



**Far North
District Council**



Te Kaunihera o Te Hiku o Te Ika

AGENDA

Te Miromiro - Assurance, Risk and Finance Committee Meeting


Wednesday, 24 July 2024

Time: 10.00am

Location: Council Chamber, Kaikohe

Membership:

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

 Far North District Council <i>Te Kaunihara o Tai Tokerau ki te Raki</i>	Authorising Body	Mayor/Council
	Status	Standing Committee
COUNCIL COMMITTEE	Title	Te Miromiro – Assurance Risk and Finance Terms of Reference
	Approval Date	15 December 2022
	Responsible Officer	Chief Executive

Purpose

The purpose of Te Miromiro - Assurance, Risk and Finance Committee is to assist and advise the Governing Body in discharging its responsibility and ownership of finance, risk and internal control.

Committee will review the effectiveness of the following aspects:

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

To perform his or her role effectively, each member must develop and maintain his or her skills and knowledge, including an understanding of the Committees responsibilities, and of the Council's business, operations and risks.

Membership

The Council will determine the membership of the Committee including at least one independent appointment with suitable financial and risk management knowledge and experience.

The Committee will comprise of all elected members, and one independent appointed member, appointed as Chair with full voting rights.

Mr Graeme McGlenn – Chairperson and Independent Member

John Vujcich – Deputy Chairperson

Kahika - Moko Tepania

Kōwhai - Kelly Stratford

Ann Court

Penetaui Kleskovic

Steve McNally

Quorum

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

Frequency of Meetings

The Committee shall meet six weekly.

Power to Delegate

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

Responsibilities

The Committees responsibilities are described below:

Financial systems and performance of the Council

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

Far North Holdings Limited (FNHL)

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

Risk Management

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

Internal Audit and Controls

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

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

Rules and Procedures

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

Far North District Council

Audit, Finance and Risk Committee work plan

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

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

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

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

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

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

Te Paeroa Mahi / Order of Business

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6.3	Confirmation of Previous Minutes Public Excluded	58
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6.6	Far North Holdings Limited financier change to the Local Government Funding Agency	59
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8	Te Kapinga Hui / Meeting Close	60

1 KARAKIA TIMATANGA / OPENING PRAYER**2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST**

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Committee and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Manager - Democracy Services (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3 NGĀ TONO KŌRERO / DEPUTATION

No requests for deputations were received at the time of the Agenda going to print.

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

4.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A4778772

Author: Marysa Maheno, Democracy Advisor

Authoriser: Aisha Huriwai, Manager - Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

The minutes are attached to allow the Committee to confirm that the minutes are a true and correct record of previous meetings.

TŪTOHUNGA / RECOMMENDATION

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

1) TĀHUHU KŌRERO / BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The minutes of the meetings are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meetings.

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

There are no financial implications or the need for budgetary provision as a result of this report.

ĀPITIHINGA / ATTACHMENTS

1. **2024-05-22 Te Miromiro - Assurance, Risk and Finance Committee Minutes - A4717813**



Hōtaka Take Ōkawa / Compliance Schedule:

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

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

He Take Ōkawa / Compliance Requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

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

22 May 2024

**MINUTES OF FAR NORTH DISTRICT COUNCIL
 TE MIROMIRO - ASSURANCE, RISK AND FINANCE COMMITTEE MEETING
 HELD AT THE COUNCIL CHAMBER, 5 MEMORIAL AVENUE, KAIKOHE 0405
 ON WEDNESDAY, 22 MAY 2024 AT 10.00AM**

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

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

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

1 KARAKIA TIMATANGA / OPENING PRAYER

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

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

Nil

3 NGĀ TONO KŌRERO / DEPUTATION

Nil

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

4.1 CONFIRMATION OF PREVIOUS MINUTES

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

RESOLUTION 2024/9

Moved: Deputy Chairperson John Vujcich

Seconded: Cr Ann Court

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

CARRIED

At 10.13am Kahika Mayor Moko Tepania left the meeting.

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

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

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

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

22 May 2024

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.6 FNHL QUARTERLY REPORT - MARCH 2024

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

RESOLUTION 2024/10

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

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

CARRIED

5.3 AUDIT PLAN, AUDIT PROPOSAL LETTER AND AUDIT ENGAGEMENT LETTER

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

RESOLUTION 2024/11

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

That Te Miromiro - Assurance, Risk and Finance Committee:

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

CARRIED

At 11.19am Kahika Mayor Moko Tepania left the meeting.

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

5.1 RISK UPDATE REPORT - MAY 2024

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

RESOLUTION 2024/12

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

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

CARRIED

At 11.36am Cr Steve McNally left the meeting.

At 11.37am Cr Steve McNally returned to the meeting.

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

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

RESOLUTION 2024/13

Page 2

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

22 May 2024

Moved: Cr Steve McNally

Seconded: Deputy Chairperson John Vujcich

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

CARRIED

At 12.07pm Kowhai Deputy Mayor Kelly Stratford left the meeting.

At 12.12pm Cr Court left the meeting.

At 12.13pm Kowhai Deputy Mayor Kelly Stratford returned to the meeting.

5.4 REVENUE RECOVERY REPORT 31 MARCH 2024

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

RESOLUTION 2024/14

Moved: Mr Graeme McGlinn

Seconded: Cr Steve McNally

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

CARRIED

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

At 12.46pm Chairperson Graeme McGlinn recommenced the meeting.

5.5 PEOPLE AND CAPABILITY REPORT - JANUARY - MARCH 2024

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

RESOLUTION 2024/15

Moved: Deputy Chairperson John Vujcich

Seconded: Kōwhai - Deputy Mayor Kelly Stratford

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

CARRIED

At 1.07pm Cr Steve McNally rejoined to the meeting.

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

22 May 2024

5.7 FNDC FINANCIAL SUMMARY MARCH 2024

Agenda item 5.7 document number A4696879, pages 107 - 112 refer.

RESOLUTION 2024/16

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

That Te Miromiro - Assurance, Risk and Finance Committee receive the report FNDC Financial Summary March 2024.

CARRIED

5.8 FNDC YEAR END PLANNING UPDATE

Agenda item 5.8 document number A4703291, pages 113 - 121 refer.

RESOLUTION 2024/17

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

That Te Miromiro - Assurance, Risk and Finance Committee receive the report FNDC Year End Planning Update.

CARRIED

Noted that an Extraordinary Te Miromiro meeting (Virtually) will be required between 30th Sept – 7th Oct in order to adopt the Annual Report prior to the Council meeting on 17th October 2024.

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2024/18

Moved: Deputy Chairperson John Vujcich
 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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under

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

22 May 2024

		section 6 or section 7
6.2 - Confirmation of Previous Minutes Public Excluded	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
CARRIED		

The meeting moved into Public Excluded 1.35pm.

The meeting returned to Ordinary meeting at 2.04pm.

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

At 2.04pm Kowhai Deputy Mayor Kelly Stratford closed the meeting with a karakia.

8 MEETING CLOSE

The meeting closed at 2.05pm.

The minutes of this meeting will be confirmed at the Te Miromiro - Assurance, Risk and Finance Committee Meeting held on 24 July 2024.

.....
CHAIRPERSON

5 NGĀ PŪRONGO TAIPITOPITO / INFORMATION REPORTS

5.1 MAYORAL DISCRETIONARY FUND

File Number: A4743615

Author: Donna Hippolite, Executive Assistant

Authoriser: Guy Holroyd, Chief Executive Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

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

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

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

All funding decisions are at the discretion of the Mayor.

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

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This report is for information only.

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

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

ĀPITIHINGA / ATTACHMENTS

Nil

Mayoral Discretionary Fund 1 April 2023 to 30 June 2024.

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

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

5.2 COUNCIL FINANCIAL REPORT FOR THE PERIOD ENDING 31 MAY 2024

File Number: A4779887

Author: Angie Thomas, Team Leader - Accounting Services

Authoriser: Jonathan Slavich, Chief Financial Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

That Te Miromiro – Assurance Risk and Finance Committee:

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

1) TĀHUHU KŌRERO / BACKGROUND

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

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report is for information only.

TAKE TŪTOHUNGA / REASON FOR THE RECOMMENDATION

This report is for information only.

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

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

ĀPITIHINGA / ATTACHMENTS

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



Far North District Council

Council Financial Report

for the period ending **31-May-2024**

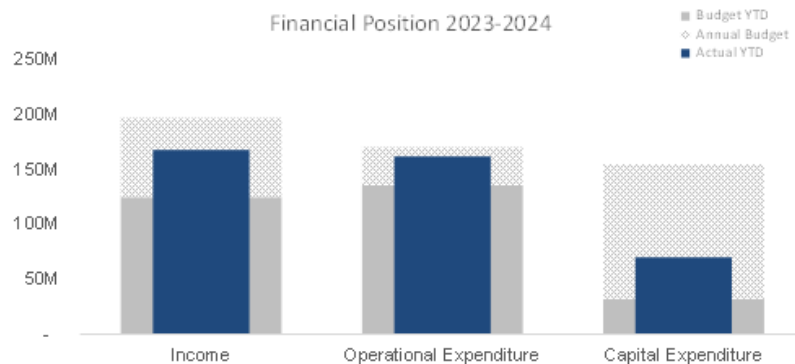
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Financial Overview

Key financial metrics from the Statement of Financial Performance for the Far North District Council as at 31-May-2024.



Year to Date

Actual Position as at 31-May-2024

	Actual YTD	Budget YTD	Variance to Budget YTD	% Variance Actual to Budget YTD
Total Income	167.6M	124.9M	42.7M	34%
Operational Expenditure	161.8M	135.5M	26.3M	19%
Net Operating Position	5.8M	10.6M	16.4M	-155%
Capital Expenditure	69.8M			

Year End

Forecast Position as at 30-June-2023

	Annual Forecast	Annual Budget	Forecast Variance to Budget	% Variance Forecast to Budget YTD
Total Income	207.4M	196.8M	10.7M	5%
Operational Expenditure	173.6M	170.2M	3.4M	2%
Net Operating Position	33.9M	26.5M	7.3M	28%

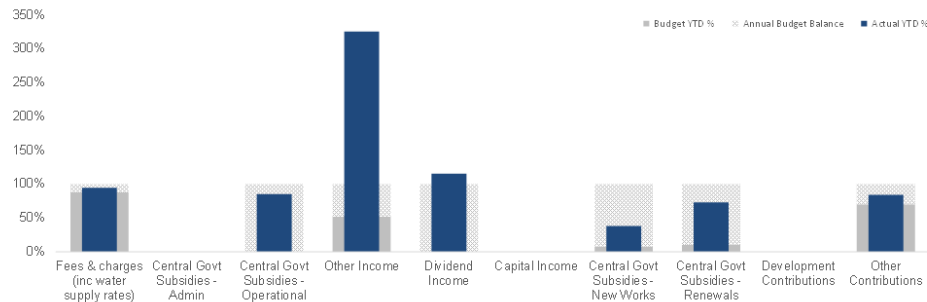
*In the tables above and throughout this report, variances +/- 5% from budget are indicated as on track / green, anything outside this is red.

For more detailed financials, please see the Statement of Financial Performance on page 17.

Council Financial Performance – Income

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes general rates and rates penalties.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
70.5M	26.9M	43.6M	162%	90.1M	100.8M	10.7M	11%



Highlights:

Fees & Charges is \$1.3m above budget, largely driven by:

- Solid waste fees & charges income is above budget by \$336k due to increased service fees. This is a direct result of more stringent government regulations regarding environmental health and what can be collected by waste collection companies. This has led to increased activity at transfer stations with the public taking their waste in to dump.
- New water connection fees and charges are above budget \$514k due to larger than expected new water meter connections.
- Water Supply income is above budget \$483k due to funds received for drinking water reliability and safety risks reduction program across the district wide water treatment plants.
- Income received from the Hokianga ferry is to be less than budget mainly due to the ongoing closure of the Mangamuka SH1 and temporary closure of the Brynderwyns SH1.

Central Govt Subsidies – Operational of \$14.6m, of which:

- \$11.0m related to roading network.
- \$2.6m related to emergency works.
- \$1.0m related to ferries.

Full year budget is \$17.2m, and is phased in the final month of June 2024.

Other Income is \$6.5m compared to budget of \$1,0m. The \$6.5m consists of:

- \$2.4m associated with operational grants largely for water \$1.3m for the 3 Waters services reform transition support package, in relation to project management, data migration analysis and ensuring structures comply with national engineering standards. Funding grants have also been received from the Northern Regional Council (NRC) for the Kerikeri Squash Relocation project which has been completed.
- \$1.1 million for waste disposal;
- \$1.0 million for recoveries;
- \$0.6 million for interest income;
- \$0.5 million petrol tax; and
- \$0.4 million for development agreement income (Arvida).
- Income has been received from the Ministry of Environment for the waste disposal levy payment.
- Unbudgeted income of \$202k received for 3 Waters Better off Funding package for Rāwene and Taipa wastewater schemes to remove treated wastewater discharge from the stream to install and commission an electrocoagulation unit.

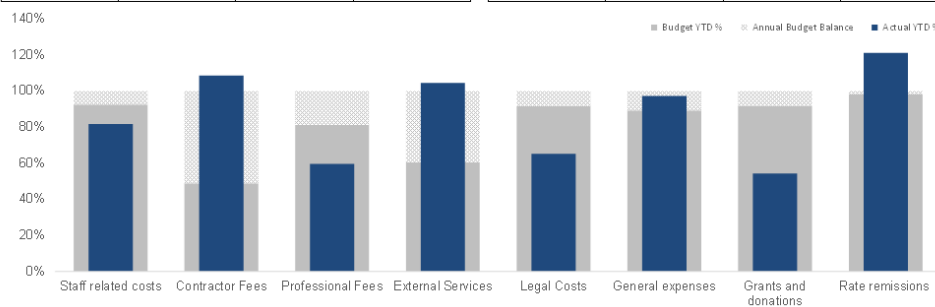
Dividend Income:

- CCTO Dividend Income of \$1.5m received in Mar 24, which was higher than budgeted.

Council Financial Performance – Operational Expenditure

Please note these figures relate to the Statement of Financial Performance controllable costs only, which excludes allocations, interest costs, depreciation and other asset costs and gain/loss on disposal.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget	Annual Forecast	Forecast Variance to Budget	% Forecast Variance to Budget
109.7M	88.8M	20.9M	23%	119.3M	122.7M	3.4M	3%



Highlights:

Staff Related Costs:

- There is a large number of staff vacancies which sits at 20%. This has driven staff related cost savings of \$4.4m.

Contractor Fees of \$40.7m, which is \$22.4m higher than budget, though budget phasing will see a catchup in June:

- Resource Consents are over budget \$436k due to using external contractors because of staff vacancies. This is offset by salaries being under budget.
- Transfer Stations is over budget \$950k mainly due to illegal dumping in the community on roadsides, council reserves, and empty plots of land etc which has not been budgeted for. Also, funds have been spent on the procurement and retendering of the new solid waste contract.
- Ventia contractor fees are over budget by \$4.6m. Works relate to septic and wetland maintenance, sludge disposal, testing and compliance costs, ground maintenance across the district and yearly maintenance work on the Kohukohu septic. Furthermore, work was undertaken to investigate budget overruns, with key offsets being applied from Ventia/FNW, and by staff cost savings to help mitigate the cost increases. This was further raised with Ventia who have been looking at the Pain & Gain share calculation to further mitigate cost increases.
- Additional Water Supply traffic control \$50k and ground maintenance \$557k that was not budgeted for. It is challenging to deliver within budget with an aging network resulting in more reactive maintenance as opposed to planned, and legislative requirements to meet compliance.
- Wastewater sludge management is under budget \$309k - the program of works is underway and progressing well.

Professional Fees of \$7.0m, compared to budget of \$9.6m, with lower costs being driven by:

- Delivery & Operations are under budget \$390k mainly due to ongoing works that have not yet been billed for the cycle trail and security review.
- Solid waste is above budget \$480k due to the engagement of Morrison Low to undertake a service review and procurement of the refuse contract. This overspend will be covered by savings in budget from other areas
- Strategic Planning is under budget across the group \$600k due to project delays in the district and spatial plan, however, the budget is fully committed.
- Civil defence is under budget of \$342k, NRC is yet to invoice as per the service agreement.
- Wastewater & Water is under budget \$2.3m, there has been no requirement for contractor infrastructure asset management to date. It is anticipated that that the savings can address the overrun in contractor fees.
- Infrastructure Strategy relating to Water Supply is over budget \$823k largely due to:
 - Project concept design and feasibility costs for the Infrastructure Acceleration Fund (IAF) from Kainga Ora, Homes and Communities infrastructure upgrade projects at Kaikohe and Kawakawa to unlock housing developments and enable housing outcomes, \$481k.
 - Works on drinking water reliability and safety risks reduction program, funded from the Better off Fund grant of \$342k
- Roading is above budget and relates to rent and overhead costs, however, the recovery of overhead expenses has come in less than expected for the NTA Professional Service Unit (PSU).

External Services of \$11.5m compared to budget of \$6.7m:

- Delivery & Operations is under budget by \$215k for Recreation Services Limited (RSL) reactive maintenance and dayworks having less requests for services (RFS). The unpredictable nature of this activity makes it difficult to anticipate and time budgets accurately.
- Water is over budget \$770k, the increase in new water meter connections has required additional installation costs.
- A web based taiao portal, funded from the Better off Funding grant to enable iwi/hapū/whānau to have better understanding and access to environmental data and how it relates to Far North Waters.
- Higher roading external services relate to initial response to emergency events which have been more than anticipated.

Legal Costs:

- Planning & Policy is under budget \$240k. This was to be utilised for legal support for hearings reports and legal matters arising from District Plan submissions. Proceedings have only just begun in May 24.

General Expenses of \$13.0m compared to budget of \$11.9m, driven by:

- District Plan Commissioner Fees is under budget \$603k, this has not been utilised due to intended works not being started within the agreed timeline.
- Insurance costs are yet to be allocated \$192k.

Grants & Donations of \$1.3m compared to budget of \$2.2m, driven by

- Swimming pools is under budget, a commitment of \$242k has been raised for Sport Northland.
- Community Boards are under budget although most recipients will uplift the grants in June and the remaining in the 2024/25 year.

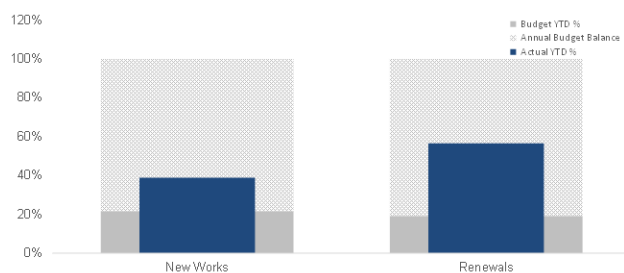
Rates Remissions

- Rate remissions are primarily transacted in the first month for the whole year where ongoing remissions have been approved. Additional remissions are received during the year.

Council Financial Performance – Capital Expenditure

These figures are direct from the Statement of Capital Performance.

Actual YTD	Budget YTD	Variance to Budget YTD	% Variance to Budget YTD	Annual Budget
69.8M	32.2M	37.6M	117%	154.8M



Highlights:

New Works:

- Funds spent on acquiring 71 Broadway for Kaikohe Library new build. This was budgeted for June 2024, but the purchase was completed earlier.
- Wastewater is over budget \$1.38m due to:
 - The installation of supercritical ultraviolet (SCUV) unit at Ahipara.
 - Replacement of an aeration tank at Hihi.
 - Pump station upgrade at Kāeo.
 - Kaitāia wastewater overflow reduction.
 - Procurement of turnkey septage receiving station packages for Kaitāia, Kaikohe and Rāwene wastewater treatment plants.
 - Resource consent replacement application at Russell which is now fully compliant.
- Water Supply is over budget \$295k due to Water treatment plant clarifier membranes at Kaikohe and Ōpononi being replaced, installation of S-can spectra raw water analyser and carbon dioxide gas dosing system, with a detailed design for future growth at Paihia.
- The Kaitāia Sweetwater project is under budget \$1.4m as there are consent issues surrounding testing water quality and quantity that are yet to be resolved.
- Ōtiria Flood Mitigation project is over budget \$1m though this will be funded from the Better off Funding grant, to improve the slipway and bridge works undertaken by NRC.
- District Facilities is over budget due to:
 - The Mangōnui waterfront truck park claim #1 has been received by Far North Holdings Limited ahead of schedule.
 - The Housing for the Elderly upgrade project has progressed ahead of budget.

- The relocation of the Kerikeri Squash Club is ahead of budget along with the Te Hiku project which has secured further external funding of approximately \$600k.
- Roading is over budget due to:
 - Construction of footpaths across the district.
 - Remedial works for the emergency events in May, June and the Anniversary weekend event in 2023.
 - New safety projects at Kaitāia North and Kaikohe North urban area, Kāeo pedestrian bridge, Ahipara Sandhills.

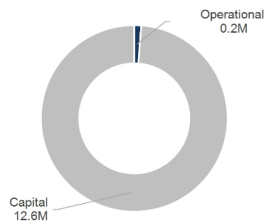
Renewals:

- Community & Engagement costs are over budget \$896k due to:
 - Library stocks, the Procter Library refresh, and scheduled renewals. This was budgeted for in June, but works were completed earlier in May 2024.
- Wastewater is over budget due to:
 - Sewer line at Hall Road Kerikeri triggered by roading, emergency renewal of exposed sewer pipes at Tokerau Beach, renewal of generator cables at Kaeo, Kaitāia reduction of wastewater overflows, pump station renewal works at Central school carpark Paihia, and Russell wastewater pond liner replacement.
- Roading is over budget due to:
 - Renewing footpaths across the district, unsealed road metaling, sealed road resurfacing, pavement rehabilitation, bridges and structures.
 - Remedial works for emergency events for August 2022, Fairburn Road Slip and the Anniversary event in 2023.

Unbudgeted Expenditure

These are additional works not included in the original budget for the current year.

Unbudgeted work greater than \$100,000 must be approved by Council, anything less than that can be approved by a General Manager with appropriate financial delegation.



Unbudgeted Expenditure as at 31-May-2024

*Expenditure over \$100K approved by Council (in grey)

Unbudgeted Operational		Amount
Pou Herenga Tai Cycle Trail NZ Heritage	External Services	235,969
Facilities operations - solid waste	External Services	75,000
Airports	Contract Work Annual	59,000
Airports	External Services	10,000
Community Centres	Repairs & Maintenance Buildings	4,875
Carparks	External Services	3,273
Pou Herenga Tai Cycle Trail NZ Heritage	Grants Operational	-235,969
		152,148

Unbudgeted Capital Works		Amount
Drinking Water Reliability and Safety Risk Reduction Program	3 Waters Reform - CAPEX New Works Contract Services	1,870,000
Te Kahu o Taonui Initiative	3 Waters Reform - CAPEX New Works Contract Services	1,400,000
Rawene - Wastewater improvements	3 Waters Reform - CAPEX New Works Contract Services	1,100,000
Otiria-moerewa Flood Mitigation	3 Waters Reform - CAPEX New Works Contract Services	1,000,000
Te Hiku o te Ika - PGF(DFX0887)	CAPEX New Works Contract Services	936,166
Taipa Wastewater Transformation Project	3 Waters Reform - CAPEX New Works Contract Services	927,000
Kaero Flood Hazard Planning Mitigation	3 Waters Reform - CAPEX New Works Contract Services	673,000
1 Wharo Way Ahipara	CAPEX New Works Contract Services	500,000
Better off Funding Holding PR	Grants Capital	425,522
Russell - Capping the landfill	3 Waters Reform - CAPEX New Works Contract Services	385,000

146/148 Tokerau Beach Road	CAPEX New Works Contract Services	366,000
Te Hiku o te Ika - PGF(DFX0887)	External Services	332,750
General Management Oversight and Administrative Costs	3 Waters Reform - CAPEX New Works Contract Services	308,000
Building Services	CAPEX New Works Contract Services	278,010
New Car Parking, Russell	CAPEX New Works Contract Services	240,000
146/148 Tokerau Beach Road	CAPEX New Works Contract Services	156,000
Smart District Action Plan (CSP1069)	CAPEX New Works Contract Services	140,000
Lindvart Park Initiative	3 Waters Reform - CAPEX New Works Contract Services	82,700
Smart Bins High Use Areas (TIF Round 6)	CAPEX New Works Contract Services	50,000
HFTE Rawene, Reactive	CAPEX New Works Contract Services	45,018
12 Clark Road, Kerikeri	CAPEX New Works Contract Services	28,456
Dog Pound Southern	CAPEX New Works Contract Services	22,428
Footpath - 142 State Highway 1, Kaitaia	CAPEX New Works Contract Services	21,675
Video Conferencing	CAPEX New Works Contract Services	10,000
HFTE Kaikohe, Planned	CAPEX Renewal Works Contract Services	9,842
Kaikohe Library (DSP0030)	Professional Fees	3,300
Dog Pound Southern	CAPEX Office Furniture & Equipment	1,672
Toilets Northern Ward	CAPEX New Works Contract Services	1,056
Toilets Western Ward	CAPEX New Works Contract Services	704
Toilets Eastern Ward	CAPEX New Works Contract Services	704
Smart Bins High Use Areas (TIF Round 6)	Subsidy New Works	-50,000
Lindvart Park Initiative	Grants Capital	-82,700
Smart District Action Plan (CSP1069)	Subsidy New Works	-140,000
146/148 Tokerau Beach Road	General Separate Fund Withdrawals	-156,000
New Car Parking, Russell	Subsidy New Works	-240,000
General Management Oversight and Administrative Costs	Grants Capital	-308,000
Russell - Capping the landfill	Grants Capital	-385,000
Better off Funding Holding PR	3 Waters Reform - CAPEX New Works Contract Services	-425,522
Te Hiku o te Ika - PGF(DFX0887)	Grants Capital	-658,000
Kaero Flood Hazard Planning Mitigation	Grants Capital	-673,000
Taipa Wastewater Transformation Project	Grants Capital	-927,000
Otiria-moerewa Flood Mitigation	Grants Capital	-1,000,000
Rawene - Wastewater improvements	Grants Capital	-1,100,000
Te Kahu o Taonui Initiative	Grants Capital	-1,400,000
Drinking Water Reliability and Safety Risk Reduction Program	Grants Capital	-1,870,000
		1,899,781

Unbudgeted Roading		Amount
West Coast Road (Kohukohu) RP16775	CAPEX New Works Contract Services	4,270,000
Pawarenga Road RP8151	CAPEX New Works Contract Services	3,294,000
Emergency Event – August 2022	CAPEX New Works Contract Services	3,204,060
August 2022 EW Phase 3 Admin &	CAPEX New Works Contract Services	3,054,400

EW June 2023 Minor Remedial Works	CAPEX Renewal Works Contract	2,349,849
May 2023 Rain Event Admin &	CAPEX New Works Contract Services	1,732,500
Sealed Road resurfacing(TRP1094)	CAPEX Renewal Works Contract	1,595,875
West Coast Road (Kohukohu) RP20899	CAPEX New Works Contract Services	976,000
Ngapipito Road RP6772	CAPEX New Works Contract Services	915,000
Wainui Road RP6561	CAPEX New Works Contract Services	854,000
Paponga Road RP2453	CAPEX Renewal Works Contract	854,000
Duncan Road (Kaingaroa) RP10105	CAPEX New Works Contract Services	793,000
EW May 2023 Minor Remedial Works	CAPEX New Works Contract Services	765,000
Whangae Road RP4817	CAPEX New Works Contract Services	732,000
Larmer Road RP2117	CAPEX New Works Contract Services	732,000
Waiotemarama Gorge Road RP2480	CAPEX New Works Contract Services	671,000
Fisher-Riley Road RP2820	CAPEX New Works Contract Services	671,000
Te Rore Road RP3039	CAPEX New Works Contract Services	671,000
Oruru Road RP2348	CAPEX New Works Contract Services	671,000
Wainui Road RP4655	CAPEX New Works Contract Services	610,000
Wainui-Matauri Bay Road RP4995	CAPEX New Works Contract Services	610,000
Wainui-Matauri Bay Road RP4990	CAPEX New Works Contract Services	610,000
Whangape Road RP6246	CAPEX New Works Contract Services	610,000
Duncan Road (Kaingaroa) RP14459	CAPEX New Works Contract Services	579,500
Mangamuka Road RP2948	CAPEX Renewal Works Contract	549,000
Duncan Road (Kaingaroa) RP10069	CAPEX New Works Contract Services	549,000
Fryer Road RP2887	CAPEX New Works Contract Services	488,000
Te Rore Road RP3028	CAPEX New Works Contract Services	488,000
Kaeo Pedestrian Bridge	CAPEX New Works Contract Services	470,896
Waikare Road RP8444	CAPEX New Works Contract Services	427,000
Giles Road RP843	CAPEX New Works Contract Services	366,000
CERF Kerikeri Active Mode Network	Professional Fees	354,000
Peria Road - PGF	CAPEX New Works Contract Services	324,025
Ngapipito Road Flood Mitigation	CAPEX New Works Contract Services	316,000
Waiare Road RP28047	CAPEX New Works Contract Services	305,000
Tapuhi Road RP8739	CAPEX New Works Contract Services	305,000
Kaitaia-Awaroa Road RP13525	CAPEX New Works Contract Services	305,000
Whangae Road RP2730	CAPEX New Works Contract Services	244,000
Iwitaua Road RP6179	CAPEX New Works Contract Services	244,000
Kaitaia-Awaroa Road RP26807	CAPEX New Works Contract Services	244,000
Church Road (Kaitaia) RP1404	CAPEX New Works Contract Services	244,000
Fryer Road RP3471	CAPEX New Works Contract Services	244,000
October EW 2023 Minor Remedial	CAPEX New Works Contract Services	234,300
Duncan Road (Kaingaroa) RP11464	CAPEX New Works Contract Services	219,600
October EW 2023 Initial Response	External Services	200,297
Matawaia-Maromaku Road RP7182	CAPEX New Works Contract Services	183,000
Broadwood Road RP279	CAPEX Renewal Works Contract	183,000
Mangamuka Road RP7824	CAPEX Renewal Works Contract	183,000
Paranui Road RP4460	CAPEX New Works Contract Services	183,000

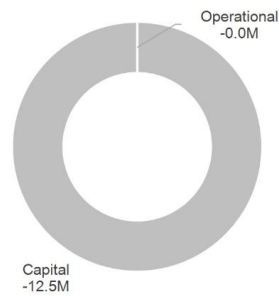
CERF Far North Bus Improvements	Professional Fees	152,500
Duncan Road (Kaingaroa) RP10042	CAPEX New Works Contract Services	152,500
Emergency Event – August 2022	CAPEX Renewal Works Contract	146,910
Hihitahi Rise RP84	CAPEX New Works Contract Services	146,400
Mangamuka Road RP4475	CAPEX Renewal Works Contract	146,400
Giles Road RP577	CAPEX New Works Contract Services	122,000
Duncan Road (Kaingaroa) RP13894	CAPEX New Works Contract Services	122,000
Smith Road (Herekino) RP2400	CAPEX New Works Contract Services	115,900
Honeymoon Valley Road RP5585	CAPEX New Works Contract Services	103,700
EW May 2023 Minor Remedial Works	CAPEX Renewal Works Contract Services	100,000
Major Remedial Ann.Weekend & Cyclone Gabrielle 2023	CAPEX New Works Contract Services	96,016
EW May 2023 Minor Remedial Works	CAPEX Renewal Works Professional Fees	86,500
Matauwahi Road Russell - Unsubsidised	CAPEX New Works Contract Services	32,000
Aucks Road Stormwater Management	CAPEX New Works Contract Services	20,000
Major Remedial Ann.Weekend & Cyclone Gabrielle 2023	Subsidy New Works	-85,454
Honeymoon Valley Road RP5585	Subsidy New Works	-92,293
Smith Road (Herekino) RP2400	Subsidy New Works	-103,151
Giles Road RP577	Subsidy New Works	-108,580
Duncan Road (Kaingaroa) RP13894	Subsidy New Works	-108,580
Hihitahi Rise RP84	Subsidy New Works	-130,296
Duncan Road (Kaingaroa) RP10042	Subsidy New Works	-135,725
Matawaia-Maromaku Road RP7182	Subsidy New Works	-162,870
Paranui Road RP4460	Subsidy New Works	-162,870
Duncan Road (Kaingaroa) RP11464	Subsidy New Works	-195,444
October EW 2023 Minor Remedial Works	Subsidy New Works	-208,527
Whangae Road RP2730	Subsidy New Works	-217,160
Iwitaua Road RP6179	Subsidy New Works	-217,160
Kaitaia-Awaroa Road RP26807	Subsidy New Works	-217,160
Church Road (Kaitaia) RP1404	Subsidy New Works	-217,160
Fryer Road RP3471	Subsidy New Works	-217,160
Waiare Road RP28047	Subsidy New Works	-271,450
Tapuhi Road RP8739	Subsidy New Works	-271,450
Kaitaia-Awaroa Road RP13525	Subsidy New Works	-271,450
Ngapipito Road Flood Mitigation	Grants Capital	-316,000
Peria Road - PGF	Grants Capital	-324,025
Kaeo Pedestrian Bridge	Subsidy New Works	-324,918
Giles Road RP843	Subsidy New Works	-325,740
Waikare Road RP8444	Subsidy New Works	-380,030
Fryer Road RP2887	Subsidy New Works	-434,320
Te Rore Road RP3028	Subsidy New Works	-434,320
Duncan Road (Kaingaroa) RP10069	Subsidy New Works	-488,610
Duncan Road (Kaingaroa) RP14459	Subsidy New Works	-515,755
Wainui Road RP4655	Subsidy New Works	-542,900
Wainui-Matauri Bay Road RP4995	Subsidy New Works	-542,900

Wainui-Matauri Bay Road RP4990	Subsidy New Works	-542,900
Whangape Road RP6246	Subsidy New Works	-542,900
Waiotemarama Gorge Road RP2480	Subsidy New Works	-597,190
Fisher-Riley Road RP2820	Subsidy New Works	-597,190
Te Rore Road RP3039	Subsidy New Works	-597,190
Oruru Road RP2348	Subsidy New Works	-597,190
Whangae Road RP4817	Subsidy New Works	-651,480
Larmer Road RP2117	Subsidy New Works	-651,480
EW May 2023 Minor Remedial Works	Subsidy New Works	-680,850
Duncan Road (Kaingaroa) RP10105	Subsidy New Works	-705,770
Wainui Road RP6561	Subsidy New Works	-760,060
Ngapipito Road RP6772	Subsidy New Works	-814,350
West Coast Road (Kohukohu) RP20899	Subsidy New Works	-868,640
May 2023 Rain Event Admin &	Subsidy New Works	-1,541,925
August 2022 EW Phase 3 Admin &	Subsidy New Works	-2,718,416
Emergency Event – August 2022	Subsidy New Works	-2,851,613
Pawarenga Road RP8151	Subsidy New Works	-2,931,660
West Coast Road (Kohukohu) RP16775	Subsidy New Works	-3,800,300
		10,746,565
		<u>12,798,495</u>

Budget Movements

These are budgets timed in future years, brought forward into the current year (positive values) OR budgets timed in the current year to be moved out to future years (negative values).

The figures that follow exclude the \$5M Roothing budget adjustment moved out to future years to reflect the lower of FNDC or NZTA budget.



Budget Movements as at 31-May-2024

General Ledger	Comment	Amount
Monitoring	Waitangi Occupation Unbudgeted	35,596
Footpaths	October OPEX Reforecast remove WK	-38,199
		-2,603

Project Ledger	Comment	Amount
Kerikeri Library Renewals	Transfer Renewal Budget replacement reconfigurations of front water	871,725
Proctor Library Refresh	Proctor Library Rear Roof Section	850,000
Kaitaia Wastewater Network	Transfer of future budgets Kaitaia WW Network Overflows	750,000
Te Hiku Sports Hub - Netball Courts	Te Hiku Netball Courts Transfer Future Renewal Budgets	564,462
Te Hiku o te Ika - PGF(DFX0887)	Remove Budget Replaced with New PGF	521,875
Waipapa Sports Hub - PGF(DFP0037)	Remove Capital Grant Incorrectly Loaded	134,998
Building Services	Transfer of Renewal Budget upgrage of	120,000
Takahe Road Footpath THCB	Reforecast jrnal to tfer budget for Takahe	90,000
Paihia Waterfront Improvements	Paihia Waterfront Imps Transfer Future Renewal Budgets	90,000
Video Conferencing	Audio-Visual Project Council Chambers & Meeting Rooms	86,810
Paihia halls renewals	Transfer of Future Renewal budget Pahia Hall - Joinery Replacement	82,000
Kaitaia Transfer Station	Transfer Renewal Budget Kaitaia transfer	47,500

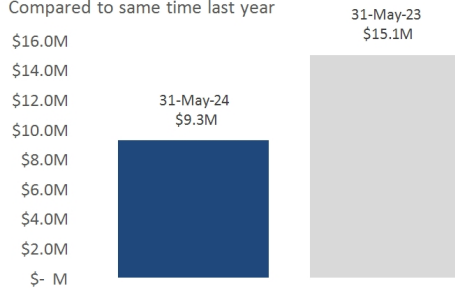
Parks & Reserves Northern	Transfer of Budget yr 25/26 to 23/24 Transfer Future Renewal Budgets	16,500
Parks & Reserves Eastern	KK Domain Fence Replacement & Squash Courts Fire Alarm Replacement	14,053
Kaitaia Carpark	Transfer of budget for line markings Te Ahu Carpark- Kaitaia	6,611
Kaitaia Wastewater Network	Transfer of future budgets Kaitaia WW Network Overflows	5,000
Kaikohe HQ Building Renewals	Transfer of future budgets Aircon HQ	4,980
Taupo Bay Toilet	Transfer of budget renew water supply at	3,500
Ahipara Toilet	Transfer of future budgets Ahipara	2,500
Kaingaroa Hall	Transfer Renewal Budget replacement Coil Septic tank - Kaingaroa Hall	2,358
Kaitaia - North ParkToilets	Transfer to future year(s) to Y1 LTP	-
Rangitane Maritime Boat Ramp (DFP0908)	October CAPEX Reforecast to Future	-
Amenity Lighting Western (DFX0595)	Reduce Amenity Lighting Western Kaikohe- Hokianga- Kaikohe Ward	-9,000
Kaero Hall Renewals	Kaero Hall Renewal Align LTPY4	-12,000
Disabled access Toilets Eastern(DFX0079)	Transfer to future year(s) Capex updates	-15,640
Accessible Carparks Eastern	Transfer to future year(s) Capex updates	-15,816
Accessible Carparks Northern (DFX0921)	Transfer to future year(s) Capex updates	-17,201
Footpaths Northern Ward (TRP1094)	October Footpath Reforecast remove WK Subsidy @ 69%	-17,956
Kaikohe Memorial Park - Outdoor Stage (DFP0052)	Transfer to Future year Capex updates FY23/24 LTP	-20,000
Northern Bin Benches Bollards Signs Tables(DFX0432)	Reduce Northern Bin Benches Bollards Signs Table	-20,262
Water treatment plant relocation Paihia (WAP0596)	FNWA Capex Reforecast	-21,858
Opononi RSA Stormwater Lines (SWP0314)	FNWA Capex Reforecast	-28,422
Disabled access Toilets Western (DFX0088)	Transfer to Future year Capex updates	-30,840
Disabled access Toilets Northern (DFX0160)	Transfer to Future year Capex updates	-30,840
Whangae Transfer Station	Whangae Transfer Station Renewals	-31,695
Northern Transfer Station Renewals(SOX0150)	Transfer to Future year Capex updates	-33,630
Accessible Carparks Western (DFX0920)	Transfer to future year(s) Capex updates	-42,238
Western Bin Benches Bollards Signs Tables(DFX0434)	Reduce Western Bin Benches Bollards Signs Table	-48,025
Amenity Lighting Eastern (DFP0166)	Reduce Amenity Lighting Eastern BOI-	-50,000
Amenity Lighting Northern (DFX0168)	Reduce Amenity Lighting Northern Te	-50,000
Cemetery Land Purchase Opononi (DFP0917)	Transfer to Future year Capex updates	-50,000
Eastern Bin Benches Bollards Signs Tables (DFX0433)	Reduce Eastern Bin Benches Bollards Signs Tables	-51,438
Kaikohe Streetscape UpGrade	Transfer to future year(s) Capex updates	-57,455
Amenity Lighting Northern (DFX0168)	Transfer to future year(s) Capex updates	-61,868
Ahipara Specified Works (WWP0424)	FNWA Capex Reforecast	-70,163
Amenity Lighting Western (DFX0595)	Transfer to future year(s) Capex updates	-70,518
Kaitaia WTP Sludge Disposal Improvements (WAP0691)	FNWA Capex Reforecast	-102,600
Ward Wide Town Beautification	Transfer to Future year Capex updates	-131,170

Waipapa Sports Hub - PGF(DFP0037)	Remove Capital Grant Incorrectly Loaded	-134,998
Parks & Reserves Western (DFX0533)	October CAPEX Reforecast to Future	-136,007
Kaitaia Weighbridge Relocation	October CAPEX Reforecast to Future	-158,663
Cobham Rd Public Toilets(DFP0558)	October CAPEX Reforecast to Future	-160,056
Kohukohu Treatment Plant Improvement(WWP1073)	FNWA Capex Reforecast	-189,520
Maritime Renewals (DFX0124)	Maritime Renewals Move to Y4	-244,291
Kaeo Discharge Consent (WWP0394)	FNWA Capex Reforecast	-290,000
Stormwater Resource Consents - Te Hiku	FNWA Capex Reforecast	-300,000
Refuse Recovery Centre Kaitaia(SOP0884)	Reforecast for WWTP upgrade bring to	-393,400
Kaitaia Airport Runway	Kaitaia Airport brought Forward Cross	-418,526
Moerewa WS- Pembroke,Massey,Ranfurley&Reed(WAP0944)	FNWA Capex Reforecast	-470,000
Omapere Freese Park Erosion	Transfer to future year(s) Capex updates	-504,507
New Maritime Recreation	Transfer to Future year Capex updates	-514,379
Te Hiku o te Ika - PGF(DFX0887)	Remove Budget Replaced with New PGF	-521,875
East Coast Kotare Drive Stormwater Renewals(SWP0821)	FNWA Capex Reforecast	-529,195
Kohukohu Hall (DFP0195)	Kohukohu Hall Renewals Align LTPY4	-557,332
Kohukohu Hall (DFP0195)	Transfer to Future year Capex updates	-608,100
Kaitaia Scheduled Works (WAX0599)	FNWA Capex Reforecast	-650,000
348a SH12 Omapere - stream culverting & pipe renewal	FNWA Capex Reforecast	-700,000
Kaitaia Commerce Street Stormwater Line(SWP0312)	FNWA Capex Reforecast	-1,000,000
Opononi Treatment Plant Improvements (WWP0840)	FNWA Capex Reforecast	-1,000,000
Kerikeri Expansion of wastewater network Stage 2(WWP0712)	FNWA Capex Reforecast	-1,000,000
Opononi Maritime Public Car and Boat Trailer	Transfer to Future year Capex updates	-1,166,781
Kaitaia Airport Runway	Transfer to future year(s) Capex updates	-1,294,854
Kaitaia Parkdale Crescent Stormwater Renewals(SWP0324)	FNWA Capex Reforecast	-1,300,000
Stormwater Imps Moerewa(SWP0934)	FNWA Capex Reforecast	-1,450,000

Treasury Report

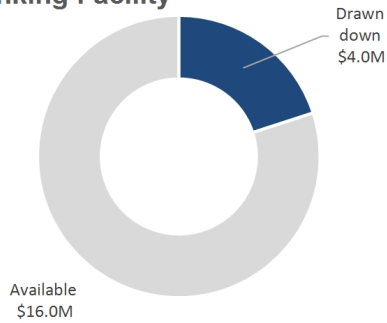
Cash Position

Compared to same time last year



	31-May-24	31-May-23
ASB General Fund	\$ 1.5M	\$ 7.7M
ASB Special Funds	\$ 5.6M	\$ 5.3M
Investments	\$ 2.2M	\$ 2.1M
Total Cash	\$ 9.3M	\$ 15.1M

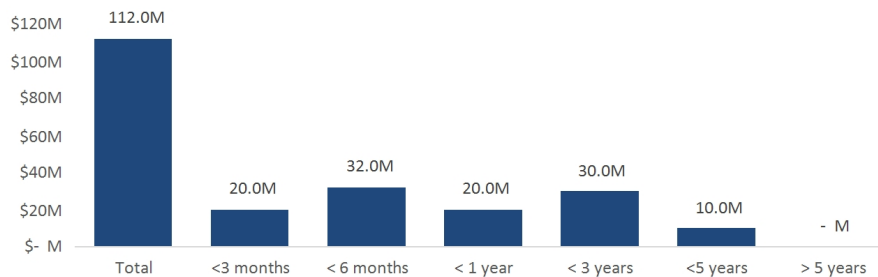
Banking Facility



Banking Facility	\$ 20.0M
Drawn down	\$ 4.0M
Available	\$ 16.0M

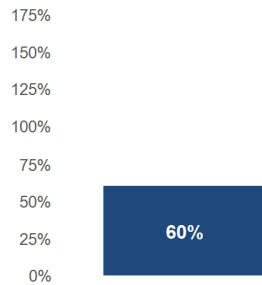
Public Debt

Loans by Maturity Date



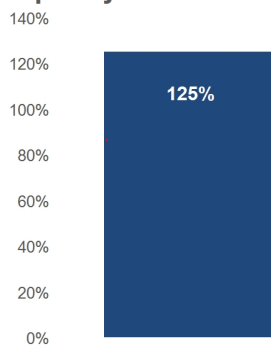
Treasury Compliance

Net Debt as a % of Revenue must be less than 280%



Net Debt	\$ 102.7M
Budgeted Total income	\$ 171.3M
Debt Ceiling	\$ 479.6M
Net debt as % of total revenue	60%
Policy Maximum	115%

Liquidity - Access to funds must be greater than 110%



External Debt	\$ 112.0M
ASB Banking Facility	\$ 20.0M
ASB Banking Facility used	-\$ 4.0M
Total Committed Public Debt	\$ 128.0M
Liquid Investments Cash at Bank	\$ 9.3M
Liquid Investments ASB Overdraft Facility	\$ 3.0M
	\$ 140.3M
Access to Funds	125%
Policy Minimum	110%

*Note: Total revenue is based on 2023/24 total forecast income excluding non government capital contributions (eg. developer contributions and vested assets).
Liquidity is defined as external debt + committed loan facilities + liquid investments, including bank overdraft facility, divided by existing external debt.*

Statement of Financial Performance

for the period ending May 2024 (Pd11)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget YTD	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
Operational Income										
Rates - general (excl water supply rates)	95,771	95,890	119	104,607	-	104,607	8,837	92%	104,607	-
Rates - penalties	1,313	2,063	751	2,063	-	2,063	751	64%	2,063	-
Fees & charges (inc water supply rates)	19,690	18,360 -	1,330	20,835	-	20,835	1,146	95%	22,288	1,453
Central Govt Subsidies - Admin	-	-	-	-	-	-	-	0%	-	-
Central Govt Subsidies - Operational	14,645	107 -	14,538	14,923	2,282	17,205	2,560	85%	17,326	121
Other Income	6,454	1,029 -	5,425	1,985	-	1,985 -	4,469	325%	2,390	406
Dividend Income	1,500	- -	1,500	1,300	-	1,300 -	200	115%	1,300	-
Capital Income										
Central Govt Subsidies - New Works	8,606	1,831 -	6,775	15,892	6,773	22,665	14,060	38%	24,695	2,029
Central Govt Subsidies - Renewals	15,512	2,175 -	13,337	11,896	9,334	21,230	5,718	73%	21,395	165
Development Contributions	-	-	-	-	-	-	-	0%	-	-
Other Contributions	4,097	3,415 -	682	-	4,865	4,865	768	84%	11,368	6,503
Total Operating Income	167,586	124,870 -	42,717	173,502	23,255	196,757	29,170	85%	207,433	10,676
Operational Expenditure										
Staff related costs	33,073	37,436	4,363	40,476	-	40,476	7,403	82%	40,410	66
Contractor Fees	40,723	18,317 -	22,405	37,502	-	37,502 -	3,221	109%	38,786	1,284
Professional Fees	7,031	9,555	2,524	11,625	150	11,775	4,744	60%	12,068	293
External Services	11,515	6,687 -	4,828	8,030	2,997	11,026 -	489	104%	12,040	1,014
Legal Costs	427	600	173	654	-	654	227	65%	667	13
General expenses	12,992	11,917 -	1,075	13,270	87	13,357	365	97%	13,880	523
Grants and donations	1,272	2,152	880	2,345	-	2,345	1,073	54%	2,345	-
Rate remissions	2,652	2,154 -	498	2,189	-	2,189 -	463	121%	2,494	305
Allocations (direct and indirect)	-	0 -	0	0	-	0 -	0	0%	0	-
Interest costs	4,062	4,958	897	5,409	-	5,409	1,347	75%	5,409	-
Sub total	113,747	93,776 -	19,971	121,499	3,234	124,733	10,988	91%	128,100	3,367
Depreciation and other asset costs	43,877	41,690 -	2,187	45,480	-	45,480	1,603	96%	45,480	-
Gain/Loss on Disposal	4,184	- -	4,184	-	-	- -	4,184	100%	-	-
Total Operational Expenditure	161,808	135,466 -	26,343	166,979	3,234	170,213	8,405	95%	173,580	3,367
Net Operating Surplus	5,778 -	10,596	16,374	6,523	20,021	26,544	20,766		33,853	7,309

Statement of Capital Performance

for the period ending May 2024 (Pd11)

	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	17,724	11,794 -	5,930	31,699	12,262	43,961	26,237	40%	39,526	4,435
Environmental Management	36	- -	36	-	-	- -	36	100%	24	24
Roading and Footpaths	37,282	9,080 -	28,202	36,373	28,556	64,930	27,648	57%	66,813	1,884
Wastewater	6,043	3,463 -	2,581	16,288	3,532	19,820	13,777	30%	21,418	1,598
Stormwater	2,293	917 -	1,377	7,751	917	8,667	6,374	26%	5,739	2,929
Solid Waste Management	362	571	209	553	571	1,124	762	32%	912	212
Water Supply	2,624	3,526	902	4,809	3,538	8,347	5,723	31%	9,255	908
Governance & Strategic Administration	1,858	2,711	853	2,803	2,764	5,568	3,710	33%	6,227	659
Customer Services	1,529	118 -	1,411	2,298	118	2,416	887	63%	4,147	1,731
Strategic Planning & Policy	-	-	-	-	-	-	-	0%	-	-
Total Capital Expenditure	69,750	32,179 -	37,571	102,573	52,280	154,832	85,082	45%	154,060	772

Analysis of Controllable Income and Expenditure by LTP Group

Income	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	4,735	5,007	272	6,830	3,625	10,454	5,719	-45%	10,227	227
Environmental Management	7,174	7,097	-77	7,698	-	7,698	524	-93%	9,211	1,513
Roading and Footpaths	39,501	3,177	-36,323	38,681	18,905	57,586	18,086	-69%	59,489	1,902
Wastewater	361	234	-127	255	-	255	106	-141%	2,282	2,027
Stormwater	1,249	-	-1,249	-	-	-	1,249	-100%	1,673	1,673
Solid Waste Management	2,584	1,724	-861	2,041	-	2,041	543	-127%	2,426	385
Water Supply	10,306	8,071	-2,235	8,199	726	8,924	1,382	-115%	12,077	3,152
Governance & Strategic Administration	1,932	1,085	-847	1,183	-	1,183	748	-163%	1,495	312
Customer Services	643	522	-121	569	-	569	74	-113%	507	62
Strategic Planning & Policy	519	-	-519	75	-	75	444	-692%	75	-
Total Operating Income	69,003	26,916	-42,087	65,531	23,255	88,786	19,783	78%	99,462	10,676

Operational Expenditure	Year To Date (\$000's)			Full Year (\$000's)						
	YTD Actual	Total Budget	Variance	LTP Budget	Budget Brought Forward	Total Annual Budget	Actual vs Budget Variance	Actual vs Budget %	Total Annual Forecast	Forecast vs Budget Variance
District Facilities	8,991	10,876	1,885	11,727	70	11,797	2,806	76%	12,155	358
Environmental Management	11,053	11,708	655	12,685	-	12,685	1,632	87%	14,402	1,717
Roading and Footpaths	23,102	2,644	-20,457	23,649	2,429	26,078	2,976	89%	26,660	582
Wastewater	12,075	8,623	-3,452	8,847	498	9,345	2,730	129%	9,340	5
Stormwater	2,022	2,481	459	2,540	150	2,690	669	75%	2,613	77
Solid Waste Management	6,282	5,049	-1,233	5,489	-	5,489	794	114%	5,959	470
Water Supply	10,051	9,102	-949	9,794	87	9,881	170	102%	9,870	11
Governance & Strategic Administration	26,384	25,552	-832	27,497	-	27,497	1,113	96%	28,161	664
Customer Services	4,587	4,906	319	5,311	-	5,311	724	86%	5,353	42
Strategic Planning & Policy	5,138	7,876	2,738	8,551	-	8,551	3,413	60%	8,178	373
Total Direct Costs	109,685	88,817	-20,868	116,090	3,234	119,324	9,639	92%	122,691	3,367

Capital Spend Analysis

Capital Spend Analysis

as at 31-May-2024

LTP Group	YTD (\$000's)		Full Year (\$000's)			
	YTD Actual	Commitments	LTP Budget	Carry Forward Budget	Total Annual Budget	Actual vs Budget %
District Facilities	11,215	4,816	20,475	7,914	28,389	39.5%
Wastewater	6,043	4,743	16,288	3,532	19,820	30.5%
Water Supply	2,474	1,843	4,809	1,757	6,566	37.7%
Stormwater	2,293	1,059	7,751	917	8,667	26.5%
Solid Waste	362	125	553	571	1,124	32.2%
Project Delivery Team Subtotal	22,388	12,586	49,874	14,691	64,566	34.7%
Roading & Footpaths	37,181	19,137	36,373	27,104	63,477	58.6%
IAM Total	59,569	31,724	86,248	41,796	128,043	46.5%
Environmental Management	6	1	0	0	0	0.0%
Governance & Strategic Administration	1,858	361	2,803	2,764	5,568	33.4%
Customer Services	1,529	68	2,298	118	2,416	63.3%
Strategic Planning	0	0	0	0	0	0.0%
Other Total	3,393	430	5,101	2,882	7,984	42.5%
Sub Total	62,962	32,154	91,349	44,678	136,027	46.3%
DIA Projects						
Water Supply	150	174	0	1,781	1,781	8.4%
Wastewater	0	0	0	0	0	0.0%
Stormwater	0	0	0	0	0	0.0%
Total DIA Projects	150	174	0	1,781	1,781	8.4%
ESEO Projects						
District Facilities	6,509	944	11,224	4,349	15,572	41.8%
Environmental Management	29	1	0	0	0	0.0%
Roading & Footpaths	96	38	0	1,452	1,452	6.6%
Total ESEO Projects	6,634	982	11,224	5,801	17,024	39.0%
Total	69,746	33,310	102,573	52,260	154,832	45.0%

Comments:

Capital spend Analysis by %

The picture below indicates the position if the commitments that are still to be completed are included in the calculations

Capital Spend Analysis

as at 31-May-2024

LTP Group	Actual + commitments against total forecast budget YTD Actual (%)
District Facilities	69.2%
Wastewater	50.4%
Water Supply	57.8%
Stormwater	58.4%
Solid Waste	53.4%
Project Delivery Team Subtotal	59.6%
Roading & Footpaths	85.9%
IAM Total	73.5%
Environmental Management	0.0%
Governance & Strategic Administration	35.6%
Customer Services	38.5%
Strategic Planning	0.0%
Other Total	36.9%
Sub Total	70.6%
DIA Projects	
Water Supply	18.2%
Wastewater	0.0%
Stormwater	0.0%
Total DIA Projects	18.2%
ESEO Projects	
District Facilities	45.6%
Environmental Management	127.8%
Roading & Footpaths	10.8%
Total ESEO Projects	43.2%
Total	66.9%

5.3 PROBITY, WASTE, AND POLICIES UPDATE

File Number: A4780549

Author: Jonathan Slavich, Chief Financial Officer

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

To provide update on:

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

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

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

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

Fraud or misappropriation of assets

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

Material changes to fraud processes and controls

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

Audit focus areas

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

- Assess policies and procedures in place for expenses and procurement processes, and;
- Test a sample of expenses for appropriateness against good practice and other guidance issued as relevant for the Council. Their tests will focus primarily on sensitive expenditure such as Councillors and senior management pay, travel and expenses; large contract tenders; related party transactions; and payments to offshore locations.

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

- Understand and evaluate the financial reporting process and the controls over journal entries and other adjustments made in the preparation of the financial statements;
- Test the appropriateness of selected journal entries and adjustments and make enquiries about inappropriate or unusual activities relating to the processing of journal entries and other adjustments;
- Review accounting estimates for biases that could result in material misstatement due to fraud, including assessing whether the judgements and decisions made, even if individually reasonable, indicate a possible bias on the part of management;
- Perform a retrospective review of management's judgements and assumptions relating to significant estimates reflected in last year's financial statements; and
- Obtain an understanding of the business rationale of significant transactions that they become aware of that are outside the normal course of business or that otherwise appear to be unusual given our understanding of the Council and its environment.

Continuous improvement initiatives

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

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

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

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

Financial services policy reviews and updates

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

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

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

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

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

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

ĀPITI HANGA / ATTACHMENTS

Nil

5.4 REVENUE RECOVERY REPORT

File Number: A4780954

Author: Zena Tango, Team Leader - Transaction Services

Authoriser: Charlie Billington, Group Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

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

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

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

TŪTOHUNGA / RECOMMENDATION

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

TĀHUHU KŌRERO / BACKGROUND

This document has been prepared to outline the arrears balances for rates, water, and sundry debt as of 30 June 2024 and the actions taken by the Revenue Recovery team for the collection of the rates and water, and sundry debt.

This information is part of the standing items reported to the Committee on a regular basis.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

The data provided is for general title land and water accounts, Māori freehold land rates and water accounts, and sundry debtors. Since the 1st of July 2023, the general title rates total arrears balance has decreased 33% and the water rates has increased 70%. Year on year general title rates have increased 10%, and water rates increased by 1%. (See footnote A.1 in attachments)

General title rates and water debt

Key actions since the last report:

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

Next actions:

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

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

- These are properties where there is no mortgage, and we do not have a payment arrangement or direct debit set up on the account.
- 33% of properties only have last year's rates in arrears and 20% have 2 years of arrears. Revenue Recovery will be contacting these owners by phone, email, or letter. Any water arrears will be picked up at the same time.

- 16% of these accounts have arrears of 3 or more rating years. Revenue Recovery will start the final demand process for these which can result in referral to Council's legal services team or external to commence legal proceedings.

Māori freehold land rates and water debt

The rates debt has decreased by 19% since the start of the year of which 11% was for Māori freehold land remissions. The water rates debt has reduced by 50% since the start of the year. Year on year we also have seen a reduction in Māori freehold land debt by 3%, with water rates debt seeing a decrease of 27%. (See footnote A.2 in attachments)

The Whenua Māori rating relief working group

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

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

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

Analysis and rating relief

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

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

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

Engagement

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

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

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

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

Next Steps

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

Sundry debtors debt

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

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

(See footnote A.3 in attachments)

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

Provision is made annually for doubtful debts in relation to the arrears owed to council. A higher provision for Māori freehold land rates and water rates is made in comparison to general title rates and water due to the difference in collection options available to Council.

ĀPITIHINGA / ATTACHMENTS

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

Attachment A.1 General Title Rates and Water

General Title Rates 2023-2024							
General Title Rates - 30 June 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Abandoned Land	62,825	54,803	51,339	52,457	111,182	332,605	38
Payment Arrangement	9,144	3,123	864	-	-	9.00	9
Deceased Rate Payer	82,224	70,539	62,730	61,400	106,852	383,744	43
Mortgage Run 2023-2024	1,095,833	487,322	367,841	281,541	440,461	2,672,997	617
Legal Action Commenced (external)	100,814	85,102	79,766	75,406	234,816	575,904	47
Legal Action Commenced (FNDC)	35,875	25,655	15,580	12,352	19,657	109,119	17
Liquidation	2,183	2,074	1,938	1,966	2,063	10,225	2
Direct Debit	80,014	41,170	24,578	12,212	11,505	169,480	53
Debt recovery action to commence	788,301	602,958	489,113	272,609	357,121	2,510,101	438
Rates Total	2,257,212.78	1,372,745	1,093,749	769,943	1,283,657	6,777,307	1,264

General Title Rates 2022-2023							
General Title Rates - 30 June 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	59,587	55,061	56,094	55,460	112,841	339,044	40
Payment Arrangement	15,809	12,322	6,869	1,372	2,412	38,784	9
Deceased Rate Payer	85,018	74,510	68,194	62,697	105,944	396,362	47
Mortgage Run 2022-23	309,191	137,630	53,592	38,516	45,360	584,289	222
Legal Action Commenced (external)	100,557	91,271	86,899	63,035	187,307	529,069	51
Legal Action Commenced (FNDC)	14,789	14,097	14,617	11,045	20,471	75,020	7
Liquidation	2,074	1,938	1,966	1,892	171	8,041	2
Direct Debit	85,237	35,880	19,275	7,045	3,418	150,855	57
Debt recovery action to commence	1,292,520	949,845	619,618	484,406	672,237	4,018,626	737
Rates Total	1,964,782	1,372,554	927,123	725,469	1,150,162	6,140,090	1,172

Attachment A.1 General Title Rates and Water

General Title Water Arrears 2023-2024							
General Title Water 30 June 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	3,273	3,302	928	-	-	7,503	2
Deceased Rate Payer	10,805	7,603	9,404	25,205	30,832	83,849	9
Mortgage Run 2023-2024	197,250	65,664	43,901	38,999	38,673	384,487	278
Legal Action Commenced (external)	3,939	3,559	2,837	2,486	19,926	32,748	7
Legal Action Commenced (FNDC)	4,373	6,074	4,038	4,860	10,725	30,069	2
Liquidation	-	-	-	-	-	-	-
Direct Debit	26,699	6,816	6,690	714	3,678	44,597	60
Debt recovery action to commence	71,574	56,246	59,227	2,005	44,195	233,247	126
Water Total	317,912	149,264	127,025	74,269	148,028	816,499	484

General Title Water Arrears 2022-2023							
General Title Water 30 June 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Abandoned Land	-	-	-	-	-	-	-
Payment Arrangement	264	-	-	-	-	264	1
Deceased Rate Payer	8,601	11,689	26,763	21,266	19,698	88,018	10
Mortgage Run 2022-2023	82,737	36,386	30,950	46,208	17,115	213,397	188
Legal Action Commenced (external)	9,548	4,945	4,949	7,187	16,779	43,408	8
Legal Action Commenced (FNDC)	6,074	4,038	4,860	3,409	7,466	25,846	2
Liquidation	-	-	-	-	-	-	-
Direct Debit	29,814	13,533	3,554	2,255	255	49,411	59
Debt recovery action to commence	136,847	127,028	48,549	28,090	43,755	384,270	194
Water Total	273,886	197,619	119,626	108,416	105,067	804,614	462

Attachment A.2 Māori Freehold Land and Water

MFL Rates Arrears 2023-2024							
MFL Rates 30 June 2024	2022-2023	2021-2022	2020-2021	2019-2020	2018+	Total	# accounts
Payment Arrangement	2,814	390	-	-	-	3,205	2
Deceased ratepayer	17,546	16,768	16,164	16,550	12,140	79,169	9
Direct debit	28,367	23,612	22,841	21,814	31,880	128,514	9
Abandoned Land	1,194	1,139	1,067	1,094	2,222	6,716	1
Debt recovery action to commence	1,905,976	1,816,543	1,666,458	1,610,537	1,194,454	8,193,968	1,010
Rates Total	1,955,898	1,858,452	1,706,530	1,649,995	1,240,697	8,411,571	1,031

MFL Rates Arrears 2022-2023							
MFL Rates 30 June 2023	2021-2022	2020-2021	2019-2020	2018-2019	2017+	Total	# accounts
Payment Arrangement	2,975	2,877	2,886	2,792	2,485	14,015	2
Deceased ratepayer	20,594	20,726	20,185	7,565	9,906	78,977	12
Direct debit	38,318	31,917	28,025	22,650	36,375	157,285	22
Abandoned Land	3,683	3,492	3,653	3,604	7,161	21,594	2
Debt recovery action to commence	2,092,597	2,029,916	1,964,375	869,219	1,468,819	8,424,926	1,215
Rates Total	2,158,166	2,088,928	2,019,125	905,830	1,524,747	8,696,796	1,253

Attachment A.3 Sundry Debtors

Sundry Debtors Aged Period Report as at 30 June 2024						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	542,238	16,454	7,684	198,497	770,587	27%
Bookings	6,938	1,050	2,738	7,693	11,381	0%
Septage	5,775	99	-	1,971	11,879	0%
Refuse	-	-	-	3,027	3,030	0%
Building	69,379	46,467	38,898	548,172	769,620	27%
Resource	89,246	125,864	61,338	728,585	1,103,159	39%
Liquor	5,099	633	794	866	14,288	1%
Health	6,430	4,968	6,527	59,529	164,616	6%
Total	725,105	195,534	117,979	1,548,338	2,848,560	100%

Sundry Debtors Aged Period Report as at 30 June 2023						
Category	30 Days	60 Days	90 Days	90 Days +	Total	% Debt
Sundry	16,150	20,015	7,544	120,986	164,695	12%
Bookings	80	-	4,855	2,908	7,843	1%
Septage	-	7,114	-	109	7,223	1%
Refuse	-	-	-	3,030	3,030	0%
Building	40,514	25,786	26,153	306,941	399,394	28%
Resource	138,017	36,958	65,451	456,100	696,526	49%
Liquor	13,093	3,082	1,000	2,579	19,753	1%
Health	7,117	1,783	7,285	99,252	115,436	8%
Total	214,971	94,737	112,288	991,904	1,413,900	100%

6 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
6.1 - FNDC Current Legal Action Potential Liability Claims	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.2 - Risk of non-compliance with Manatū Hauora directive to fluoridate water supplies Kaitaia, Kerikeri	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.3 - Confirmation of Previous Minutes Public Excluded	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
6.4 - Health, Safety and Wellbeing - May-June 2024	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(ii) - the withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of Council members, officers, employees, and persons from improper pressure or harassment	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

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

7 KARAKIA WHAKAMUTUNGA / CLOSING PRAYER

8 TE KAPINGA HUI / MEETING CLOSE