

Risk and Assurance Committee

Open Minutes

- Commencing:** Thursday 10 June 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
Cr Te Taru White
Via Zoom: Cr Stuart Crosby
- In Attendance:** Councillors: Stacey Rose; Jane Nees (via Zoom)
Staff: Mat Taylor – General Manager Corporate; Chris Ingle – General Manager Integrated Catchments; Debbie Hyland – Finance & Transport Operations Manager; Evaleigh Rautjoki-Williams – Digital Manager (Chief Digital Officer); Steven Slack – Risk & Assurance Manager; Aaron Huggins – Principal Internal Auditor; Jessica Easton – Legal and Commercial Manager; Sumit Chopra – Network & Security Manager (Chief Security Officer); Mereana Toroa – Finance Support Team Lead; Nolene Naude – Financial Accounting Team Lead; Andy Dixon – Treasury & Tax Specialist; Shruthi Jay Shaji – Financial Accountant; Tiffany Dimmock – Financial Accountant and Merinda Pansegrouw – Committee Advisor
External Presenters: Leon Pieterse and Anton Labuschagne – 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.

- Apologies:** Cr Andrew von Dadelszen, Chairman Doug Leeder (ex officio)

1. Apologies

Resolved

That the Risk and Assurance Committee:

- 1 Accepts the apologies from Cr Andrew Von Dadelszen and Chairman Doug Leeder (ex officio) tendered at the meeting.**

**Love/Robertson
CARRIED**

2. Order of Business

Members agreed to the reordering of items to accommodate external presenters from Audit New Zealand for items 8.2 and 8.3: "External Audit Plan and Audit Fees 2020/21" and "External Audit: Report to Council on the Long Term Plan 2021 - 2031 Consultation Document".

3. Declaration of Conflicts of Interest

- Independent Member Bruce Robertson - Appointed as an independent representative to Tauranga City Council's Strategy, Finance and Risk Committee.

4. Minutes

Minutes to be Confirmed

4.1 Risk and Assurance Committee Minutes - 4 March 2021

Resolved

That the Risk and Assurance Committee:

- 1 Confirms the Risk and Assurance Committee Minutes - 4 March 2021 as a true and correct record.**

**Clark/Robertson
CARRIED**

5. Reports

5.1 Internal Audit Update and Audit Plan

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

Key Points:

- Following review of the Key Risk Register staff had incorporated several key risks into the 'audit universe' to ensure that the Risk and Assurance Committee had confidence that mitigations and controls were in place and were operating effectively
- Once the 2021-2031 Long Term Plan (LTP) had been finalised, key risks would be revisited to ensure that they were robust and included in the Audit Plan.

Key Points - Members:

- Commended staff on progress made with Bay of Plenty Regional Council Toi Moana's internal audit work programme

- Highlighted the importance of reviewing the internal audit work programme/risk review once the LTP process had been completed
- Acknowledged the need for a process to incorporate learnings from the recent ransomware incident at Waikato District Health Board as part of Council's risk awareness. Noted that guidelines on information assurance and information systems, as determined by NZISM (New Zealand Information Security Manual), were being reviewed to ensure that the appropriate technical security standards to support good governance and assurance would be in place
- Referred to the electoral cycle and the need to identify matters that would be useful to have assurance on as part of preparation for a new triennium. This would require timely reflection on the maturity of the risk management framework (item 8). Since this item was currently scheduled for 2023/24 (after the commencement of the new triennium), consideration should be given to having the review prior to the commencement of the 2022-2025 triennium
- Endorsed item 10 - "*Post-COVID funding readiness*"
- Item 13 "*CDEM Administering Authority - Review systems, process in place to provide emergency response resource to CDEM*" - suggested including an assessment of the effectiveness/adherence to the joint agreement by local authorities. Pointed out that the relationship with the National Emergency Management Agency (NEMA) needed to be taken into consideration during scoping.

9:43am - Cr Crosby **withdrew** from the meeting.

- Item 17 "*Compliance Process - to identify if BOPRC has appropriate systems and processes in place to ensure it is able to adequately monitor landowner actions, compliance with covenants/encumbrances in favour of BOPRC, and BOPRC's own compliance with consent conditions*", should not be about the monitoring only, but the way staff monitor; and how catchments issues were identified. Focus to be customer-centred/friendly
- Endorsed the importance of the strategic risk review of Item 23 "*Future of work*"; to evaluate the emerging risks to the changing nature of how human resources were engaged and the extent to which BOPRC was prepared to address them, particularly in the current rapidly changing environment and future of local government
- Item 3 - "*Māori responsiveness framework*": suggested that the indicative dates of 2023/24 be reassessed to be scheduled earlier as this framework was of particular importance given its prominence in the current context of legislative changes.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, "Internal Audit Update and Audit Plan"; and**
- 2 Approves the Internal Audit Work Plan 2021/22, 2022/23, 2023/24, including the detailed work plan for 2021/22.**

**White/Robertson
CARRIED**

5.2 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".**

**Clark/White
CARRIED**

5.3 Setting of Rates 2021/22

Finance & Transport Operations Manager Debbie Hyland presented the report.

Key Points:

- The report provided the draft Bay of Plenty Regional Council Rates Resolution, and its specific wording requirements to ensure continued statutory compliance for the Setting of Rates 2021/22
- Simpson and Grierson had been engaged to perform a review of legislative compliance. Some advice was still on-going; any recommendations from the review would be included in the final Council resolution for 2021/22
- Council was scheduled to set rates on 24 June 2021. However, there was the possibility that some Territorial Local Authorities (TLA), who collected regional rates on behalf of Council, may need to delay the adoption of their LTPs or rates resolution into 2021/22. After adoption, BOPRC staff would check that any subsequent TLA rates resolutions were as expected
- If any TLA needed to set or change the relevant rates' dates/penalty percentage rates after Council had set its rates, it would be possible for Council to amend its rates resolution through a full Council meeting as per section 24.6 of Council's standing orders
- The draft rates resolution included setting a new targeted rate for Regional Safety and Rescue Services.

Key Points - Members:

- Noted that the potential impact of Rates Remissions on income generation would be considered by the Chair of the Risk & Assurance Committee in liaison with the General Manager, Corporate
- Rates Collection Project Update: a Council Workshop would be held to review policy and look at current TLA remissions that were applied to Regional Council rates, and the options for creating new remissions
- Noted that the rate per hectare setting for Rangitāiki-Tarawera River Scheme targeted rates was historical.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Setting of Rates 2021/22; and**

- 2 Confirms the public be excluded on the grounds set out in the Local Government Official Information and Meetings Act 1987 from consideration of the following report attachment:**

- (a) Draft Rates Setting memo 2021/22 under Section 48(1)(a)(i) Section 7 (2)(c)(ii) as withholding the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest and that this attachment be released to the public on the Chief Executive's approval.**

**White/Clark
CARRIED**

6. 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:

Item No.	Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution	When the item can be released into the public
1.1	IRD Risk Review of Bay of Plenty Regional Council	Withholding the information is necessary to maintain legal professional privilege.	48(1)(a)(i) Section 7 (2)(g).	To remain in public excluded.
1.2	Completed Audit Reviews (Q3 FY20/21)	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.
4.1	Setting of Rates 2021/22 - Attachment 1 - Draft Rates	Withholding the information is necessary to protect information	48(1)(a)(i) Section 7 (2)(c)(ii).	On the Chief Executive's approval.

	Setting memo 2021/22 - Public Excluded	which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest.		
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**Love/Clark
CARRIED**

10:30 am - The meeting **adjourned**.

10:50 am - The meeting **reconvened**.

7. Readmit the Public

Resolved

That the Risk and Assurance Committee:

- 1. Readmits the public.**

**Love/White
CARRIED**

7.1 External Audit Plan and Audit Fees 2020/21

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

Key Point:

- Presented the audit plan and audit fees proposed by Audit NZ for the external audit of the Bay of Plenty Regional Council Toi Moana and Group for the year ending 31 June 2021 as well as the proposed audit fees for the 30 June 2022 financial year.

Key Points - Audit NZ:

- There was a possibility that, due to the impact of Covid-19, resource priorities and industry challenges, there might be disruptions that would require changes to the proposed timetable. Audit NZ would communicate an updated timetable in advance of this occurring, especially where meeting the statutory timeline might be at risk

- Audit NZ in liaison with the Auditor-General had developed a priority framework to determine significance/order of audits
- Currently, Bay of Plenty Regional Council Toi Moana had been resourced with a full complement of Audit NZ staff to support the audit process to ensure compliance with the October 2021 deadline. However, the risk remained that changes in the priority framework, as determined by the Auditor General, could potentially impact on staff resourcing.

Key Point - Members:

- Requested that all insights/observations identified by Audit NZ during the audit process, be shared as key learnings with members of the Risk and Assurance Committee.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, “External Audit Plan and Audit Fees 2020/21”.**

**White/Clark
CARRIED**

7.2 External Audit: Report to Council on the Long Term Plan 2021 - 2031 Consultation Document

Audit Manager Anton Labuschagne, Audit New Zealand (Audit NZ) and Finance & Transport Operations Manager Debbie Hyland presented the report.

Key Points:

- Acknowledged that Bay of Plenty Regional Council Toi Moana’s Long Term Plan 2021-2031 Consultation Document (CD) received an unmodified audit opinion on 18 February 2021. The audit report identified key issues and there were no recommendations for improvements
- Audit NZ had commented that: *“The Council’s quality review process was reflected in the high quality of the draft documents presented for audit...The Council produced a CD that fulfilled its primary purpose of providing an effective basis for public participation in decisions on the content of the LTP. The CD included all the major matters that we expected, provided preferred and alternative options to address these issues and encouraged the community to provide feedback”*

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, “External Audit: Report to Council on the Long Term Plan 2021 - 2031 Consultation Document”.**

**Robertson/Clark
CARRIED**

8. Public Excluded Section (Continued)

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:

Item No.	Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution	When the item can be released into the public
3.1	Public Excluded Risk and Assurance Committee Minutes - 4 March 2021	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
4.2	Cybersecurity Risk Management Update	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.
4.3	Key Risk Register	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/Clark
CARRIED

12:20 pm - the meeting closed.

CONFIRMED 21 OCTOBER 2021

Cr David Love
Chairperson, Risk and Assurance Committee