

Risk and Assurance Committee

Open Minutes

- Commencing:** Thursday 21 October 2021, 09:30 am
- Venue:** Regional House, 1 Elizabeth Street, Tauranga and via Zoom
- Chairperson:** Cr David Love
- Deputy Chairperson:** Bruce Robertson
- Members:** Cr Bill Clark
Cr Stuart Crosby
Cr Andrew von Dadelszen
Cr Te Taru White
Chairman Doug Leeder (Ex Officio)
- In Attendance:** Councillors: Paula Thompson, Jane Nees, Matemoana McDonald, Lyall Thurston and Kevin Winters
Staff: Mat Taylor – General Manager Corporate; Namouta Poutasi – General Manager, Strategy and Science; Debbie Hyland – Finance & Transport Operations Manager; Jessica Easton – Legal and Commercial Manager; Andy Dixon – Treasury & Tax Specialist; Yvonne Tatton – Governance Manager; Steven Slack – Risk & Assurance Manager; Aaron Huggins – Principal Internal Auditor; Nicola Green Principal Advisor, Policy & Planning; Zhivan Alach – Organisational Performance Manager; Tobias Fransson – Performance Analyst 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.

Recordings of Meeting: [Risk & Assurance Committee - 21 October 2021 - YouTube](#)
[Risk and Assurance Committee - 21 October 2021 - Part Two - YouTube](#)

1. Order of Business

Members agreed to the reordering of items to accommodate external presenters from Audit New Zealand for items 8.5 “Audit New Zealand Final Management Report on Long Term Plan 2021-2031” and 8.6 “2020/21 Draft Annual Report Review”.

2. Declaration of Conflicts of Interest

None.

3. Minutes

Minutes to be Confirmed

3.1 Risk and Assurance Committee Minutes - 10 June 2021

Resolved

That the Risk and Assurance Committee:

- 1 **Confirms the Risk and Assurance Committee Minutes - 10 June 2021 as a true and correct record.**

Love/Robertson
CARRIED

4. Reports

Information Only

4.1 Committee 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.

Items for Staff Follow Up:

- To consider including auditing of the delivery of Provincial Growth Fund (PGF) and other Crown Infrastructure Partnership Funding Streams as a future workstream
- To consider a stronger reporting mechanism to capture the impacts of the Covid-19 pandemic in terms of business interruption/reporting/looking ahead in the context of "living with Covid-19 in the future".

Resolved

That the Risk and Assurance Committee:

- 1 **Receives the report, Committee Chairperson's Report.**

Love/Robertson
CARRIED

4.2 Chairman's Discretionary Fund 2020/21

General Manager, Corporate Mat Taylor presented the report.

Chairman David Love stated that, in his capacity as Chairman of the Board of Management for Classic Flyers and being involved in the Rotary Club supporting the

Rotary Youth Driver Awareness (RYDA), he had been advised that he had no conflict of interest to declare for this item.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Chairman's Discretionary Fund 2020/21.**

**Love/Robertson
CARRIED**

4.3 Expenditure and Koha Report for the year ended 30 June 2021

Presented by Debbie Hyland – Finance & Transport Operations Manager and Andy Dixon – Treasury & Tax Specialist, assisted by Jessica Easton – Legal and Commercial Manager.

Key Points:

- Redacted information in the report related to the names of private individuals rather than associations/public entities
- Confirmed that Toi Moana's expenditure system/payments processes had been extensively reviewed by Audit New Zealand.

Key Point - Members:

- Noted that the payment of \$1.8 m to Otago Regional Council related to the implementation of the Regional Integrated Ticketing System (RITS).

Key Points - Staff:

- Had implemented a contracts model since August 2021 that allowed the tracking of contracts against spending and financial systems; provided transparency of what was happening across the organisation; enabled the tracking of spending against contractors/contracts and suppliers. All new contracts would be uploaded to provide greater reporting capability/visibility over all of Council's spending in future
- A formal policy "Te Mana O Te Koha (Koha Guidelines)" guiding the payment of koha was in place and had been applied.

Items for Staff Follow Up:

- Un-redacted version of the item's attachment "*Expenditure and Koha Report for the year ended 30 June 2021*" to be provided to Committee Members via electronic mail
- In future, redacted information to be provided to Committee Members in the public excluded part of the agenda of meetings
- A copy of Council's Koha Payment Policy "Te Mana O Te Koha (Koha Guidelines)" to be distributed to Committee Members.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Expenditure and Koha Report for the year ended 30 June 2021.**

**Love/Robertson
CARRIED**

4.4 Summary of Councillors' Expenditure July 2020 - June 2021

Presented by Governance Manager Yvonne Tatton.

Key Points - Staff:

- Confident that a robust checking procedure was in place to ensure payments were correct
- In terms of Council policy, the "Good Decision Making Certification"/RMA-certification was deemed as Council related business
- The variance in payment between \$950 and \$990 for communication allowance related to the issuing of printers based on an earlier policy which had since been amended
- The Elected & Appointed Members Allowances & Expenses Policy clarified that, "Council business" related to seminars, training courses and conferences where members attended as an official representative on the Council's behalf and with the approval of the Chairman. "Professional development" referred to where a Councillor attended a conference/seminar that was of interest to them, but not essential to the representation or business of Council.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Summary of Councillors' Expenditure July 2020 - June 2021.**

**Love/Robertson
CARRIED**

4.5 Essential Freshwater Policy Programme Risks

Presented by Nicola Green Principal Advisor, Policy & Planning, supported by Namouta Poutasi – General Manager, Strategy and Science.

Key Points:

- Outlined the significant risks for the Essential Freshwater Policy Programme relating to legislated obligations, environmental outcomes, progressing partnerships with Māori, and relationships
- Risks had been presented to the Strategy and Policy Committee who had referred them to the Risk and Assurance Committee for information
- Was confident that staff had actions in place to minimise/mitigate risks where possible
- Changes to risks over time:
 - Timeframes: review of deadline for notification to be reviewed by the Strategy and Policy Committee at its next meeting
 - Overseer: Government's position had since been released and staff was investigating alternative options for consideration of a future replacement tool.

Key Points - Members:

- Endorsed the referral of the Essential Freshwater Policy Programme risks from the Strategy and Policy Committee to the Risk and Assurance Committee as good corporate governance

Key Point - Staff:

- Project Lead Team was continuously reviewing the risks of the programme as part of best practice project management principles.

Items for Staff Follow Up:

- Verify if Waikato Regional Council was currently using Overseer as a tool and provide feedback to Committee Members accordingly.

Resolved**That the Risk and Assurance Committee:**

- 1 Receives the report, Essential Freshwater Policy Programme Risks.**

Love/Robertson
CARRIED

4.6 Local Government Official Information and Meetings Act 1987 - Annual Report 1 July 2020 to 30 June 2021

Presented by Legal and Commercial Manager Jessica Easton.

Items for Staff Follow Up:

- Future annual reports to the Risk and Assurance Committee on Local Government Official Information and Meetings Act 1987 (LGOIMA) to include a breakdown of staff resources spent on LGOIMA requests
- Future LGOIMA annual reports to include a schedule detailing the nature of the LGOIMA requests
- In the interim, available information on staff resources spent on LGOIMA requests for the July 2020 to June 2021 period to be provided to Committee Members informally
- Provide a breakdown of requests received from iwi-based organisations as part of future LGOIMA annual reports; in the meantime informally advise Committee Members of this information for the July 2020 to June 2021 period.

Resolved**That the Risk and Assurance Committee:**

- 1 Receives the report, Local Government Official Information and Meetings Act 1987 - Annual Report 1 July 2020 to 30 June 2021.**

Love/Robertson
CARRIED

4.7 Internal Audit Status Update and 2020/21 Annual Report

Presented by Principal Internal Auditor Aaron Huggins.

Key Points - Members:

- Expressed appreciation for the significant progress made in closing internal audit reviews/actions.

Key Points - Staff:

- Confirmed that the Internal Audit scope of work/reporting on Information Communication and Technology (ICT) Security would include taking into account a culture of cyber security/clear role and responsibilities/holistic risk management and incident management
- Security actions would be aligned with requirements from the New Zealand Information Security Manual (NZISM) as directed by the Government Communications Security Bureau (GCSB).

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Internal Audit Status Update and 2020/21 Annual Report.**

**Love/Robertson
CARRIED**

10:20 am - The meeting **adjourned**.

10:45 am - The meeting **reconvened**.

4.8 2020/21 Draft Annual Report Review

Presented by Debbie Hyland - Finance & Transport Operations Manager, Zhivan Alach, Organisational Performance Manager and Tobias Fransson, Performance Analyst.

Audit Director Leon Pieterse and Audit Manager Anton Labuschagne, Audit New Zealand (Audit NZ) attended to response to questions relating to the audit process.

Key Points:

- Draft Annual Report 2020/21 for the Bay of Plenty Regional Council Toi Moana contained the draft financial and non-financial performance results of the Council for the year ended 30 June 2021 and consolidated financial statements for the Council Group which included 100% Council-owned subsidiary (Quayside Holdings) and majority owned Council-owned subsidiary (Toi Moana Trust)
The Draft was submitted to the Risk and Assurance Committee in its role to receive and review the draft Annual Report. In the meantime Audit NZ's auditing process was ongoing.

Key Points - Audit NZ:

- Auditing was progressing well with all aspects on track to finalise the process for planned adoption by Council on 10 November 2021

- However, a possible lag in process due to staff shortage remained a risk, and would continue to keep Council informed
- Currently reviewing the Statement of Service Performance (SSP)/Patronage evidence reporting requirements – technical clearance.

Key Points - Staff:

- Confirmed that total expenditure for staff (including contractors and consultants) was within the allocated budget.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, 2020/21 Draft Annual Report review.**

**Love/Robertson
CARRIED**

4.9 Audit New Zealand Final Management Report on Long Term Plan 2021-2031

Presented by Finance & Transport Operations Manager Debbie Hyland.

Audit Director Leon Pieterse and Audit Manager Anton Labuschagne, Audit New Zealand (Audit NZ) were available to respond to any questions.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Audit New Zealand Final Management Report on Long Term Plan 2021-2031.**

**Love/Robertson
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:

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
5.1	Public Excluded Risk and Assurance Committee Minutes - 10 June 2021	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
5.2	Infrastructure Insurance Review - Flood Risk Assessment	Withholding the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	48(1)(a)(i) Section 7 (2)(i).	On the Chief Executive's approval.
5.3	Legal Services - Annual Report 1 July 2020 to 30 June 2021	Withholding the information is necessary to maintain legal professional privilege; Withholding the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; Withholding the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	48(1)(a)(i) Section 7 (2)(g); 48(1)(a)(i) Section 7 (2)(h); 48(1)(a)(i) Section 7 (2)(i).	To remain in public excluded.
5.4	Legislative Compliance - Annual Report 1 July 2020 to 30 June 2021	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).	To remain in public excluded.
5.5	Completed Audit Reviews (Q4 FY20/21)	Withholding the information is necessary to prevent the disclosure or use of official	48(1)(a)(i) Section 7 (2)(j).	To remain in public excluded.

		information for improper gain or improper advantage.		
5.6	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).	On the Chief Executive's approval.

**Love/Robertson
CARRIED**

6. Public Excluded Business to be Transferred into the Open

6.1 Item 9.5 - Completed Audit Reviews (Q4 FY20/21)

Tabled Document 1 - Public Excluded Item 9.5 released into the Open (Report and Attachments 1 and 2): Objective ID A3964755

Resolved

That the Risk and Assurance Committee:

- 1 Confirms that the report "Completed Audit Reviews (Q4 FY20/21)" and its attachments be release into the Public.**

**Love/Robertson
CARRIED**

12:30 pm - the meeting closed.

CONFIRMED

Cr David Love
Chairperson, Risk and Assurance Committee