

# Risk and Assurance Committee

## Open Minutes

<b>Commencing:</b>	Wednesday 5 June 2024, 9.30 am
<b>Venue:</b>	Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting)
<b>Chairperson:</b>	Cr Stuart Crosby
<b>Members:</b>	Cr Ron Scott Cr Andrew von Dadelszen Cr Te Taru White (via Zoom) Cr Kevin Winters Chairman Doug Leeder (Ex Officio)
<b>In Attendance:</b>	<u>Councillors:</u> Cr Jane Nees (via Zoom)  <u>Staff:</u> Fiona McTavish – Chief Executive; Mat Taylor – General Manager, Corporate; Chris Ingle – General Manager, Integrated Catchments; Kumaren Perumal – Chief Financial Officer; Nolene Naude – Financial Accounting Team Lead (via Zoom); Mark Le Comte – Principal Advisor, Finance; Aaron Huggins – Principal Internal Auditor; Steven Slack – Risk & Assurance Manager; Annabel Taylor – Manager, Special Projects; Monique Brooks – Legal and Commercial Manager; Jenny Teeuwen – Committee Advisor  <u>External:</u> Warren Goslett – Audit New Zealand
<b>Apologies:</b>	Bruce Robertson (Independent Member)

### 1. Chairperson's Opening Statement

The Chairperson Stuart Crosby declared the meeting open and reminded those present that the public section of the meeting was being livestreamed and recorded and that the recording would be available on the Bay of Plenty Regional Council YouTube channel following the meeting.

Recording link: [Risk and Assurance Committee Meeting - 5 June 2024 - YouTube](#)

### 2. Apologies

#### Resolved

**That the Risk and Assurance Committee:**

- 1 Accepts the apology from Bruce Robertson tendered at the meeting.**

**Scott/Winters  
CARRIED**

### 3. Declaration of Conflicts of Interest

None declared.

### 4. Minutes

#### Minutes to be Confirmed

#### 4.1 Risk and Assurance Committee Minutes - 6 March 2024

##### Resolved

That the Risk and Assurance Committee:

- 1 Confirms the Risk and Assurance Committee Minutes - 6 March 2024 as a true and correct record.

Scott/von Dadelszen  
CARRIED

### 5. Reports

#### 5.1 Chairperson's Report

Presented by: Mat Taylor – General Manager, Corporate

##### Resolved

That the Risk and Assurance Committee:

- 1 Receives the report, Chairperson's Report.

Leeder/Winters  
CARRIED

#### 5.2 Audit New Zealand Report on the audit of the Bay of Plenty Regional Council for the year ended 30 June 2023

Presented by: Kumaren Perumal – Chief Financial Officer  
Nolene Naude – Financial Accounting Team Lead (via Zoom)  
Warren Goslett – Audit New Zealand  
Aaron Huggins – Principal Internal Auditor

##### Key Points

- The report set out the findings and recommendations arising from Audit New Zealand's (Audit NZ) final audit of Bay of Plenty Regional Council (BOPRC) for the year ending 30 June 2023.
- There were seven recommendations prioritised as open and necessary, three new recommendations categorised as necessary, and nine previous recommendations of which five were closed in 2023 and four remained open.
- There were no recommendations prioritised as urgent.

9.36am – Cr Nees entered the meeting (via Zoom)

**In Response to Questions**

- The net revaluation increase for rivers and drainage was a combination of the existing asset base plus the cost to replace the existing asset base. The increase was one of the components factored in when looking at insurance premiums, along with data integrity and the risks associated with maintaining those assets.
- The procurement policy was currently under review. There were rules as well as guidelines around procurement. The guidelines were about best practice and helping managers with better ways of doing procurement, while the rules covered factors such as seeking tenders and financial delegation.
- The impact of flooding events would be discussed in the public excluded section of this meeting as part of the Key Risk Register and Update and/or Flood Implications Work Programme items.

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

- 1 Receives the report, Audit New Zealand Report on the audit of the Bay of Plenty Regional Council for the year ended 30 June 2023.**

**von Dadelszen/Scott  
CARRIED**

**5.3 Audit New Zealand Report on the audit of the Long Term Plan 2024 - 2034 Consultation Document**

Presented by: Kumaren Perumal – Chief Financial Officer  
Nolene Naude – Financial Accounting Team Lead (via Zoom)  
Warren Goslett – Audit New Zealand

**Key Points**

- The report outlined the scope of the audit review undertaken on BOPRC's Long Term Plan 2024-2034 (LTP) consultation document and supporting documents, plans and processes.
- Two key assumptions had been highlighted by Audit NZ as challenging or important to emphasise – delivery on the capital programme, and climate change.
- Audit NZ were currently on site to carry out the final audit of BOPRC's LTP, taking into consideration the outcomes of the LTP deliberations meeting on 28 May 2024. An audit opinion was expected to be issued at the Council meeting scheduled for 26 June 2024.

**Key Points - Members**

- Overall satisfaction with the consultation document was expressed – it was very well done.

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

- 1 Receives the report, Audit New Zealand Report on the audit of the Long Term Plan 2024 - 2034 Consultation Document.**

**von Dadelszen/Scott  
CARRIED**

## **5.4 Rates Setting for 2024/25 Financial Year - Legal Compliance**

Presented by: Kumaren Perumal – Chief Financial Officer  
Mark Le Comte – Principal Advisor, Finance

### **Key Points**

- The report outlined the process to ensure that BOPRC's rates setting recommendations were legally compliant for the 2024/25 financial year.

### **In Response to Questions**

- The focus of the legal advice was to look at BOPRC's mechanisms for setting the rates and how they complied with the requirements of the Local Government Act 2002 and the Local Government (Rating) Act 2002.
- The scope of the legal review also included ensuring that the rates outlined in the funding impact statement were in accordance with the parameters contained within the revenue and financing policy, and took into account any recalibration of rating bands and thresholds.
- The amount of funding for flood protection projects signalled through the central government's recent budget had not yet been confirmed. It was understood that the information around the specifics of the funding was imminent.

## **Resolved**

**That the Risk and Assurance Committee:**

- 1 Receives the report, Rates Setting for 2024/25 Financial Year - Legal Compliance.**
- 2 Notes that an external legal review of the Rates Setting process and draft Rates Resolution is in progress.**

**Crosby/Leeder  
CARRIED**

## **5.5 Internal Audit Work Plan 2024/25 to 2026/27**

Presented by: Aaron Huggins – Principal Internal Auditor

### **Key Points**

- The Internal Audit Work Programme put forward covered the next three financial years.
- The programme was prepared via review of the BOPRC Key Risk Register, consideration of discussions during Risk and Assurance Committee meetings, and formal discussions with BOPRC's Leadership Team and appropriate key managers.
- The three year programme had been endorsed by the Leadership Team.

**In Response to Questions**

- Staff would seek feedback from Councillors on the strategic framework implementation review, as this had been a point of conversations during the LTP process.
- Asset management planning having an 'A' (red) risk ranking indicated how important the subject was to council; it was not an indication of current issues in this area. The risk ranking was explained in Attachment 1 of this item – page 81 of the agenda.
- BOPRC had an extensive terms and conditions document in place for the internal audit service being provided to Ōpōtiki District Council (ODC). The service provided was purely advisory and was not expected to incur any liability risk to BOPRC.
- The internal audit resource was targeted in terms of criticality. Some internal audits were required cyclically for good organisation hygiene e.g. sensitive expenditure or asset management planning, while others e.g. gravel management, could be done less often.
- There was currently nothing critically important that had been omitted/excluded from the internal audit programme.
- The Holidays Act audit was scheduled for year two. This had been scheduled as a hygiene check and not because there was an issue in this space.

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

- 1 Receives the report, Internal Audit Work Plan 2024/25 to 2026/27.**
- 2 Approves the Internal Audit Work Plan 2024/25, 2025/26, 2026/27, including the detailed work plan for 2024/25.**

**Scott/Winters  
CARRIED**

**5.6 Internal Audit Status Update**

Presented by: Aaron Huggins – Principal Internal Auditor

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

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

**von Dadelszen/Crosby  
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:**

<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>
9.1	Public Excluded Risk and Assurance Committee Minutes - 6 March 2024	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
9.2	Completed Internal Audit Reviews	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 to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.	48(1)(a)(i) Section 7 (2)(c)(i).	On the Chief Executive's approval.
9.3	Key Risks Workshop 2024 - Update	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.
9.4	Key Risk Register - March 2024	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.

9.5	Update on Flood Implications Work Programme	Withholding the information is necessary to maintain legal professional privilege.	48(1)(a)(i) Section 7 (2)(g).	On the Chief Executive's approval.
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**Winters/Scott  
CARRIED**

10.12am – the meeting **adjourned**.

10.32am – the meeting **reconvened** In the Public Excluded session.

**11.00am – the meeting closed.**

**CONFIRMED 25 SEPTEMBER 2024**

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Cr Stuart Crosby  
Chairperson, Risk and Assurance Committee