, iSites and libraries. Workplace inspections are carried out by the designated H&S representative each quarter.

**Table 2 – Fire drills and workplace inspections conducted during March and April**

Date	Topic	Team	Description
26/03/2025	Fire Emergency Evacuation	Kaikohe HQ	Fire Drill
3/04/2025	Fire Emergency Evacuation	Southern Animal Shelter	Fire Drill
13/03/2025	Quarterly WPI	Strategic Relationships/Lockwood Area	Workplace inspection

### HSW incidents

**Figure 1 – PeopleSafe stories reported during March and April 2025**



**Table 3 - Story type and location of incident reported into PeopleSafe for March and April 2025**

When did it happen?	Story Type	Where
4/03/2025	Injury	Car Park - John Butler Centre
7/03/2025	Threatening Behaviour	Off Site (Monitoring-compliance-inspection)
10/03/2025	Threatening behaviour	Off Site (Monitoring-compliance-inspection)
14/03/2025	Injury	Service Centre - Kawakawa
14/03/2025	Threatening behaviour	Library Te Ahu
21/03/2025	Injury	All office environments
27/03/2025	Nice Job	Service Centre - Kawakawa
31/03/2025	Near miss	Service Centre - John Butler Centre
31/03/2025	Pain & Discomfort	All office environments
2/04/2025	Threatening behaviour	Ward Kaikohe-Hokianga
2/04/2025	Pain & Discomfort	All office environments
3/04/2025	Threatening behaviour	Library Te Ahu
3/04/2025	Accident	All office environments
5/04/2025	Threatening behaviour	Library Kaikohe
7/04/2025	Threatening behaviour	Service Centre - Kawakawa
12/04/2025	Threatening behaviour	Library Kaikohe
12/04/2025	Threatening behaviour	Library Kaikohe
15/04/2025	Pain & Discomfort	Service Centre - John Butler Centre
17/04/2025	Near miss	Library Kaikohe
22/04/2025	Accident	Off Site (Monitoring-compliance-inspection)
23/04/2025	Threatening behaviour	Off Site (Monitoring-compliance-inspection)

## PeopleSafe

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. 21 HSW incidents were entered into PeopleSafe during March and April, down from 23 incidents reported during January and February 2025.

## Staff warning flags

Three staff warning flags (SWFs) were raised by staff during March and April 2025 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 because 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 contact 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.

## ACTIONS FROM PREVIOUS MEETING:

**Action 1:** The committee would like to what know current process or future actions being taken regarding safety at public events. The issue was raised as a consequence of the Destiny Church Man Up protest at Te Atatu Library, Auckland.

**Response:** FNDC has a suit of controls currently in place to address safety at its various service centres, iSites, libraries, and museums. These are summarised below.

### Threatening behaviour towards front facing staff - a critical risk

- Violence at work: customer service areas | WorkSafe

Threatening behaviour towards front-facing staff is a critical risk in any organisation. This can include verbal threats, physical intimidation, or any other actions that make staff feel unsafe. Addressing this risk involves a multi-faceted approach:

#### 1. Policy Development

- Zero Tolerance Policy: Established a clear zero-tolerance policy for threatening behaviour, with well-defined consequences.
- Reporting Mechanisms: Created confidential and accessible ways for staff to report incidents.

Examples:

- PC 006 Workplace, Harassment, Discrimination & Bullying Prevention Policy
- PeopleSafe

## 2. Training and Awareness

- Conflict De-escalation Training: Provided staff with training on how to handle and de-escalate potentially volatile situations.
- Awareness Programs: Educated staff about the types of behaviour that are unacceptable and how to report them.

Examples:

- Conflict resolution training at FNDC
- Antisocial behaviours guide
- JSA - libraries and museums

## 3. Environmental Design

- Safe Workspaces: Designed workspaces to ensure safety, such as installing barriers, panic buttons, and surveillance systems.
- Controlled Access: Limited public access to sensitive areas to reduce the risk of confrontations.

Examples:

- Panic alarms and emergency lock down processes.

## 4. Support Systems

- Counselling Services: FNDC offers access to counselling and psychological support for staff who have experienced threatening behaviour.
- Regular Check-ins: Conducted regular check-ins with staff to understand their concerns and provide support.

Examples:

- EAP
- Wellbeing and support

## 5. Enforcement and Follow-Up

- Consistent Enforcement: Ensured that policies are consistently enforced and that all reported incidents are thoroughly investigated.
- Follow-Up: Followed up with affected staff to ensure they feel supported and to prevent recurrence.

Examples:

- PeopleSafe

## 6. Legal and Regulatory Compliance

- Legal Action: Being prepared to take legal action against individuals who threaten staff, including involving law enforcement if necessary.
- Regulatory Compliance: Ensuring that all policies and procedures comply with relevant laws and regulations.

## 7. Culture and Leadership

- Leadership Commitment: Ensuring that leadership is committed to a safe working environment and visibly supports initiatives to protect staff.
- Promote a Positive Culture: Fostering a workplace culture where respect and safety are paramount.

Examples:

- H&S Policy
- Mental wellbeing policy
- Strategic Leadership Team Involvement and Commitment Pledge

Summary of implementation steps:

1. Risk Assessment: Conducted thorough risk assessments to identify areas of vulnerability and potential threats.
2. Policy Drafting: Developed and communicated a clear policy on handling threatening behaviour.
3. Training Programmes: Implemented training programmes for staff, particularly those in front-facing roles.
4. Infrastructure Improvements: Made necessary changes to the physical workspace to enhance safety.
5. Establish Reporting Channels: Set up confidential reporting mechanisms for staff to report incidents.
6. Regular Reviews: Regularly reviewed and updated policies and procedures to ensure they remain effective.

**Action 2:** The Committee would like H&S commentary on the recent Redwood tree incident at the Kerikeri Retirement Village.

**Response:** Property & Facilities staff have adequately investigated the incident and have provided a plan (based on arborist report) for the removal of some of the redwood trees to address immediate risks and have a maintenance plan that will support healthier trees less susceptible to toppling over.

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

There are no financial implications.

## **ĀPITIHINGA / ATTACHMENTS**

**Nil**

## 5.6 PEOPLE AND CAPABILITY REPORT - JANUARY TO MARCH 2025

**File Number:** A5166122  
**Author:** Emma Healy, Chief of Staff  
**Authoriser:** Guy Holroyd, Chief Executive Officer

### 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 - January to March 2025.**

### 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 (Chief of Staff) Report Jan to March 2025 - A5166130 [↓](#) 























## 5.7 RESOURCE CONSENT ABATEMENT NOTICE UPDATE

**File Number:** A5165145

**Author:** Doug Astill, Compliance Officer - Infrastructure Services

**Authoriser:** Tanya Proctor, Head of Infrastructure

### TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to provide Te Miromiro Committee members with an update of outstanding abatement notices issued by Northland Regional Council.

### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- There are eight outstanding abatement notices as at 23 April 2025.
- Northland Regional Council has confirmed that the abatement notice for Ahipara Wastewater Treatment Plant will remain in force until 12 months (October 2025) of compliant data is achieved.
- Northland Regional Council is the Regulator charged with ensuring compliance with the conditions of consent issued under the provisions of the Resource Management Act 1991.
- An abatement notice is generally the first enforcement action taken and acts as a record of the non-compliance with consent conditions. Should the non-compliance continue further enforcement action can follow.
- Non-compliance can have environmental, operational, reputational, and financial/legal impacts.
- Council's aim is to be fully compliant with all consent conditions and no abatement notices outstanding.

### TŪTOHUNGA / RECOMMENDATION

**That Te Miromiro - Assurance, Risk and Finance Committee receive the report Resource Consent Abatement Notice Risk Profile.**

### TĀHUHU KŌRERO / BACKGROUND

Council holds multiple resource consents required to provide water, wastewater, stormwater, solid waste and community facilities throughout the Far North District.

Resource consents are issued under the provision of the Resource Management Act 1991 (the RMA) by Northland Regional Council. Any activity that contravenes, or is likely to contravene the RMA, (any Regulations, a Rule in a Plan, or a condition of a Resource Consent) can result in an abatement notice being issued - s322(1)(a)(i) by Northland Regional Council.

To have an abatement notice cancelled Council must investigate the cause of the non-compliance, establish the required mitigation to achieve compliance, and liaise with Northland Regional Council to agree compliance has been achieved and unlikely to recur.

Non-compliance can have the following impacts:

- Environmental – possible contamination
- Operational – process / resourcing improvement required
- Financial & Legal – possibility of fines and/or prosecution
- Reputational – local / national media reporting reducing trust within the community and the Regulator (Northland Regional Council).

Non-compliance can happen for several reasons, such as missing data or non-compliant discharges, and are treated seriously by Council given that further action from the regulator may include fines or prosecution.

It is the aim of Council to be fully compliant with all consent conditions and have no abatement notices outstanding.

The process followed on receipt of an abatement notice is:

- Acknowledge receipt of the notice
- Investigate the non-compliance with the conditions of the consent
- Verify the non-compliance
- Investigate the steps to mitigate the non-compliance and immediately notify the regulator of these steps with a timeframe
- Follow up mitigation actions either weekly or monthly according to the nature of the non-compliance
- On achieving compliance, the Regulator is notified and a request for the notice to be removed is made.

## **MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS**

### **The last report:**

Regular updates on progress towards the removal of Abatement Notices are provided to Te Koukou – Transport and Infrastructure Committee.

[Agenda of Te Koukou - Transport and Infrastructure Committee Meeting - Wednesday, 23 April 2025](#)

Council entered the current financial year with three long-standing abatement notices in place:

- Ōpononi/Ōmāpere Wastewater Treatment Plant
- Kaitāia Wastewater Network Overflows
- Ahipara Wastewater Treatment Plant

### **What has changed since the last report?**

- Ahipara Wastewater Treatment Plant abatement will stay in place until 12 months of compliant data received, expected October 2025.
- Pākāraka truck stop data collected in March/April 2025 will enable an application to have abatement removed in May 2025.
- Contractor to provide discharge records for Kerikeri Sports complex which will address the current abatement notice.

At 23 April 2025, a total of seven (8) abatement notices remain outstanding - Water (1), Wastewater (4), District Facilities (2), and Solid Waste (1).

The table below categorises these abatement notices as:

<b>High</b>	Long term or not resolvable short term	Several significant factors and probability of escalation
<b>Medium</b>	Several issues to ensure compliance	Possible escalation of several factors
<b>Low</b>	Short time to resolve / low cost	Low possibility of escalation

Abatement notices ranked **Low** are operations related, with mitigations largely reliant on establishing robust maintenance and audit procedures.

Improvements in asset management, operations, compliance audit programme, and support for District Facilities operations are required to support this assessment.

The four (4) notices issued for the wastewater treatment plants are all ranked **High** as they all relate to contaminant levels.

Mitigation actions are underway for each of these notices, and compliance is expected to result from completion of current maintenance works.

The notice for the Russell Landfill leachate is ranked **High** as this is a known issue which in turn directly impacts the operation of the wastewater treatment plant. Resolution requires budgetary provision within Solid Waste to address this matter, together a level of service agreement between Solid Waste and Wastewater to actively manage the Landfill consent.

The provision of wastewater discharge reporting for the Kerikeri Sport Complex is ranked **High** as the Regulator has advised that infringements will be issued if compliance is not achieved and maintained. Daily recording by the contractor will be provided to the Regulator each quarter as required by the consent.

Activity	Mitigation actions	Environmental	Operational	Financial/ Legal	Reputational
Ōpononi/Ōmāpere Wastewater Treatment Plant	Planned upgrades as per LTP 24/27	High	Medium	Medium	High
Kaitāia Wastewater Network Overflows	Planned network upgrades as per LTP 24/27. Stage one on progress, work begins 28th April.	High	Medium	Medium	High
Ahipara Wastewater Treatment Plant	Next planned Wetland renewal in procurement stage.  NRC advised in April 2025, 12 consecutive compliant samples will be needed before lifting the abatement.  Results are currently compliant for six out of last seven months.	High	Medium	Medium	High
Waitangi River take	Confirm progress on correct reporting and ensure this is relayed to NRC.	Low	Low	Low	Low
Kerikeri Sports complex WW reporting	Confirmed current monitoring status with contractor. New report due to NRC in May 2025.	Low	Low	High	Low
Kohukohu WWTP	Currently desludging work in progress. Compliance to provide updates to NRC.	High	High	High	High
Russell landfill	Confirming leachate flow reduction with waste management.	Medium	Low	Low	High
Pākāraka truck stop	Compliance to provide Mar/Apr data to NRC in April and request cancellation of notice.	Low	Low	Low	Low

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

There are no financial implications or budgetary provisions resulting from this information report.

**ĀPITIHINGA / ATTACHMENTS**

Nil

**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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48 for the passing of this resolution</b>
<b>6.1 - Confirmation of Previous Minutes Public Excluded</b>	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
<b>6.2 - Possible Enforcement Action for Non-compliance</b>	s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied  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
<b>6.3 - Risk Management Update</b>	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

<b>6.4 - FNDC Current Legal Action Potential Liability Claims</b>	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**