

Risk and Assurance Committee

Open Minutes

- Commencing:** Thursday 9 June 2022, 2:00 pm
- Venue:** Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting)
- Chairperson:** Cr David Love
- Deputy Chairperson:** Bruce Robertson (via Zoom)
- Members:** Cr Bill Clark
Cr Stuart Crosby
Cr Te Taru White (via Zoom)
Chairman Doug Leeder (Ex officio)
- In Attendance:** Councillors (via Zoom): Paula Thompson, Matemoana McDonald, Lyall Thurston
Staff: Fiona McTavish - Chief Executive; Mat Taylor - General Manager Corporate; Sarah Omundsen - General Manager, Regulatory Services (via Zoom); Kumaren Perumal - Chief Financial Officer; Mereana Toroa - Finance Support Team Lead; Evaleigh Rautjoki-Williams - Digital Manager (Chief Digital Officer); Annabel Chappell - Manager, Special Projects; Steven Slack - Risk & Assurance Manager; Aaron Huggins - Principal Internal Auditor; Nolene Naude - Financial Accounting Team Lead; Sumit Chopra - Operations & Security Manager (Chief Security Officer); Jessica Easton - Legal and Commercial Manager; Merinda Pansegrouw - Committee Advisor
- External: Audit New Zealand Audit Director Leon Pieterse and Audit Manager Anton Labuschagne (both via Zoom)
- Apologies:** Cr Andrew von Dadelszen

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.

Recording of Meeting: [Zoom Link - Risk & Assurance Committee - 9 June 2022 - YouTube](#)

1. Apologies

Resolved

That the Risk and Assurance Committee:

- 1 **Accepts the apology from Cr Andrew von Dadelszen tendered at the meeting.**

**Love/Leeder
CARRIED**

2. Declaration of Conflicts of Interest

Cr Stuart Crosby: Item 7.1 External Audit Plan 2021/22 (Quayside Board Director)

Cr Te Taru White: Item 7.1 External Audit Plan 2021/22 (Quayside Board Director)

3. Minutes

Minutes to be Confirmed

3.1 Risk and Assurance Committee Minutes - 14 April 2022

Resolved

That the Risk and Assurance Committee:

- 1 **Confirms the Risk and Assurance Committee Minutes - 14 April 2022 as a true and correct record.**

**Crosby/Clark
CARRIED**

2:15pm - Deputy Chairperson Bruce Robertson joined the meeting.

4. Reports

Information Only

4.1 External Audit Plan 2021/22

Presented by: Chief Financial Officer, Kumaren Perumal, Financial Accounting Team Lead Nolene Naude and Audit New Zealand (Audit NZ) Audit Director Leon Pieterse and Audit Manager Anton Labuschagne.

Key Points - Audit NZ:

- Elaborated on the audit process for 2022 in the context of the following milestones: (1) the Local Government Elections in October, (2) the final audit scheduled for September and (3) the final Audit Report to be prepared for November 2022:
 - Pointed out that the timeline of the 2022 audit was different from the previous cycles prior to Covid mainly due to Auditor shortages and the continued impact of Covid
 - As a result, the audit process would not be completed before conclusion of the Local Government Elections

- Proposed that the outgoing Council/Risk and Assurance Committee provide assurance/representation to the new Council on the annual report
- During July 2022 Audit NZ would provide the Finance Team with a draft letter of representation - proposed that management provide similar representation to Council to provide assurance regarding the Annual Report
- As further external assurance, Audit NZ needed to complete the audit before Council could adopt the Annual Report
- This process would apply to majority of councils in New Zealand
- Confirmed that timelines for the Quayside Holdings Limited and Toi Moana Trust audits would align appropriately with Bay of Plenty Regional Council Toi Moana's audit
- Pointed out that early/ongoing engagement with the Port of Tauranga and KPMG was taking place to enable an early technical review/address any possible delays.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, External Audit Plan 2021/22.**

**Crosby/Clark
CARRIED**

4.2 Chairperson's Report

Presented by: General Manager, Corporate Mat Taylor who updated Committee members on the Risk and Assurance Committee's Work Programme for the last meeting of 2022, scheduled for 15 September:

Resolved

That the Risk and Assurance Committee:

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

**Leeder/Crosby
CARRIED**

4.3 Internal Audit Update

Presented by: Aaron Huggins, Principal Internal Auditor and Steve Slack, Risk & Assurance Manager.

Key Points:

- While the quarter had continued to see Covid impact, operations across Bay of Plenty Regional Council Toi Moana has started to normalise and assurance delivery workflow had resumed
- External provider Grant Thornton, appointed to carry out the Risk Management Framework Review, had confirmed their availability and work would commence during July 2022
- A refreshed Audit Programme for 2023 would be presented to the Risk and Assurance Committee in September 2022.

Key Point - Members:

- Highlighted the importance of finalising key internal audit work/outstanding recommendations prior to the end of the triennium.

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

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

**Crosby/Clark
CARRIED**

4.4 Rates Setting for the 2022/23 financial year

Presented by: Chief Financial Officer Kumaren Perumal, and Finance Support Team Lead Mereana Toroa:

Key Points:

- External legal review had been undertaken to perform a legislative compliance review of the rates setting process for 2022/23 financial year; this was still ongoing - any amendments arising from the review process would be incorporated as part of the refinement before adoption by Council
- Council was scheduled to set the rates for the 2022/23 financial at its meeting on 23 June 2022

Key Points - Staff:

- Confirmed that the system for internal rates collection had been tested extensively to ensure it was suitable for Council's requirements and that adequate/suitably experienced resources had been recruited
- Verified that discussions with Territorial Local Authorities (TLAs) regarding the hand-over of rates collections had been ongoing since the commencement of the Rates Project to ensure a clear understanding of Regional Council/respective TLA's roles; these were being underpinned by service level agreements currently under consideration
- Noted the importance of future proofing the system for rates collection to be able to adapt to any possible changes by incorporating principles such as efficiency/high quality data integrity and well-designed processes.

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

- 1 Receives the report, Rates Setting for the 2022/23 financial year.**
- 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) Rates setting for the 2022-23 financial year 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.**

**Love/Crosby
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
8.4	Rates Setting for the 2022/23 financial year - Attachment 1 - Rates setting for the 2022-23 financial year - Public Excluded	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.	48(1)(a)(i) Section 7 (2)(c)(ii).	On the Chief Executive's approval.
5.1	Public Excluded Risk and Assurance Committee Minutes - 14 April 2022	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
5.2	Digital Cybersecurity Update	Withholding the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.	48(1)(a)(i) Section 7 (2)(b)(ii).	On the Chief Executive's approval.

5.3	Completed Internal Audit Review - ICT Security	Withholding the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.	48(1)(a)(i) Section 7 (2)(b)(ii).	On the Chief Executive's approval.
5.4	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/Clark
CARRIED**

3:38 pm - the meeting closed.

CONFIRMED

Cr David Love
Chairperson, Risk and Assurance Committee