

# Risk and Assurance Committee

## Open Minutes

- Commencing:** Thursday 4 March 2021, 09:30 am
- Venue:** Council Chambers, Regional House, 1 Elizabeth Street, Tauranga
- Chairperson:** Cr David Love
- Deputy Chairperson:** Bruce Robertson
- Members:** Cr Bill Clark and Chairman Doug Leeder (ex officio)  
Via Zoom: Cr Andrew von Dadelszen, Cr Stuart Crosby and Cr Te Taru White
- In Attendance:** Councillors: Norm Bruning, Stacey Rose  
Councillors via Zoom: Jane Nees, Paula Thompson, Lyall Thurston and Kevin Winters  
Staff: Fiona McTavish – Chief Executive; Mat Taylor – General Manager, Corporate; Sarah Omundsen – General Manager, Regulatory Services, Chris Ingle, General Manager Integrated Catchments; Debbie Hyland – Finance & Transport Operations Manager; Evaleigh Rautjoki-Williams – Business Engagement Manager; Steven Slack – Risk & Assurance Manager; Aaron Huggins – Principal Internal Auditor; Jessica Easton – Legal and Commercial Manager; Monique Brooks – Legal Counsel, Sumit Chopra – Security & Infrastructure Team Leader; Nolene Naude – Financial Accounting Team Lead and Merinda Pansegrouw – Committee Advisor.  
External Presenters: Leon Pieterse – Audit Director, Audit New Zealand

### Declaration of Public Recording

Committee members and the public were reminded that the public section of the meeting was being recorded and would be made available on the Bay of Plenty Regional Council website following the meeting and archived for a period of three years as noted on page 4 of the agenda.

### 1. Order of Business

Members agreed to the reordering of items to accommodate an external presenter for item 9.2 – “Update: Legal Risk Management”.

## 2. Declaration of Conflicts of Interest

- Independent Member Bruce Robertson - Appointed to an advisory role supporting the Reference Group reviewing the Jobs For Nature Programme
- Cr Te Taru White - Appointed as a member of the Rotorua Museum Heritage Trust
- Cr Stuart Crosby - Item 6.1 "Audit New Zealand Report to the Council for the year ending 30 June 2020" as a Director of Quayside Holdings Limited

## 3. Minutes

### Minutes to be Confirmed

#### 3.1 Risk and Assurance Committee Minutes - 1 December 2020

##### Resolved

That the Risk and Assurance Committee:

**Confirms the Risk and Assurance Committee Minutes - 1 December 2020 as a true and correct record.**

Clark/Robertson  
CARRIED

## 4. Reports

### Information Only

#### 4.1 Audit New Zealand Report to the Council for the year ending 30 June 2020

*Tabled Document 1 - Audit New Zealand Report to Council - Under Separate Cover - Risk and Assurance Committee 4 March 2021: Objective ID A3744817* [⇒](#)

Cr Stuart Crosby **declared a conflict of interest** in this item and **abstained** from discussion and voting.

Audit New Zealand (Audit NZ) Audit Director Leon Pieterse and Finance & Transport Operations Manager Debbie Hyland presented the report.

##### **Key Points:**

- Report to Council on the audit of Bay of Plenty Regional Council for the year ending 30 June 2020 set out the findings from the final audit performed in September 2020
- Audit NZ had identified areas where Council was performing well and recommended areas where improvements could be made and provided an update on actions taken by staff against previous recommendations
- Highlighted the following new recommendations, with priority as "necessary":
  - Council to provide group instructions to subsidiaries which should include accounting policies and disclosure requirements

- Review GST on payments made through the Lakes Enhancement Scheme
- Consider reviewing useful lives of the plant and equipment asset class
- Ensure compliance with sections 64, 66 and 67 of the Local Government Act
- Noted that staff was making good progress to address the recommendations highlighted by Audit NZ.

**Key Points - Members:**

- Noted that the main reason why Audit NZ had raised the issue of “uncorrected disclosure deficiencies” was to avoid future qualification issues; furthermore continued close liaison between Quayside Holdings Limited (QHL), the Port of Tauranga Limited (POTL) and KPMG was aimed at ensuring a better alignment across the group
- Acknowledged that the recommendation relating to the river and drainage flood damage item, as listed on page 26 of the report, had been closed.

**Item for Staff Follow Up:**

- “Treatment of GST on Lakes Enhancement Programme” (Page 13, item 4.1) – for clarity, the title to be expanded to include in brackets the words “Nitrogen Buy-Back Scheme”.

**Resolved**

**That the Risk and Assurance Committee:**

- 1 Receives the report, Audit New Zealand Report to the Council for the year ending 30 June 2020;**
- 2 Notes the management actions set out in the report.**

**Robertson/Clark  
CARRIED**

**4.2 Chairperson’s Report**

General Manager, Corporate Mat Taylor presented the report updating members on the Risk and Assurance Committee’s activities and the updated Risk and Assurance Work Programme for 2021.

**Resolved**

**That the Risk and Assurance Committee:**

- 1 Receives the report, Chairperson’s Report.**

**Robertson/von Dadelszen  
CARRIED**

**4.3 Internal Audit Status Update**

Risk & Assurance Manager Steven Slack and Principal Internal Auditor Aaron Huggins presented the report.

**Key Points**

- Referred to the Internal Audit Work Plan on page 26 of the agenda, summarising the current status of internal audit reviews for 2020/21. The

BOPRC Internal Audit team expected to complete the following internal audits by June 2021: Fraud Risk Assessment, Gravel Extraction process and the Mount Manganui / Rotorua Air Standards

- Completed the internal audit review of Climate Change Impacts Risks & Mitigations, as per the 2020/21 Internal Audit Work Plan. The scope of this audit was to provide assurance that mitigating actions and controls were operating as described and to evaluate their effectiveness in treating the key risks. Based on the results, the control environment relating to Climate Change Impacts Risks & Mitigations was rated as adequate.

**Key Points - Members:**

- Noted that the four open Health & Safety improvement actions listed at the start of the quarter (1 September 2020) had been incorporated into Council's Health & Safety continuous improvement work programme, which was ongoing and involved the simplification and consolidation of risks within Council
- A measuring tool, currently used by Local Government New Zealand, was available to evaluate the effectiveness of mitigations in climate change (Councillor Crosby offered to provide further detail to staff)
- Noted that the scope for the Mount Manganui / Rotorua Air Standards audit would be to provide assurance that mitigating actions and controls were operating as described and to evaluate their effectiveness in treating the key risks.

## **Resolved**

**That the Risk and Assurance Committee:**

- 1 Receives the report, Internal Audit Status Update.**

**White/von Dadelszen  
CARRIED**

## **5. Public Excluded Section**

### **Resolved**

**Resolution to exclude the public**

- 1 Excludes the public from the following parts of the proceedings of this meeting as set out below:**

**The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:**

<b>Item No.</b>	<b>Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Grounds under Section 48(1) for the passing of this resolution</b>	<b>When the item can be released into the public</b>
5.1	Public Excluded Risk and Assurance Committee Minutes - 1 December 2020	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
5.2	Update: Legal Risk Management	Making the information available would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; Withholding the information is necessary to maintain legal professional privilege.	48(1)(a)(i) Section 6 (a); 48(1)(a)(i) Section 7 (2)(g).	On the Chief Executive's approval.
5.3	Cybersecurity Risk Management	Withholding the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public; Withholding the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	48(1)(a)(i) Section 7 (2)(e); 48(1)(a)(i) Section 7 (2)(j).	On the Chief Executive's approval.
5.4	Key Risk Register - December 2020	Withholding the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	48(1)(a)(i) Section 7 (2)(j).	To remain in public excluded.

**Love/Robertson  
CARRIED**

**CONFIRMED 10 JUNE 2021**

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Cr David Love  
Chairperson, Risk and Assurance Committee