

Risk and Assurance Committee

Open Minutes

- Commencing:** Thursday 15 September 2022, 09:30 am
- Venue:** Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting)
- Chairperson:** Cr David Love
- Deputy Chairperson:** Bruce Robertson
- Members:** Cr Bill Clark
Cr Stuart Crosby
Cr Andrew von Dadelszen
Chairman Doug Leeder - Ex officio
- In Attendance:** Councillors (via Zoom): Matemoana McDonald
Staff: Fiona McTavish - Chief Executive; Mat Taylor - General Manager Corporate; Kumaren Perumal - Chief Financial Officer; Nolene Naude - Financial Accounting Team Lead; Jessica Easton - Legal and Commercial Manager; Steven Slack - Risk & Assurance Manager; Aaron Huggins - Principal Internal Auditor; Merinda Pansegrouw - Committee Advisor
- External: Audit New Zealand Audit Director Leon Pieterse
- Apologies:** Cr Te Taru White

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: [Risk & Assurance Committee - 15 September 2022 - YouTube](#)

1. Apologies

Resolved

That the Risk and Assurance Committee:

- 1 Accepts the apology from Cr Te Taru White tendered at the meeting.

**Clark/Crosby
CARRIED**

2. Order of Business

Members agreed to the reordering of items to accommodate external presenters from Audit New Zealand for item 8.2 "Progress Update on the Draft Annual Report for the year ended 30 June 2022" and Grant Thornton New Zealand for item 9.2 "Completed Internal Audit Reviews".

3. Declaration of Conflicts of Interest

None

4. Minutes

Minutes to be Confirmed

4.1 Risk and Assurance Committee Minutes - 9 June 2022

Resolved

That the Risk and Assurance Committee:

- 1. Confirms the Risk and Assurance Committee Minutes - 9 June 2022 as a true and correct record.**

**Robertson/Crosby
CARRIED**

5. Reports

Decisions Required

5.1 Progress Update on the Draft Annual Report for the year ended 30 June 2022

This item was circulated under separate cover.

Presented by: Chief Financial Officer, Kumaren Perumal, Financial Accounting Team Lead Nolene Naude and Audit New Zealand Audit Director Leon Pieterse.

Key Points - Staff:

- Provided an update on the preparation of the draft Annual Report for the year ended 30 June 2022/outlined the process planned with Council's appointed audit service provider, Audit New Zealand (Audit NZ), for the completion of the 2021/22 Annual Report
- Final audit of Regional Council's Annual Report for the year ended 30 June 2022 had not commenced; however, the interim audit was approximately 75% complete
- The final audit visit was originally planned for September to November 2022, with the Annual Report 2021/22 planned to be adopted on 24 November 2022
- However, Audit NZ had informed management that due to resourcing constraints the audit time frame set out in the Audit Plan for 30 June 2022 was unlikely to be met; with delays expected and commencement was now planned for 29 October 2022; completion was planned for 9 December 2022

- The main risk for Council in this instance was that it would preclude Council from potentially adopting the Annual Plan in 2022
- Any further delays would negatively impact on staff's workload and have consequential disruptions to business as usual; ultimately three major projects would run concurrently (Annual Report/Annual Plan/preparation for the Long Term Plan)
- Confirmed that there had been regular/ongoing communication between Audit NZ and the Finance Team to manage expectations/deliverables
- The draft Annual Report was substantially complete and ready for Audit NZ to commence the final audit.

Key Points - Audit NZ:

- Auditor shortages/resourcing constraints remained a continuous challenge
- Borders had opened, but with delayed visa processes and younger staff leaving New Zealand for their Overseas Experience (OE), the challenge remained
- In this context, the audit process was progressing reasonably well; the hold-up was on Audit NZ's side. The bottom-line was that there was not enough staff to complete audits
- Focus would be on financial statements of government/financial market authority entities
- Currently recruiting staff to commence audit on 7 November 2022; as a priority planned to focus on key areas as early as possible (fair value assessment/Put Option)
- Assured members of the Committee that Audit NZ was doing its utmost best to obtain the resources required to complete audits prior to Christmas 2022.

Key Points - Members:

- Acknowledged the challenges posed due to resource shortages in the audit sector
- Expressed concern as Regional Council, as a significant public entity, linked to two other significant public entities, could potentially pose risks relating to trust/confidence
- Emphasised that not completing the audit processes in time was not a failing on Regional Council's side. Regional Council had performed well under difficult circumstance over the past year/s; the public needed to be assured of this performance
- As a way forward, the Chair/Deputy Chair of the Risk and Assurance Committee, alongside staff and Audit NZ needed to enter into continued discussion regarding alternative options to address the situation.

In response to Questions:

- Scheduling meetings towards the end of the year based on current timeframes would be difficult to predict
- Based on current timeframes the expectation to adopt the Annual Report 2021/22 in 2022 would be unrealistic, adoption in 2023 seemed more realistic
- Should the late completion of the audits defer adoption to 2023, Regional Council would be in breach of its legislative requirements (31 December 2022).

Resolved

That the Risk and Assurance Committee:

- 1. Receives the report, Progress Update on the Draft Annual Report for the year ended 30 June 2022.**

**Love/Robertson
CARRIED**

5.2 Internal Audit Annual Report 2021/22 and Internal Audit Plan

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

Key Points:

- Provided an update on the status of internal audit activities as at 30 June 2022
- Summarised status of follow-up of internal audit recommendations and management actions to 30 June 2022
- Proposed Internal Audit Work Plan for the three years 2022/23 to 2024/25 (this would also be presented to the new committee for the 12th Triennium in 2023).

Key Point - Members:

- Acknowledged the significant progress that had been observed in addressing several longer-standing audit actions, with a majority of these now closed.

In Response to Question:

- Post-COVID funding readiness review had been superseded – this reflected that the funding (and associated activities) have largely ceased/returned to business as usual.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Internal Audit Annual Report 2021/22 and Internal Audit Plan.**
- 2 Approves the Internal Audit Work Plan 2022/23, 2023/24, 2024/25, including the detailed work plan for 2022/23.**

**von Dadelszen/Crosby
CARRIED**

5.3 Chairperson's Report

Presented by: General Manager, Corporate Mat Taylor who updated Committee members on the Risk and Assurance Committee's activities for the current Triennium for the period February 2020 to September 2022.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Chairperson's Report.**
- 2 Notes the Committee's completed work programme.**

Clark/Crosby
CARRIED

5.4 Chairman's Discretionary Fund 2021/22

Presented by: General Manager, Corporate Mat Taylor. Updated the Committee on the Chairman's Discretionary Fund allocations for the 2021/22 financial year.

Key Points - Members:

- Commended Rotary Youth Driver Awareness (RYDA) for the excellent work they do with high school students, educating them on driver safety/distraction. Was pleased about the phenomenal growth in the project; expressed the view that increased support for the project would be beneficial for the community
- Acknowledged the importance of the RENA Disaster Response Documentary; Rena was a significant event for the Bay of Plenty and Toi Moana played a central role in response and recovery - the story/learnings needed to be shared.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Chairman's Discretionary Fund 2021/22.**

von Dadelszen/Crosby
CARRIED

5.5 Expenditure and Koha report for the year ended 30 June 2022

Presented by: Chief Financial Officer, Kumaren Perumal and Nolene Naude - Financial Accounting Team Lead.

Key Point:

- Provided financial information about Council's supplier and koha spend for 2021/22.

Resolved

That the Risk and Assurance Committee:

- 1. Receives the report, Expenditure and Koha report for the year ended 30 June 2022;**
- 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 attachments:**

- (a) Koha Spend Report for 12 months ended 30 June 2022 - Unredacted under Section 48(1)(a)(i) Section 7 (2)(a) as withholding the information is necessary to protect the privacy of natural persons, including that of**

deceased natural persons and that this attachment be released to the public on the Chief Executive's approval;

- (b) Supplier Payments Reports for the year ended 30 June 2022 - Unredacted under Section 48(1)(a)(i) Section 7 (2)(a) as withholding the information is necessary to protect the privacy of natural persons, including that of deceased natural persons and that this attachment be released to the public on the Chief Executive's approval.**

**von Dadelszen/Robertson
CARRIED**

5.6 Local Government Official Information & Meetings Act 1987 - Annual report 2021/22

Presented by: Jessica Easton - Legal and Commercial Manager.

Key Points:

- Summary of requests received under the Local Government Official Information and Meetings Act (LGOIMA) 1987 from 1 July 2021 to 30 June 2022
- 121 requests for information during this period
- Council had maintained high standards of service in responding to requests for official information with no breaches of timeframes during this reporting period
- Responded to one preliminary inquiry into a complaint to the Office of the Ombudsmen during the reporting period. It was closed without a formal investigation
- Ongoing training and education would be provided by the Legal Team in addition to support and advice on more complex LGOIMA requests.

Key Points - Members:

- Although Council had performed well in responding to LGOIMA requests in the 2021/22 year, it would be important to implement and build on learnings i.e. reviewing the 61% requests relating to the Regulatory Services Group and consider proactive release of documents as an example
- Supported/emphasised the importance of proactive release of information to the public.

Key Points - in response to questions:

- Guidelines for fees/charging for complex LGOIMA requests had been provided by the Office of the Ombudsman. (Council did not charge to respond to LGOIMA requests as a default position; this aligned with the Ombudsman's expectation that an agency would not charge to supply official information unless the request involved considerable labour and materials, and the agency considered it was reasonable to charge)
- Threshold for charging would be assessed based on the level of public interest in a particular matter
- Staff were currently finalising policy/processes relating to the proactive release of documents on Regional Council's web page.

Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Local Government Official Information & Meetings Act 1987 – Annual report 2021/22.**

**Robertson/von Dadelszen
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
6.1	Public Excluded Risk and Assurance Committee Minutes - 9 June 2022	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
6.2	Completed Internal Audit Reviews	Withholding the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	48(1)(a)(i)) Section 7 (2)(h).	On the Chief Executive's approval.
6.3	Legal Services - Annual Report 2021/22	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	48(1)(a)(i)) Section 6 (a); 48(1)(a)(i)) Section 7 (2)(g).	To remain in public excluded.

		information is necessary to maintain legal professional privilege.		
6.4	Legislative Compliance – Annual report 2021/22	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.
6.5	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**

12:10 pm – the meeting closed.

CONFIRMED

Cr David Love
Chairperson, Risk and Assurance Committee