



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

# AGENDA

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

**Wednesday, 14 May 2025**

**Time: 10:00 AM**  
**Location: Council Chamber**  
**Memorial Ave**  
**Kaikohe**

**Membership:**

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



## Te Paeroa Mahi / Order of Business

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## 5 NGĀ PŪRONGO / REPORTS

### S.1 TERMS OF REFERENCE UPDATE

**File Number:** A5176371

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

**Authoriser:** Guy Holroyd, Chief Executive Officer

#### TAKE PŪRONGO / PURPOSE OF THE REPORT

To recommend the adoption of the changes to the Te Miromiro – Assurance, Risk & Finance Committee Terms of Reference.

#### WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council approved the Terms of Reference for the Te Miromiro – Assurance, Risk & Finance Committee on 15 December 2022.
- 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.
- The proposed change is the addition of responsibilities to the current Terms of Reference (ToR), and an inclusion of a formalised annual work plan that has been developed in collaboration with the Committee Chair.
- The additional responsibilities strengthen the Committee's role in key areas of financial oversight, risk management, and assurance, and ensures it remains aligned with Council's evolving governance needs.
- In parallel, the proposed work plan provides a structured and transparent overview of the key workstreams and the timing of reports and updates to be presented to the Committee.
- Aligning the work plan into the Terms of Reference reinforces the Committee's role in proactive oversight and enhances overall efficiency in how and when information is delivered and considered.

#### TŪTOHUNGA / RECOMMENDATION

**That the Te Miromiro – Assurance, Risk & Finance Committee;**

- receive the Te Miromiro – Assurance, Risk & Finance Committee Terms of Reference Update report, and**
- recommend that Council approve the revised Terms of Reference (including the work plan), as outlined in Option 1 of this report, for adoption.**

#### 1) TĀHUHU KŌRERO / BACKGROUND

Te Miromiro - Assurance, Risk and Finance Committee plays a critical role in providing oversight of the Council's financial performance, risk management, internal controls, and assurance functions. To effectively discharge these responsibilities, the Committee relies on timely and relevant information from staff across a range of Kaupapa.

To better reflect emerging priorities and strengthen oversight, additional responsibilities have been incorporated to ensure the Committee remains responsive and forward-looking.

Staff have worked closely with the Committee Chair to develop a formal annual work plan that sets out the key areas of focus and a reporting schedule aligned with the Committee's meeting calendar. This provides greater structure, ensures information is presented in a timely manner and enable forward planning, and support more structured and strategic discussions.

To embed this approach and reinforce the importance of regular, timely reporting, it is proposed that the Terms of Reference for the Assurance, Risk and Finance Committee be updated to incorporate reference to the work plan as a core component of the Committee's operations.

A copy of the work plan is attached.

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

The proposed updates to the Assurance, Risk and Finance Committee's Terms of Reference reflect two key changes:

1. The inclusion of additional responsibilities (attachment 2)
  - a) All rows in green highlight changes or new responsibilities.
  - b) The row in yellow highlights the responsibility removed.
2. The inclusion of an annual work plan, developed in consultation with the Committee Chair, which supports structured and timely reporting.

### Options for consideration:

**Option 1** – Approve the revised Terms of Reference (including the work plan) (recommended)

This option embeds the updated responsibilities and work plan into the Committee's formal governance structure. It supports better planning and ensures oversight is aligned with Council expectations.

**Option 2** – Request changes to the draft Terms of Reference or work plan

The Committee may wish to refine the wording, responsibilities, or timing of work plan items before recommending final approval to Council.

**Option 3** – Retain the current Terms of Reference (status quo)

This would maintain existing arrangements but would not formalise the benefits of forward planning and alignment achieved through the new work plan. Retaining the status quo would miss the opportunity to embed a more deliberate and transparent approach to information elected members in discharging governance duties.

## TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

The recommended option is **Option 1**, as it formalises a proactive and structured approach to Committee oversight, consistent with good governance practices.

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

There are no financial implications because of this change.

## ĀPITIHINGA / ATTACHMENTS

1. **1. Current Terms of Reference - Approved 15 December 2022 - A5179881** [↓](#) 
2. **2. Updated Terms of Reference - Responsibilities - A5179883** [↓](#) 
3. **3. Annual Work Plan 2025-26 - A5179878** [↓](#) 
4. **4. Work Plan May - Sep 2025 - A5179879** [↓](#) 

**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 report is 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.	The Local Government Act is the relevant legislation regarding provision for committees, and the obligations of governance to oversee the performance, remuneration and recruitment of the Chief Executive.
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.	Community Board views have not been sought – this matter relates to internal governance oversight.
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 specific implications for Māori – this matter relates to internal governance oversight.
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).	There are no specific implications for any other persons – this matter relates to internal governance oversight.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report

 <b>Te Kaunihera o Te Hiku o te Ika</b> Far North District Council	<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 McGlenn – Chairperson and Independent Member

John Vujcich – Deputy Chairperson

Kahika - Moko Tepania

Kōwhai - Kelly Stratford

Ann Court

Penetaui Kleskovic

Steve McNally

**(3) Quorum**

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

**(4) Frequency of Meetings**

The Committee shall meet six weekly.

**(5) Power to Delegate**

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

**(6) Responsibilities**

The Committees responsibilities are described below:

**6.1 Financial systems and performance of the Council**

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

**6.2 Far North Holdings Limited (FNHL)**

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

**6.3 Risk Management**

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

**6.4 Internal Audit and Controls**

- 6.4.1 Review whether management has in place a current and comprehensive internal audit framework
- 6.4.2 Receive and review the internal audit dashboard reports
- 6.4.3 Provide input, annually, into the setting of the internal audit programme of work
- 6.4.4 Review whether there are appropriate processes and systems in place to identify and investigate fraudulent behaviour

The Committee will manage Council's relationship with external auditor.

**(7) Rules and Procedures**

Council's Standing Orders and Code of Conduct apply to all meetings.

## Updated Terms of Reference

### (6) Responsibilities

The Committees responsibilities are described below:

Green items are updated/newly added to Terms of Reference

Yellow items are removed from proposed Terms of Reference

Proposed Updated Terms of Reference		Existing Terms of Reference	
<b>6.1</b>	<b>Reporting and financial oversight</b>	<b>6.1</b>	<b>Financial systems and performance of the Council</b>
6.1.1	Review of Council's Annual or Long-Term Plans	6.1.1	Review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan
6.1.2	Review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan	6.1.2	Review the Council's financial and non-financial performance against the Long-Term Plan and Annual Plan
6.1.3	Review Council quarterly financial statements and draft Annual Report	6.1.3	Review Council quarterly financial statements and draft Annual Report
6.1.4	Report on compliance with treasury policies and provide economic updates	None	New Item
<b>6.2</b>	<b>Risk Management</b>	<b>6.3</b>	<b>Risk Management</b>
6.2.1	Provide input, annually, into the setting of the risk management programme of work	6.3.3	Provide input, annually, into the setting of the risk management programme of work
6.2.2	Review appropriateness of Council's risk management framework and associated procedures for effective risk identification, evaluation and treatment	6.3.1	Review appropriateness of Council's risk management framework and associated procedures for effective risk identification, evaluation and treatment
6.2.3	Receive and review risk management dashboard reports	6.3.2	Receive and review risk management dashboard reports
6.2.4	Receive updates on current litigation and legal liabilities	6.3.4	Receive updates on current litigation and legal liabilities
6.2.5	Review of Council legal compliance and compliance with LGA	None	New Item
6.2.6	Report on organisational operational health and safety	None	New Item
6.2.7	Report on organisational insurance policies and renewals	None	New Item
6.2.8	Emerging risk update	None	New Item

6.2.9	Review of high risk high value procurement	None	New Item
<b>6.3</b>	<b>Audit and Controls</b>	<b>6.4</b>	<b>Internal Audit and Controls</b>
6.3.1	Provide input, annually, into the setting of the internal audit programme of work	6.4.3	Provide input, annually, into the setting of the internal audit programme of work
6.3.2	Receive and review the audit dashboard reports	6.4.2	Receive and review the internal audit dashboard reports
6.3.3	Review processes and systems in place to identify and investigate fraudulent behaviour	6.4.4	Review whether there are appropriate processes and systems in place to identify and investigate fraudulent behaviour
6.3.4	The Committee will manage Council's relationship with external auditor	None	The Committee will manage Council's relationship with external auditor
6.3.5	Probity	None	New Item
	Removed	6.4.1	Review whether management has in place a current and comprehensive internal audit framework
<b>6.4</b>	<b>Council Controlled Organisations (CCOs)</b>	<b>6.2</b>	<b>Far North Holdings Limited (FNHL)</b>
6.4.1	Recommend to Council the approval of the Letter of Expectation and Statement of Intent	6.2.1	Recommend to Council the approval of the Letter of Expectation and Statement of Intent
6.4.2	Receive Annual Report (s67 LGA)	6.2.2	Receive Annual Report (s67 LGA)
6.4.3	Receive quarterly financial statements (s66 LGA)	6.2.3	6Receive quarterly financial statements (s66 LGA)
6.4.4	Receive reports on CCO strategies and plans	6.2.4	Receive reports on FNHL strategies and plans
<b>6.5</b>	<b>Governance and Compliance</b>	<b>None</b>	<b>New Section</b>
6.5.1	Report on review schedule of Council policies		
6.5.2	Action item tracking (i.e. open resolutions)		
6.5.3	Committee Review		

**Annual Work Plan 2025-26** (Summary as at 2 May 2025)

Terms of Reference	Workstream	Current Month	To be confirmed by incoming elected members. Proposed schedule is every 8 weeks, Dec/Jan only if necessary.							Summary of reporting mechanisms	
		14-May	1-Jul	6-Aug	16-Sept	12-Nov	Ex.	11-Feb	8-Apr		
<b>Reporting and Financial Oversight</b>	Review of upcoming Annual Plan or LTP and key assumptions and accounting policies		x								As required
	Review of Draft annual report, representation letters and recommendation to Council re signing				x						Annually
	Levels of service (SSP) review	x		x		x		x			Quarterly - Level of Service KPI Report
	Budget vs actual review of key areas, year end forecasts	x		x		x		x			Quarterly financial update - Council Financial Report
	Financial, Quarterly updates	x		x		x		x			Quarterly financial update - Council Financial Report
	Capital expenditure and financing	x		x		x		x			Quarterly financial update - Council Financial Report
	Debt, liquidity, and debtor performance, hygiene factors	x		x		x		x			Quarterly financial update - Council Financial Report
	Treasury policies including covenants and policy compliance			x							As required - Council's treasury advisor Bancorp will be asked to present to Committee
	Economic update and impact on to AP/LTP								x		As required - February for LTP
	Ratings validity review	x									As required - When rate basis are changed or new rates introduced
<b>Risk Management</b>	Annual risk management plan				x						Annually
	Changes in the legislative environment and emerging risks and changes	AR	AR	AR	AR	AR		AR	AR		As and when they occur
	Review of top risks - update		x		x	x					Bi-monthly or as required - Risk Management Report
	Risk management update on projects and work streams	AR	AR	AR	AR	AR		AR	AR		As required - Risk Management Report
	Deep dive into a risk area (cyclical)	AR	AR	AR	AR	AR		AR	AR		As required - Risk Management Report
	People and Capability	x		x		x		x			Quarterly or as required - People and Capability Report
	Risk management workshop to update the overall risk register (annual)			x							Annually or as required - Schedule Aug or Sep 2025

Terms of Reference	Workstream	14-May	1-Jul	6-Aug	16-Sept	12-Nov	Ex.	11-Feb	8-Apr	Summary of reporting mechanisms
<b>Risk Management</b>	Current legal issues in progress (Px)	x	x	x	x	x		x	x	Each meeting
	Potential legal issues and risks (Px)	x	x	x	x	x		x	x	Each meeting
	Legislative compliance with LGFA / LGA				x					Annually
	Legal compliance review across Council			x	x					Annually, por as required - Schedule Aug or Sep 2025
	Delegations register review			x						Annually or as required
	Report on progress, and learnings	x	x	x	x	x		x	x	Each meeting - Health, Safety & Wellbeing Report
	Stopwork notices and handling	x	x	x	x	x		x	x	Each meeting - Health, Safety & Wellbeing Report
	Key risk areas and compliance	x	x	x	x	x		x	x	Each meeting - Health, Safety & Wellbeing Report
	Review of annual insurance renewals				x					Annually - Dependant on the information available from Council's insurance broker, this may be in the form of a presentation
	AFRC and Executive team risk issues and emerging risks (Horizon scan)	x	x	x	x	x		x	x	Each meeting - Included in Risk Management Report Note when there are no new items arising since last meeting
	Tender panel activity review		x							Annually or as required
<b>Audit and Controls</b>	Review of accounting policies		x							Annually - Carry out as part of audit plan
	Review of Auditor Planning documents	x								Typically available by April each year. To be presented by external auditor
	Emerging accounting issues and requirements	AR	AR	AR	AR	AR		AR	AR	As required
	Internal audit plans, and focus audits	AR	AR	AR	AR	AR		AR	AR	As required - Noting of any key internal audit requirements
	Review of valuations				x					Annually - Aug/Sep when valuations become available
	Review of key audit issues									Bi-monthly
	Outstanding auditor recommendations, progress and updates		x		x				x	Periodically as required - Progress reports spaced across the year. Sep meeting may be covered through audit updates.
	Issues arising from Audits, register of issues and risks, updates	x		x		x		x		Quarterly or as required - Any general (non financial) issues from both internal and external audits

Terms of Reference	Workstream	14-May	1-Jul	6-Aug	16-Sept	12-Nov	Ex.	11-Feb	8-Apr	Summary of reporting mechanisms
<b>Audit and Controls</b>	Sensitive expenditure review, critical fraud controls and reviews of control effectiveness		x							Annually
	Fraud risk update and work streams		x							Annually
	Cyclical review of key fraud and internal control risk areas			x		x		x		Quarterly and as required
	Review of Report to Governance					x				Annually - with adoption recommendation
<b>Council Controlled Organisations</b>	Review draft Letter of Expectations and Recommend to Council approval of Statement of Intent		x							Annually
	Receive CCTO Annual Report				x					Annually
	Financial, Quarterly updates, including performance SOIs for CCTO's		x			x		x		Quarterly - presented by CCTO at next available meeting
	Review effectiveness of CCTO performance against Statement of Intent	x								Annually or as required
<b>Governance and Compliance</b>	Review of policies, processes and strategies				x					Annually - Aligned with insurance review
	Review of open resolutions	x	x	x	x	x		x	x	Each meeting - Open Resolutions and Actions Report
	Review and confirmation of Terms of Reference	x								Three yearly or when needed
	Review and update the ARFC work plan	x								Annually, or when changes are proposed
	Review of the effectiveness of the AFRC				x					Three yearly or when needed
	Review of the external auditor performance (3 yearly)								x	Three yearly or when needed - Due 2026
	Policies - cyclical review schedule		x							Annually, noting next review date
<b>Workstream load:</b>		<b>24</b>	<b>22</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>22</b>	<b>14</b>	(Some reports will cover multiple workstream items)

**Te Miromiro – Assurance, Risk and Finance Committee**  
**Work Plan** May to September 2025

Terms of Reference / Workstream	Current Month			
	14-May	1-Jul	6-Aug	16-Sep
<b>6.1 Reporting and Financial Oversight</b>				
Review of upcoming Annual Plan or LTP and key assumptions and accounting policies		x		
Review of Draft annual report, representation letters and recommendation to Council re signing				x
Levels of service (SSP) review	x		x	
Budget vs actual review of key areas, year end forecasts	x		x	
Financial, Quarterly updates	x		x	
Capital expenditure and financing	x		x	
Debt, liquidity, and debtor performance, hygiene factors	x		x	
Treasury policies including covenants and policy compliance			x	
Economic update and impact on to AP/LTP				
Ratings validity review	x			
<b>6.2 Risk Management</b>				
Annual risk management plan				x
Changes in the legislative environment and emerging risks and changes	AR	AR	AR	AR
Review of top risks - update		x		x
Risk management update on projects and work streams	AR	AR	AR	AR
Deep dive into a risk area (cyclical)	AR	AR	AR	AR
People and Capability	x		x	
Risk management workshop to update the overall risk register (annual)			x	
Current legal issues in progress (Px)	x	x	x	x
Potential legal issues and risks (Px)	x	x	x	x
Legislative compliance with LGFA / LGA				x
Legal compliance review across Council			x	x
Delegations register review			x	
Report on progress, and learnings	x	x	x	x
Stopwork notices and handling	x	x	x	x

Key risk areas and compliance	x	x	x	x
Review of annual insurance renewals				x
AFRC and Executive team risk issues and emerging risks (Horizon scan)	x	x	x	x
Tender panel activity review		x		
<b>6.3 Audit and Controls</b>				
Review of accounting policies		x		
Review of Auditor Planning documents	x			
Emerging accounting issues and requirements	AR	AR	AR	AR
Internal audit plans, and focus audits	AR	AR	AR	AR
Review of valuations				x
Review of key audit issues				
Outstanding auditor recommendations, progress and updates		x		x
Issues arising from Audits, register of issues and risks, updates	x		x	
Sensitive expenditure review, critical fraud controls and reviews of control effectiveness		x		
Fraud risk update and work streams		x		
Cyclical review of key fraud and internal control risk areas			x	
Review of Report to Governance				
<b>6.4 Council Controlled Organisations</b>				
Review draft Letter of Expectations and Recommend to Council approval of Statement of Intent		x		
Receive CCTO Annual Report				x
Financial, Quarterly updates, including performance SOI's for CCTO's		x		
Review effectiveness of CCTO performance against Statement of Intent	x			
<b>6.5 Governance and Compliance</b>				
Review of policies, processes and strategies				x
Review of open resolutions	x	x	x	x
Review and confirmation of Terms of Reference	x			
Review and update the ARFC work plan	x			
Review of the effectiveness of the AFRC				x
Review of the external auditor performance (3 yearly)				
Policies - cyclical review schedule		x		