



# Risk and Assurance Committee Agenda

NOTICE IS GIVEN that the next meeting of the Risk and Assurance Committee will be held in Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting) on:

Thursday 9 June 2022 COMMENCING AT 2:00 pm

**This meeting will be livestreamed and recorded.**

The Public section of this meeting will be livestreamed and recorded and uploaded to Bay of Plenty Regional Council's website. Further details on this can be found after the Terms of Reference within the Agenda. [Bay of Plenty Regional Council - YouTube](#)

Fiona McTavish  
Chief Executive, Bay of Plenty Regional Council Toi Moana  
31 May 2022

# Risk and Assurance Committee

## Membership

<b>Chairperson</b>	Cr David Love
<b>Deputy Chairperson</b>	Bruce Robertson (Independent)
<b>Members</b>	Cr Bill Clark Cr Stuart Crosby Cr Andrew von Dadelszen Cr Te Taru White
<b>Ex Officio</b>	Chairman Doug Leeder
<b>Quorum</b>	Three members, consisting of half the number of members
<b>Meeting frequency</b>	Quarterly

## Purpose

Monitor the effectiveness of Council's funding and financial policies and frameworks to ensure the Council is managing its finances in an appropriate manner.

Monitor the effectiveness of Council's performance monitoring framework.

Ensure that Council is delivering on agreed outcomes.

## Role

- Monitor the effectiveness of Council's funding and financial policies and Council's performance monitoring framework (financial and non-financial);
- Review Council's draft Annual Report prior to Council's adoption;
- Receive and review external audit letters and management reports;
- Approve and review the internal audit plan and review the annual programme report;
- Approve, review and monitor Council's risk framework and policy;
- Review the risk register;
- Monitor Council's legislative compliance and receive reporting on non-compliance matters as part of risk management reporting.

## Power to Act

To make all decisions necessary to fulfil the role and scope of the committee subject to the limitations imposed.

## Power to Recommend

To Council and/or any standing committee as it deems appropriate.

- The Risk and Assurance Committee is not delegated authority to:
- Develop, review or approve strategic policy and strategy.
- Develop, review or approve Council's Financial Strategy, funding and financial policies and non-financial operational policies and plans.

The Risk and Assurance Committee reports directly to the Regional Council.

## Recording of Meetings

Please note the Public section of this meeting is being recorded and streamed live on Bay of Plenty Regional Council's website in accordance with Council's Live Streaming and Recording of Meetings Protocols which can be viewed on Council's website. The recording will be archived and made publicly available on Council's website within two working days after the meeting on [www.boprc.govt.nz](http://www.boprc.govt.nz) for a period of three years (or as otherwise agreed to by Council).

All care is taken to maintain your privacy; however, as a visitor in the public gallery or as a participant at the meeting, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently broadcast.

Opinions expressed or statements made by individual persons during a meeting are not the opinions or statements of the Bay of Plenty Regional Council. Council accepts no liability for any opinions or statements made during a meeting.

# Bay of Plenty Regional Council - Toi Moana

## Governance Commitment

**mō te taiao, mō ngā tāngata - our environment and our people  
go hand-in-hand.**

We provide excellent governance when, individually and collectively, we:

- Trust and respect each other
- Stay strategic and focused
- Are courageous and challenge the status quo in all we do
- Listen to our stakeholders and value their input
- Listen to each other to understand various perspectives
- Act as a team who can challenge, change and add value
- Continually evaluate what we do

**TREAD LIGHTLY, THINK DEEPLY,  
ACT WISELY, SPEAK KINDLY.**

**Recommendations in reports are not to be construed as Council policy until adopted by Council.**

# Agenda

- 1. Apologies**
- 2. Public Forum**
- 3. Items not on the Agenda**
- 4. Order of Business**
- 5. Declaration of Conflicts of Interest**
- 6. Public Excluded Business to be Transferred into the Open**
- 7. Minutes**  
**Minutes to be Confirmed**
  - 7.1 Risk and Assurance Committee Minutes - 14 April 2022 10**
- 8. Reports**  
**Information Only**
  - 8.1 External Audit Plan 2021/22 17**  
Attachment 1 - BOPRC Audit Plan 2022 21
  - 8.2 Chairperson's Report 45**  
Attachment 1 - Risk and Assurance Work Programme 2022 48  
Attachment 2 - Risk and Assurance Completed Work Programme for June 2021 to April 2022 49
  - 8.3 Internal Audit Update 51**
  - 8.4 Rates Setting for the 2022/23 financial year 55**  
Attachment 1 - Rates setting for the 2022-23 financial year - Public Excluded  
Attachment 2 - Rating Delegations - Recommended Additions to Council's Delegations Manual - 23 June 2022 61
- 9. Public Excluded Section**  
**Resolution to exclude the public**  
**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>
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.
9.1	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.
9.2	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.
9.3	Completed Internal Audit Review - ICT Security	Withholding the information is necessary to protect information	48(1)(a)(i) Section 7 (2)(b)(ii).	On the Chief Executive's approval.

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
		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.		
9.4	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.

#### 8.4 Rates Setting for the 2022/23 financial year

Attachment 1 - Rates setting for the 2022-23 financial year - Public Excluded

#### Minutes to be Confirmed

#### 9.1 Public Excluded Risk and Assurance Committee Minutes - 14 April 2022

#### Information Only

#### 9.2 Digital Cybersecurity Update

#### 9.3 Completed Internal Audit Review - ICT Security

Attachment 1 - ICT Security Internal Audit - Executive Summary

#### 9.4 Key Risk Register

Attachment 1 - Key Risk Register - June 2022

Attachment 2 - KRR - Heat Map June 2022



- 10. Public Excluded Business to be Transferred into the Open**
- 11. Readmit the Public**
- 12. Consideration of Items not on the Agenda**

# Risk and Assurance Committee

## Open Minutes

<b>Commencing:</b>	Thursday 14 April 2022, 09:30 am
<b>Venue:</b>	Council Chambers, Regional House, 1 Elizabeth Street, Tauranga and via Zoom (Audio Visual Meeting)
<b>Chairperson:</b>	Cr David Love
<b>Deputy Chairperson:</b>	Bruce Robertson
<b>Members:</b>	Cr Andrew von Dadelszen Cr Stuart Crosby Cr Bill Clark Cr Te Taru White (Via Zoom)
<b>In Attendance:</b>	<u>Councillors:</u> Norm Bruning, Jane Nees (Via Zoom), Matemoana McDonald (Via Zoom), Toi Kai Rākau Iti (Via Zoom) <u>Staff:</u> Fiona McTavish – Chief Executive; Mat Taylor – General Manager Corporate; Chris Ingle – General Manager Integrated Catchments; Stephen Mellor – Acting General Manager, Regulatory Services; Kumaren Perumal – Chief Financial Officer; Mark Le Comte – Principal Advisor - Finance; Steven Slack – Risk & Assurance Manager; Aaron Huggins – Principal Internal Auditor; Prue Sisam – Communications Operations Team Leader; Jessica Easton – Legal and Commercial Manager; Merinda Pansegrouw – Committee Advisor <u>External:</u> Audit New Zealand Audit Director Leon Pieterse and Audit Manager Anton Labuschagne (both via Zoom)
<b>Apologies:</b>	Chairman Doug Leeder (Ex officio Member) and Cr Te Taru White (late arrival)

### 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 and Assurance Committee - 14 April 2022 - YouTube](#)

## 1. Apologies

**Resolved**

**That the Risk and Assurance Committee:**

- 1 Accepts the apologies from Chairman Doug Leeder and Cr Te Taru White (for late arrival) as tendered at the meeting.**

**Love/von Dadelszen  
CARRIED**

**2. Declarations of Conflicts of Interest**

Cr Stuart Crosby: Item 7.1 Audit New Zealand Report on the audit of the Bay of Plenty Regional Council for the year ended 30 June 2021 (Quayside Board Director)

Bruce Robertson: Item 7.1 Audit New Zealand Report on the audit of the Bay of Plenty Regional Council for the year ended 30 June 2021 (Chairperson of the Timaru District Council Audit Committee; member of the Tauranga City Council Strategic Risk and Audit Committee)

**3. Minutes****Minutes to be Confirmed****3.1 Risk and Assurance Committee Minutes - 2 December 2021****Resolved****That the Risk and Assurance Committee:**

- 1 Confirms the Risk and Assurance Committee Minutes - 2 December 2021 as a true and correct record.**

**von Dadelszen/Robertson  
CARRIED**

**4. Reports****Information Only****4.1 Audit New Zealand Report on the audit of the Bay of Plenty Regional Council for the year ended 30 June 2021**

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

**Key Points - Audit NZ:**

- Issued an unmodified audit report dated 16 December 2021
- Confirmed that the revaluation of Council's assets was carried out appropriately and was fairly stated in the financial statements. With regard to the fair value assessment over the rivers and drainage asset class, agreed with the conclusion that it was not material to the financial statements and that no further revaluations were required as at 30 June 2021

- Revaluation of Council's Put Option: was satisfied that the revaluation (process and liabilities) had been performed in accordance with appropriate accounting standards and that the value of the liability reflected fair value
- KPMG Audit of Port of Tauranga Limited: prior period errors, which flowed through to Bay of Plenty Regional Council, had been updated in the final financials and was correctly disclosed as a prior period error.

#### **Key Points - Members:**

- Acknowledged the impact of Covid-19 over the past two years
- In terms of the Audit arrangements, highlighted that it was critical to identify any potential issues early in the process
- Bus patronage performance measure: noted that a standard approach was currently being developed by Audit NZ which involved the introduction of additional procedures. Since this has signalled that the nature of the recommendation regarding a Type 2 report would be amended accordingly, it would be appreciated if ongoing updates from Audit NZ were provided as the matter progressed
- Noted that the Internal Audit Team was currently reviewing Council's Fraud Policy/Practice
- Recognised the audit challenges faced due to the complexity of a multi group structure involved
- Requested that finalisation of the 2021/2022 Audit Plan be expedited as a priority, preferably by mid-May 2022 and prior to the next Risk and Assurance Committee scheduled for June 2022
- Highlighted that timely sign-off of the 2021/2022 Audit Plan would allow open/proper discussion regarding potential risks/issues affecting the Annual Report and also enable clear logistical arrangements in preparation for the imminent Local Government Elections in October 2022.

### **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 2021**
- 2 Delegates to the Chair and Deputy Chair of the Risk and Assurance Committee approval of the 2021/2022 Audit Plan.**

**von Dadelszen/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 remainder of 2022:

**Key Points:**

- Highlighted the Draft Annual Report Review 2021/2022 to be received by the Risk and Assurance Committee at its September 2022 meeting
- Draft letter of representation on the Annual Report Review 2021/2022 would also be presented at the September 2022 meeting to enable the provision of sufficient information to provide confidence/assurance to the new Council elected in October 2022 regarding the process

**Key Points - Members:**

- Due to the nature of having to account for a Group/various subsidiaries, reiterated the importance of being made aware of potential issues (“front-loading” concerns) in a timely manner to enable staff to address matters well-timed for sign-off.

**Resolved****That the Risk and Assurance Committee:****1 Receives the report, Chairperson’s Report.**

**Love/von Dadelszen  
CARRIED**

**4.3 Internal Audit Update**

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

**Key Points - Members:**

- Expressed appreciation for the progress made with the Internal Audit Programme
- Noted that two actions relating to Procurement was still open/in progress as workplans were underway to address these actions
- Acknowledged that the Digital Team, amidst the busy Covid-19 period, had successfully rolled out the Authenticator Programme, providing another layer of security for the organisation.

**Key Points - Staff:**

- Confirmed that the ongoing Covid-19 situation had impacted the Digital Team who had been extremely busy during the Covid period supporting the organisation to successfully work remotely; hence affecting completion of the ICT Security Review (from the 2020/21 Internal Audit Plan). Assured Committee members that suitable back-up was in place to ensure that from an ICT perspective, security was being maintained

**Resolved****That the Risk and Assurance Committee:****1 Receives the report, Internal Audit Update.**

**Robertson/von Dadelszen**  
**CARRIED**

**Item 7.1**

#### **4.4 Draft Terms of Reference - Efficiency and Effectiveness Reviews**

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

##### **Key Points - Members:**

- Seeking efficiency and effectiveness aligned with the requirements of the Local Government Act
- Encouraged staff to provide trend analysis in future financial reports to enable elected members to make informed decisions based on historic data/trends
- Considered benchmarking as a useful tool. Council should be strong advocates to benchmark with peers/relevant industries to enable the identification of opportunities for improvement/provide comfort and optimise where possible, particularly in the current challenging economic climate
- As part of seeking efficiency and effectiveness, needed to evaluate and decide on matters no longer required/assess how Council could do things differently/better as conditions/scenarios kept changing
- Accepted that the practical implementation of the Terms of Reference would be in the approach, namely the “how” and the “what”
- In order to be more efficient/effective, Council needed to focus on opportunities; looking at both scale and collaboration
- The culture in local government of “having to spend the budget” needed to be reviewed/aligned with a private sector approach, i.e. focussing on savings
- Ultimately the responsibility rested with Elected Members: projects requested through the Long Term Plan/Annual Plan processes required more due diligence/rigor/sufficient discussion/thinking time to enable clear direction given to staff.

##### **Key Points - Staff:**

- The direction and guidance highlighted by Committee members regarding future planning processes and reporting would assist with continuous improvement and increase in standards of performance to achieve the desired outcomes.

#### **Resolved**

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

- 1 Receives the report, Draft Terms of Reference - Efficiency and Effectiveness Reviews.**

- 2 **Recommends that the Efficiency and Effectiveness Terms of Reference are referred to the Council to be established following the Triennium elections to be added to the work programme.**

von Dadelszen/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 - 2 December 2021	As noted in the relevant Minutes.	As noted in the relevant Minutes.	To remain in public excluded.
5.2	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

**10:30 am – the meeting closed.**

**CONFIRMED**

---

Cr David Love  
Chairperson, Risk and Assurance Committee





**Report To:** Risk and Assurance Committee

**Meeting Date:** 9 June 2022

**Report Writer:** Nolene Naude, Financial Accounting Team Lead and Kumaren Perumal, Chief Financial Officer

**Report Authoriser:** Mat Taylor, General Manager, Corporate

**Purpose:** For the Risk and Assurance Committee to receive the Audit Plan for the year ending 30 June 2022

---

## External Audit Plan 2021/22

---

### Executive Summary

This report provides the Audit Plan proposed by Audit New Zealand (Audit NZ) for the external audit of the Bay of Plenty Regional Council and Group for the year ending 31 June 2022.

Leon Pieterse (Audit Director) and Anton Labuschagne (Audit Manager) will attend the Committee meeting to present the Audit Plan and respond to questions from the Committee.

## Recommendations

**That the Risk and Assurance Committee:**

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

### 1. Introduction

The Audit Plan for the year ending 30 June 2022 presents the audit arrangements and discusses the audit risks and issues, the audit process, reporting protocols and audit logistics.

#### 1.1 Legislative Framework

The audit of the Bay of Plenty Regional Council is carried out under Section 15 of the Public Audit Act 2001 (the Act) which states that “the Auditor General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited”.

## 1.2 Alignment with Strategic Framework

---

**The Way We Work** We deliver value to our ratepayers and our customers.

---

### 1.2.1 Community Well-beings Assessment

---

#### Dominant Well-Beings Affected

---

☒ Environmental      ☒ Cultural      ☒ Social      ☒ Economic

---

The audit undertaken by Audit NZ places focus on Council's financial and non-financial performance for the year ending 30 June 2022 and thus promotes all four aspects of community well-being.

## 2. Audit Plan

The Audit plan proposed by Audit NZ for the audit of the Bay of Plenty Regional Council and Group for the year ending 30 June 2022 is included as Attachment 1 to this report.

### 2.1 Audit Risks and Issues

Audit NZ has identified the following risks and issues which will be reviewed and tested during their audit:

- Revaluation of property, plant and equipment
- Fair value assessment for property, plant and equipment
- Valuation of the Put Option
- Consolidation of group financial statements
- The risk of management override of internal controls
- Software as an Accounting Service (SaaS) and
- Fraud risk.

### 2.2 Group Audit

Audit NZ's audit approach is to ensure they have sufficient information to give an opinion on the Council Group, which comprises the Quayside Group and Toi Moana Trust.

The audit plan discusses the areas of focus relating to the audit of the Council Group as a whole.

### 2.3 Materiality

In performing their audit, Audit NZ will apply the following materiality settings:

Parent Financial Statements Materiality

- Overall materiality \$49.5 million
- Specific materiality \$4.5 million
- Clearly trivial threshold \$225,000

Audit NZ has also identified several measures as material and assessed materiality for planning purposes.

#### Group Financial Statements Materiality

- Overall materiality \$208.7 million
- Specific materiality \$10.8 million
- Clearly trivial threshold \$540,000

## 2.4 Timetable

The key dates relating to the 2021/22 external audit are summarised in the table below.

Date	Description
20 June 2022 (2 weeks)	First interim audit commences
19 September 2022	Final audit commences
23 September 2022	Audit of consolidated accounts
14 November 2022	Verbal audit clearance
23 November 2022	Audit opinion issued
15 December 2022	Final detailed Report to Council issued

## 3. Considerations

### 3.1 Risks and Mitigations

There are no significant risks associated with the Audit NZ 2021/22 external audit plan or audit fees

### 3.2 Climate Change

There are no direct climate change implications arising as a result of this report.

### 3.3 Implications for Māori

There are no direct implications for Māori arising as a result of this report.

### 3.4 Community Engagement

---



Engagement with the community is not required as the recommended proposal / decision relates to internal Council matters only.

---

### 3.5 Financial Implications

There are no material unbudgeted financial implications and this fits within the allocated budget.

## 4. Next Steps

Following this meeting, Audit NZ will undertake the interim audit and staff will begin preparations for the final audit for the year ending 30 June 2022. This will include preparation of year-end guidance for the Council Group.

## Attachments

Attachment 1 - BOPRC Audit Plan 2022 [↓](#)

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

# Audit Plan

## Bay of Plenty Regional Council

For the year ending 30 June 2022

## Audit Plan

I am pleased to present our audit plan for the audit of Bay of Plenty Regional Council and group for the year ending 30 June 2022. The purpose of this audit plan is to discuss:

Audit risks and issues .....	2
Group audit .....	6
Our audit process .....	8
Reporting protocols .....	13
Audit logistics .....	14
Expectations .....	18
Appendix 1: Useful publications .....	20

The contents of this plan should provide a good basis for discussion when we meet with you.

We will be happy to elaborate further on the matters raised in this plan.

Our work improves the performance of, and the public's trust in, the public sector. Our role as your auditor is to give an independent opinion on the financial statements and performance information. We also recommend improvements to the internal controls relevant to the audit.

If there are additional matters that you think we should include, or any matters requiring clarification, please discuss these with me.

Nāku noa, nā



Leon Pieterse  
Appointed Auditor  
13 May 2022

Audit risks and issues

Focus areas



Based on the planning work and discussions that we have completed to date, we set out in the table below the main areas of audit focus for Bay of Plenty Regional Council (Regional Council).

Area of audit focus		Our audit response
Valuation of property, plant, and equipment		
<p>The Regional Council periodically revalue its infrastructure assets. PBE IPSAS 17, <i>Property, Plant and Equipment</i>, requires that valuations are conducted with sufficient regularity to ensure that the carrying amount does not differ materially from fair value. This year the Regional Council has revaluations scheduled for Flood Protection and Control, specifically Rivers and Drainage.</p> <p>Due to the nature and value of the revaluations any bias or errors in the inputs used or calculations performed could result in incorrect value for infrastructure assets.</p> <p>To avoid the risk of prior period errors, we recommend that revaluations are performed on year-end.</p> <p>The Regional Council needs to formally review whether a revaluation is needed for different asset classes this year.</p> <p>The Regional Council will need to complete a fair value assessment as at 30 June 2022 to confirm that its assets are not materially different to that which has been recorded in the general ledger.</p>		<p>We will:</p> <ul style="list-style-type: none"><li>• assess the relevant controls that management has put in place for the valuation;</li><li>• obtain an understanding of the underlying data;</li><li>• evaluate the qualifications, competence and expertise of the external valuer used; and</li><li>• review the method of valuing the infrastructure assets and assess if the applicable method used is in line with the financial reporting framework, including the reasonableness of the assumptions used.</li></ul> <p>For asset classes not being revalued, we will review the Regional Council’s assessment of whether there is any significant difference between the carrying amount and fair value of its assets not being revalued.</p> <p>We encourage the Regional Council to perform this early so that, if a revaluation is required, there is time to complete it without it impacting the annual report process.</p>
Asset class	Last revalued	Next scheduled revaluation
Land and buildings	June 2021	June 2024 (three yearly)
Maritime	April 2021	April 2024 (three yearly)
Parks	June 2021	June 2024 (three yearly)
Lakes	June 2021	June 2024 (three yearly)
Infrastructure assets	July 2021	July 2022 (yearly)

Area of audit focus	Our audit response
<b>Valuation of the Put Option</b>	
<p>The Regional Council revalue its put option every year at year-end. PBE IFRS 9 <i>Financial Instruments</i>, requires that financial instruments measured at fair value through profit and loss are measured at fair value at year-end.</p> <p>Due to the nature and value of the valuation, any bias or errors in the inputs used or calculations performed could result in incorrect value for the put option.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• assess relevant controls that management has put in place for the valuation;</li> <li>• obtain an understanding of the underlying data;</li> <li>• evaluate the qualifications, competence and expertise of the external valuer used; and</li> <li>• review the method of valuing the put option and assess if the applicable method used is in line with the financial reporting framework, including the reasonableness of the assumptions used.</li> </ul>
<b>Consolidation of group financial statements</b>	
<p>Quayside Holdings Group and Toi Moana Trust are subsidiaries of the Regional Council. Adjustments may be required on consolidation to reflect differences in accounting policies between the Quayside Holdings Group, Toi Moana Trust and Bay of Plenty Regional Council Group.</p>	<p>We will obtain an understanding of the Regional Council group, its components, and their environments, including group-wide controls.</p> <p>For the Quayside Holdings Group, we will also ensure all relevant adjustments have been made on consolidation for differences in accounting policies between for-profit NZ IFRS and the public benefit entity IPSAS-based accounting standards.</p>
<b>The risk of management override of internal controls</b>	
<p>There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.</p>	<p>Our audit response to this risk includes:</p> <ul style="list-style-type: none"> <li>• testing the appropriateness of selected journal entries;</li> <li>• reviewing accounting estimates for indications of bias; and</li> <li>• evaluating any unusual or one-off transactions, including those with related parties.</li> </ul>



Area of audit focus	Our audit response
<b>Software as an Accounting Service (SaaS)</b>	
<p>Entities can sometimes incur significant costs when implementing cloud computing arrangements. Until recently, there has been no specific guidance on this subject in IFRS or IPSAS accounting standards.</p> <p>The IFRS Interpretations Committee recently published decisions clarifying how arrangements in respect of a specific part of cloud technology, (SaaS), should be accounted for. The agenda decisions must be applied by for-profit entities. For PBEs, the agenda decisions can be referred to in determining the accounting treatment because the underlying intangible asset standards are consistent between IFRS and PBE IPSAS.</p> <p>The Regional Council should consider whether or not their accounting policy is consistent with the Committees decision and should consider whether costs relating to SaaS are correctly accounted for and appropriate disclosures are included in the financial statements of the Regional Council.</p> <p>The key issues are whether such costs:</p> <ul style="list-style-type: none"> <li>• shall be capitalised as an intangible asset and amortised; or</li> <li>• expensed when incurred; or</li> <li>• expensed over the term of the software as a service (SAAS) arrangement (including capitalising as a prepaid service if paid upfront).</li> </ul> <p>Changes to the classification of asset balances as a result of the IFRIC's decision should be treated as a change in accounting policy and accounted for retrospectively. This would require a restatement of prior period amounts in accordance with PBE IPSAS 3 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p>	<p>This could be a challenging project for the Regional Council requiring an understanding of the SaaS arrangements in place. The Regional Council should complete its own assessment of the arrangements and/or engage external accounting expertise to help with an assessment of the implications or review the Regional Council's assessment and any necessary adjustments to the financial statements.</p>

Please tell us about any additional matters we should consider, or any specific risks that we have not covered. Additional risks may also emerge during the audit. These risks will be factored into our audit response and our reporting to you.

### Fraud risk

Misstatements in the financial statements and performance information can arise from either fraud or error. The distinguishing factor between fraud and error is whether the underlying action is intentional or unintentional. In considering fraud risk, two types of intentional misstatements are relevant - misstatements resulting from fraudulent reporting, and misstatements resulting from misappropriation of assets.

The primary responsibility for the prevention and detection of fraud and error rests with the Council, with assistance from management. In this regard, we will discuss the following questions with you:

- What role does the Council play in relation to fraud? How do you monitor management's exercise of its responsibilities?
- Has a robust fraud risk assessment been completed? If so, is the Council satisfied that it had appropriate input into this process?
- How does management provide assurance that appropriate internal controls to address fraud risks are in place and operating?
- What protocols/procedures have been established between the Council and management to keep you informed of instances of fraud, either actual, suspected, or alleged?
- Are you aware of any actual, suspected, or alleged fraud? If so, have the results of management's investigation been reported to the Council? Has appropriate action been taken on any lessons learned?

### Our responsibility

Our responsibility is to obtain reasonable, but not absolute, assurance that the financial statements and performance information are free from material misstatement resulting from fraud. Our approach to obtaining this assurance is to:

- identify fraud risk factors and evaluate areas of potential risk of material misstatement;
- evaluate the effectiveness of internal controls in mitigating the risks;
- perform substantive audit procedures; and
- remain alert for indications of potential fraud in evaluating audit evidence.

The Auditor-General has published useful information on fraud that can be found at [oag.parliament.nz/reports/fraud-reports](https://oag.parliament.nz/reports/fraud-reports).

## Group audit



The group comprises:

- Bay of Plenty Regional Council;
- Quayside Group; and
- Toi Moana Trust.

The Quayside Group consists of:

- Quayside Holdings Limited (QHL), parent;
- Quayside Properties Limited (QPL), 100% subsidiary;
- Quayside The Vault Limited (QVL), 100% subsidiary;
- Quayside Portside Drive Limited (QPSL), 100% subsidiary;
- Quayside Mystery Valley Limited (QMV), 100% subsidiary;
- Quayside Tauriko Limited (QTL), 100% subsidiary;
- Quayside TePapa Tipu Limited (QTTL), 100% subsidiary;
- Quayside Barnett Place Limited (QBPL), 100% subsidiary;
- Quayside Securities Limited (QSL) 100% subsidiary;
- Quayside Securities Limited as Trustee for Quayside Investment Trust (QIT) 100% subsidiary;
- Quayside Securities Limited as Trustee for Quayside Unit Trust (QUT) 100% subsidiary;
- Port of Tauranga Limited (POTL), 54% subsidiary of QUT;
- Aqua Curo Limited 100% subsidiary;
- Huakiwi Developments Limited Partnership, , 50% Joint Venture of QHL;
- Tauranga Commercial Developments Limited, 50% Joint Venture of QPL; and
- Lakes Commercial Developments Limited, 50% Joint Venture of QPL.

Our auditor's report covers the Group as a whole. Our audit approach is developed to ensure we have sufficient information to give an opinion on the Group. In designing our group audit approach, we considered the structure of the Group and identified the entities which are included in the Group financial statements. Each entity is referred to as a component. We have assessed the risks of material misstatement and have identified our approach for each component. The table below shows the work planned for each significant component.

**Significant components**

Significant component	Work to be performed
Quayside Group	<p>Quayside group will be audited by the same Appointed Auditor using the staff and resources of Audit New Zealand. Group instructions will be issued to the component auditor that will specify the information we require.</p> <p>The areas of audit focus relevant to this component are:</p> <ul style="list-style-type: none"> <li>the fair value of property, plant and equipment;</li> <li>the valuation of investments; and</li> <li>management override.</li> </ul> <p>The audit work on this component will be a full financial statement and performance report audit.</p>
Toi Moana Trust	<p>The Toi Moana Trust will be audited by the same Appointed Auditor using the staff and resources of Audit New Zealand.</p> <p>Group instructions will be issued to the component auditor that will specify information we require.</p> <p>The areas of audit focus relevant to this component are:</p> <ul style="list-style-type: none"> <li>the valuation of investments; and</li> <li>management override.</li> </ul> <p>The audit work on this component will be a full financial statement and performance report audit.</p>

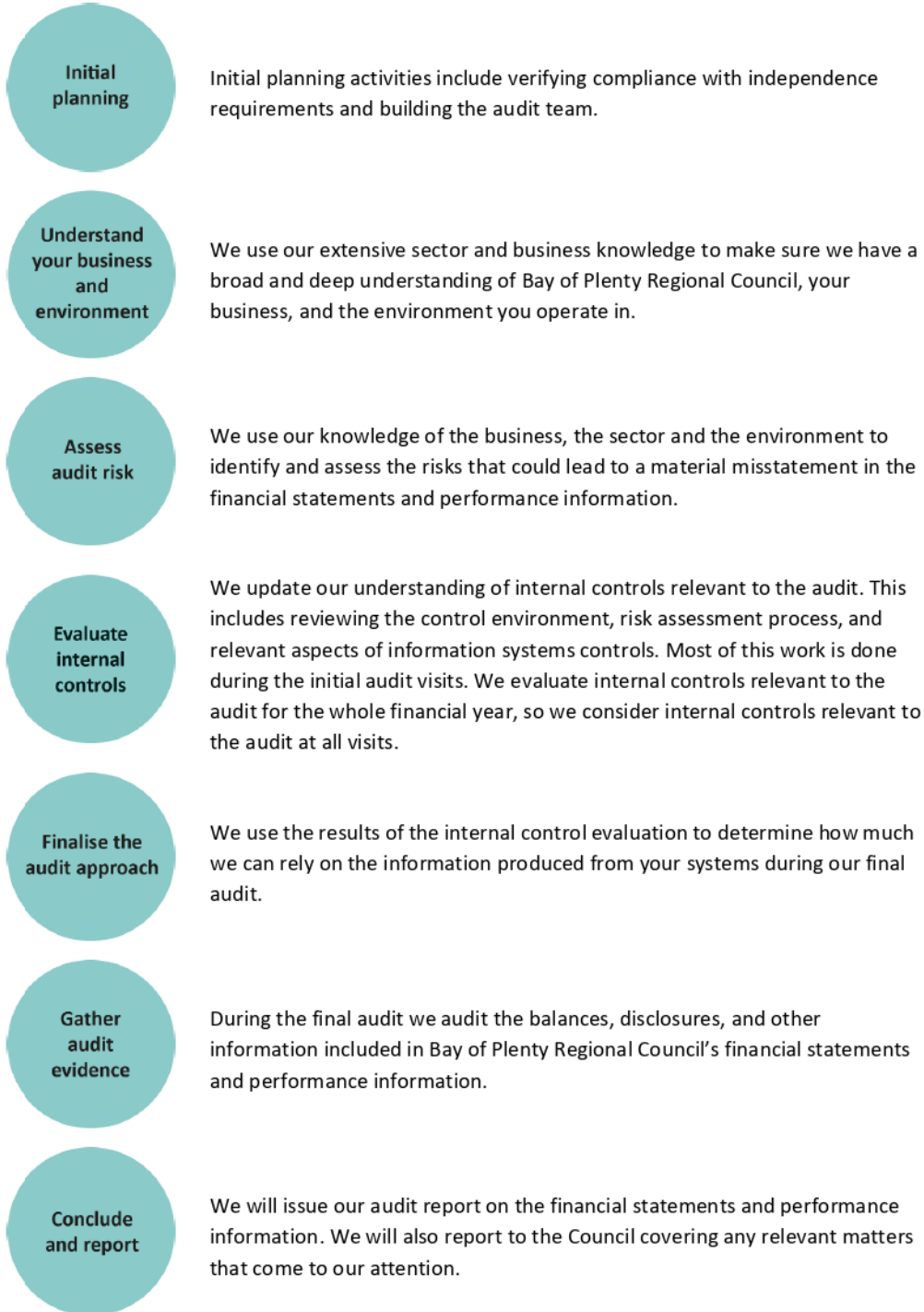
For non-significant components, we will perform analytical procedures at the group level to identify unexpected movements.

We will report any significant internal control deficiencies to the Council and management of the group. This will include any deficiencies identified by the group engagement team or brought to our attention by the component auditor. We will communicate deficiencies related to:

- group-wide internal controls; or
- internal controls at each component.

We will also communicate any fraud identified by the group engagement team or brought to our attention by the component auditor.

## Our audit process



A.9.2 - T9728OPRC22J - 30-06-2022.docx

Materiality

In performing our audit, we apply materiality. In the public sector, materiality refers to information that if omitted, misstated, or obscured could reasonably be expected to:

- influence readers’ overall understanding of the financial statements and service performance information; and
- influence readers in making decisions about the stewardship and allocation of resources, or assessing your performance.

This definition of materiality is broader than the one used in the private sector.

It is a matter of judgement whether information is material. We consider the nature (qualitative) and amount (quantitative) of each item judged in the surrounding circumstances and its impact. In the public sector qualitative considerations are of equal significance as quantitative considerations. Qualitative considerations are of primary importance in our assessment of materiality in the context of disclosures for transparency and accountability reasons, and in evaluating any non-compliance with laws and regulations.

The Council and management need to consider materiality in preparing the financial statements and service performance information and make their own assessment of materiality from a preparer’s perspective. IFRS Practice Statement 2, *Making Materiality Judgements*, provides guidance on how to make materiality judgements from a financial statements preparer’s perspective. Although this guidance is primarily aimed at for-profit entities, the same principles can be applied by public benefit entities. Management and the Council should not rely on our materiality assessment as a basis for owning and making judgements about the integrity of the financial statements and service performance information.

Parent Financial statements materiality

For planning purposes we have set **overall materiality** for the financial statements of the Council at \$49,500,000 based on total assets. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

Overall materiality	\$49,500,000
Specific materiality	\$4,500,000
Clearly trivial threshold	\$225,000

For this audit we have set a lower, **specific materiality** of \$4,500,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

We design our audit procedures to detect misstatements at a lower level than overall materiality. This takes account of the risk of cumulative misstatements and provides a safety net against the risk of undetected misstatements.

We will report all uncorrected misstatements to the Council other than those that are **clearly trivial**. We consider misstatements of less than \$225,000 to be clearly trivial unless there are qualitative considerations that heighten its significance. We will ask for each misstatement to be corrected, other than those that are clearly trivial. Where management does not wish to correct a misstatement, we will seek written representations from management and the Council on the reasons why the corrections will not be made.

**Misstatements**

Misstatements are differences in, or omissions of, amounts and disclosures that may affect a reader’s overall understanding of your financial statements and service performance information. The effects of any detected and uncorrected misstatements, individually and in aggregate, are assessed against overall materiality and qualitative considerations.

Overall financial statement materiality does not apply to any matters of effectiveness and efficiency, waste, or a lack of probity or financial prudence.

**Materiality for service performance information**

At an overall level, we assess whether the service performance information is suitable, given your purpose and the nature of your activities, and whether the reporting allows for an informed assessment of the Council’s performance. In doing this we consider whether the information is relevant, complete, reliable, neutral, and understandable.

We set materiality for service performance information at an individual measure level based on what we expect would influence readers’ overall understanding, decision making, or assessment of Bay of Plenty Regional Council’s performance. We consider a variety of factors including the level of public interest and potential public risk. Because of the variety of measurement bases applied, we normally express this materiality as a percentage of the reported result.

We have identified the following measures as material and assessed materiality for planning purposes. We will reassess this during the audit.

Material measure	Materiality
<b>Flood protection</b> Percentage of maintenance, repairs and renewals completed in accordance with the Rivers and Drainage Asset Management Plan (Note: or based on approved changes to the work programme)	8% of result
<b>Flood protection</b> Percentage of flood warnings at pre-determined levels are given in accordance with the flood warning manual	8% of result
<b>Integrated catchment management</b> The percentage of monitored river and stream sites that meet the swimmability requirements under the NPSFM	8% of result



Material measure	Materiality
<b>Resource Regulation and Monitoring</b> Percentage of urgent complaints made to the pollution hotline that are responded to within 12 hours	5% of result
<b>Transportation</b> The number of public transport trips taken in the region	5% of result
<b>Support services</b> Change in the total Council emissions compared to prior year	8% of result

**Group Financial statements materiality**

For planning purposes we have set **overall group materiality** for the financial statements at \$208,750,000 based on Property, Plant and equipment. This is subject to change once the actual results for the current year are available. For this audit we are only applying this overall materiality to the fair value of property, plant and equipment.

Overall group materiality	\$208,70,000
Specific group materiality	\$10,800,000
Clearly trivial threshold	\$540,000

For this audit we have set a lower, **specific group materiality** of \$10,800,000 for all items not related to the fair value of property, plant and equipment. A lower specific materiality is also determined separately for some items due to their sensitive nature. For example, a lower specific materiality is determined and applied for related party and key management personnel disclosures.

**Professional judgement and professional scepticism**

Many of the issues that arise in an audit, particularly those involving valuations or assumptions about the future, involve estimates. Estimates are inevitably based on imperfect knowledge or dependent on future events. Many financial statement items involve subjective decisions or a degree of uncertainty. There is an inherent level of uncertainty which cannot be eliminated. These are areas where we must use our experience and skill to reach an opinion on the financial statements and performance information.

The term “opinion” reflects the fact that professional judgement is involved. Our audit report is not a guarantee but rather reflects our professional judgement based on work performed in accordance with established standards.

Auditing standards require us to maintain professional scepticism throughout the audit. Professional scepticism is an attitude that includes a questioning mind and a critical assessment of audit evidence. Professional scepticism is fundamentally a mind-set. A sceptical mind-set drives us to adopt a questioning approach when considering information and in forming conclusions.



Exercising professional scepticism means that we will not accept everything we are told at face value. We will ask you and management to provide evidence to support what you tell us. We will also challenge your judgements and assumptions and weigh them against alternative possibilities.

### **How we consider compliance with laws and regulations**

As part of the Auditor-General's mandate, we consider compliance with laws and regulations that directly affect your financial statements or general accountability. Our audit does not cover all of your requirements to comply with laws and regulations.

Our approach involves first assessing the systems and procedures that you have in place to monitor and manage compliance with laws and regulations relevant to the audit. We may also complete our own checklists. In addition, we will ask you about any non-compliance with laws and regulations that you are aware of. We will evaluate the effect of any such non-compliance on our audit.

### **Wider public sector considerations**

A public sector audit also examines whether:

- Bay of Plenty Regional Council carries out its activities effectively and efficiently;
- waste is occurring or likely to occur as a result of any act or failure to act by Bay of Plenty Regional Council;
- there is any sign or appearance of a lack of probity as a result of any act or omission by Bay of Plenty Regional Council or by one or more of its members, office holders, or employees; and
- there is any sign or appearance of a lack of financial prudence as a result of any act or omission by Bay of Plenty Regional Council or by one or more of its members, office holders, or employees.

## Reporting protocols

### Communication with management and the Council



We will meet with management and the Council throughout the audit. We will maintain ongoing, proactive discussion of issues as and when they arise to ensure there are “no surprises”.

Meeting with	Planned timing
Risk and Assurance committee	A minimum of three meetings throughout the year.
Council meeting	Once a year at the adoption of the annual report.
Management	As required.

### Reports to the Council



We will provide a draft of all reports to management for discussion/clearance purposes. In the interests of timely reporting, we ask management to provide their comments on the draft within 10 working days. Once management comments are received the report will be finalised and provided to the Council.

We will also follow up on your progress in responding to our previous recommendations.

## Audit logistics

### Our team



Our engagement team is selected to ensure that we have the right subject matter expertise and sector knowledge. Each member of the audit team has received tailored training to develop their expertise.

Our senior audit team members are:

Leon Pieterse	Appointed Auditor
Anton Labuschagne	Audit Manager
Dieter Rohm	Information Systems Audit and Assurance Manager
Jason Biggins	Tax Director

**Timetable**



There is the possibility that, due to the impact of Covid-19, resource priorities and industry challenges, there may be disruptions that will require changes to timetable proposed. We will communicate an updated timetable in advance of this occurring, especially where it means meeting the statutory timeline is at risk.

Our proposed timetable is:

Interim audit visit begins	20 June 2022
Draft 2022 financial statements (including notes to the financial statements) and statement of service performance available for audit with actual year-end results	12 September 2022
Final audit begins	19 September 2022
Consolidated Accounts	23 September 2022
Final Annual Report including, financial statements and performance information will all amendments agreed, available for audit	31 October 2022
Verbal audit clearance given	14 November 2022
Draft Report to the Council on the annual audit issued for management comments	24 November 2022
Annual report adopted and audit report issued	24 November 2022
Management report comments received on the Report to the Council on the annual audit	8 December 2022
Final detailed Report to the Council issued	15 December 2022

### AuditDashboard



In 2021, we used AuditDashboard, our online portal, to transfer files between your employees and Audit New Zealand. Overall, the use of AuditDashboard was well received and turned out to be an essential tool in completing our audit engagement remotely.

We will use AuditDashboard for transferring files as part of the audit for the current year engagement.

### Working remotely

Covid-19 restrictions, such as lockdowns, and resultant changes to our own and our client's work locations, including increasing numbers working from home since the start of the pandemic have meant we changed how we worked with our clients over the last two years.

Lockdowns meant that our clients and our auditors did not always have access to their premises and information and had to work remotely. For clients able to work remotely, with access to systems and electronic documentation, as well as being prepared for the audit, audits continued to progress and progress well.

Performing our audit work during higher alert level restrictions confirmed that aspects of our audit work can be done efficiently off-site. We plan to continue to perform aspects of your audit remotely as there are some benefits to you and us of having our team off-site for parts of the audit. For you these benefits include:

Staging and sending the information we request for audit over an agreed period of time as opposed to having all the information requested ready for our arrival at one agreed date.

Less time spent on travel, so we will have more time focus on auditing what matters and raising issues earlier.

Reduction in disbursements as we will incur less travel and overnight costs.

Less auditor time on site which allows you to get on with your work and enables planned focused conversations when these take place.

To complete audit work off-site and fully obtain the benefits detailed above, you will need to:

- ensure that you can assess your systems remotely.
- store supporting documents electronically and be able to easily retrieve these.

During the previous audit, we were able to perform the majority of our audit work remotely. Based on our experience we found that Bay of Plenty Regional Council has appropriate systems and processes in place to facilitate any future off-site work by us.

**Item 8.1, Attachment 1**

We recognise different organisations are positioned differently to enable off-site audit work. We will be discussing and agreeing off-site working expectations in conjunction with our information requests with you as part of your 2022 audit. This will include our continued use of AuditDashboard to manage our information request.

## Expectations



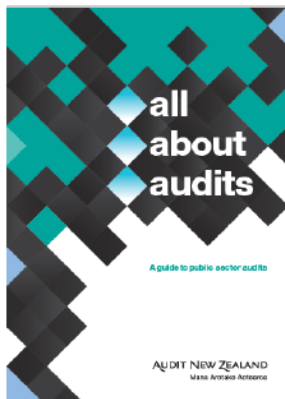
For the audit process to go smoothly for both you and us, there are expectations that each of us need to meet.

Our respective responsibilities are set out in our audit engagement letter.

We expect that:

- you will provide us with access to all relevant records and provide information in a timely manner;
- staff will provide an appropriate level of assistance;
- the draft financial statements, including all relevant disclosures, will be available in accordance with the agreed timetable;
- management will make available a detailed workpaper file supporting the information in the financial statements; and
- the annual report, financial statements and performance information will be subjected to appropriate levels of quality review before being provided to us.

We have also published information to help explain the audit process:



### Health and safety



The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff.

Under the Health and Safety at Work Act 2015, we need to make arrangements with management to keep our audit staff safe while they are working at your premises.

We expect you to provide a work environment for our audit staff that minimises or, where possible, eliminates risks to their health and safety. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment where required. We also expect management to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.



## Appendix 1: Useful publications



Based on our knowledge of the Regional Council, we have included below links to some publications that the Councillors, members of the Audit and Risk Committee and management may find useful.

Description	Where to find it
<b>Consulting matters: Observations on the 2021-31 consultation documents</b>	
<p>This report provides our observations on the 2021-31 long-term plan consultation documents. Councils, as a whole, have realistically confronted the challenges they face and, for the most part, produced clear consultation documents. This is no small achievement at the best of times. In the middle of a pandemic and in a sector focused on significant reforms, this is even more significant.</p> <p>Areas covered:</p> <ul style="list-style-type: none"> <li>• Preparing long-term plans in a challenging environment.</li> <li>• The audit reports we issued on the consultation documents.</li> <li>• Engaging effectively with communities.</li> <li>• The types of issues councils consulted on in the 2021-31 consultation documents.</li> </ul>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="https://oag.parliament.nz/Summary-of-Consulting-matters-Our-observations-on-the-2021-31">Summary of Consulting matters: Our observations on the 2021-31</a> (<a href="https://oag.parliament.nz/">oag.parliament.nz</a>)</p>
<b>Local government risk management practices</b>	
<p>The Covid-19 pandemic is a stark reminder for all organisations about the need for appropriate risk management practices. In our audit work, we often see instances where councils do not have effective risk management. This report discusses the current state of local government risk management practices and what councils should be doing to improve their risk management.</p>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="#">risk management practices</a></p>
<b>Managing conflicts of interest involving council employees</b>	
<p>This article discusses findings across four councils on how conflicts of interest of council employees, including the Chief Executive and staff, are managed.</p>	<p>On OAG's website under 2021 publications.</p> <p>Link: <a href="#">council employees</a></p>
<b>The Auditor-General's report on the results of recent audits of local government</b>	
<p>The OAG publishes a report on the results of each cycle of annual audits for the sector.</p>	<p>On the OAG's website under publications.</p> <p>Link: <a href="#">2019/20 audits</a></p>

## Item 8.1, Attachment 1

Description	Where to find it
<b>What good looks like: Lessons for public organisations</b>	
<p>A presentation to our central government Audit and Risk Committee Chairs' Forum.</p> <p>The presentation contained important findings from our recent work, including our performance audits, inquiries, and good practice guidance. We also highlighted areas that we will be focusing on over the next six months, including our Covid-19-related work.</p>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="#">what-good-looks-like</a></p>
<b>The problems, progress, and potential of performance reporting</b>	
<p>Performance reporting is a fundamental part of providing effective public accountability.</p> <p>This discussion paper explores five areas for improvement:</p> <ul style="list-style-type: none"> <li>ensuring that performance information is focused on the issues that matter to New Zealanders;</li> <li>ensuring that performance information is tailored to different audiences to make it more accessible;</li> <li>better integrating and aligning performance information so it is clear how the activities of public organisations contribute to outcomes;</li> <li>improving monitoring and scrutiny of the performance information that is produced to encourage continuous improvement; and</li> <li>building demand for good quality performance information, strengthening system leadership, and investing in the capability to do it well.</li> </ul>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="#">performance-reporting</a></p>
<b>Building a stronger public accountability system for New Zealanders</b>	
<p>Public accountability is about public organisations demonstrating to Parliament and the public their competence, reliability, and honesty in their use of public money and other public resources.</p> <p>This discussion paper looks at how well New Zealand's public accountability system is working in practice.</p>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="#">public-accountability</a></p>
<b>The Government's preparedness to implement the sustainable development goals</b>	
<p>In 2015, all United Nations members signed up to Transforming our world: the 2030 Agenda for Sustainable Development (the 2030 Agenda). It sets out 17 sustainable development goals to be achieved by 2030.</p> <p>We looked at what arrangements are in place and how the Government is encouraging stakeholders and the public to engage with efforts to achieve the sustainable development goals by 2030.</p>	<p>On the OAG's website under 2021 publications</p> <p>Link: <a href="#">sdgs</a></p>

## Item 8.1, Attachment 1

Description	Where to find it
<b>Client updates</b>	
<p>As part of our response to the Covid-19 situation, we developed online client updates to replace the in-person sessions that were cancelled.</p> <p>This year's material is accessible via video presentations on our website.</p> <p>The themes respond to challenges that our clients now face, such as planning for unexpected events or dealing with additional reporting requirements related to Covid-19 and climate change.</p>	<p>On our website under publications and resources.</p> <p>Link: <a href="#">Client updates</a></p>
<b>Procurement</b>	
<p>The OAG is continuing its multi-year work programme on procurement.</p> <p>The OAG has published an article encouraging reflection on a series of questions about procurement practices and how processes and procedures can be strengthened.</p>	<p>On the OAG's website under publications.</p> <p>Links:</p> <p><a href="#">Strategic suppliers:</a>  <a href="#">Understanding and managing the risks of service disruption</a>  <a href="#">Getting the best from panels of suppliers</a>  <a href="#">Local government procurement</a></p>
<b>Good practice</b>	
<p>The OAG has made it easier to find good practice guidance, including resources on:</p> <ul style="list-style-type: none"> <li>• audit committees;</li> <li>• conflicts of interest;</li> <li>• discouraging fraud;</li> <li>• good governance;</li> <li>• service performance reporting;</li> <li>• procurement;</li> <li>• sensitive expenditure; and</li> <li>• severance payments.</li> </ul>	<p>On the OAG's website under good practice.</p> <p>Link: <a href="#">Good practice</a></p>

## Item 8.1, Attachment 1

AUDIT NEW ZEALAND  
Mana Arotake Aotearoa

PO Box 621, Tauranga 3144  
Phone: 04 496 3099

[www.auditnz.parliament.nz](http://www.auditnz.parliament.nz)





**Report To:** Risk and Assurance Committee

**Meeting Date:** 9 June 2022

**Report Writer:** Mat Taylor, General Manager, Corporate

**Report Authoriser:** Mat Taylor, General Manager, Corporate

**Purpose:** Update on Risk and Assurance Committee Activities

## Chairperson's Report

### Executive Summary

This report provides the Committee with an update on Risk and Assurance Committee activities.

## Recommendations

**That the Risk and Assurance Committee:**

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

### 1. Introduction

The report shows an updated Risk and Assurance Work Programme and an updated Risk and Assurance Completed Work Programme.

#### 1.1 Alignment with Strategic Framework

**A Healthy  
Environment**

**Freshwater for Life**

**Safe and Resilient  
Communities**

**A Vibrant Region**

**The Way We Work** We continually seek opportunities to innovate and improve.

### 1.1.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input type="checkbox"/> Social	<input checked="" type="checkbox"/> Economic

## 2. Risk and Assurance Work Programme

Appendix 1 shows the Risk and Assurance Work Programme for September 2022. This Work Programme sets out the planned and scheduled reporting to the Risk and Assurance Committee.

The appendix is categorised to identify the broad areas of responsibility for the Committee. Other items may be added by councillors and staff, should this be required to respond to issues as they occur throughout the year.

## 3. Risk and Assurance Completed Work Programme

Appendix 2 shows the Risk and Assurance Completed Work Programme for the period June 2021 to April 2022.

## 4. Considerations

### 4.1 Risks and Mitigations

There are no significant risks associated with this matter/subject/project/initiative.

### 4.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

### 4.3 Implications for Māori

There are no implications for Māori.

### 4.4 Financial Implications

This work is being undertaken within the current budget for the Government Activity in Year 1 of the Long Term Plan 2021 – 2031.

## 5. Next Steps

None.

## Attachments

Attachment 1 - Appendix 1 - Risk and Assurance Work Programme 2022 [↓](#)

Attachment 2 - Appendix 2 - Risk and Assurance Completed Work Programme for June 2021 to April 2022 [↓](#)

**Item 8.2**

## *Risk & Assurance Committee Work Programme September 2022*

September 2022 15 September			
<ul style="list-style-type: none"> <li>Internal Audit Status Update</li> <li>Internal Audit Annual Report 2021/22 and Review Update</li> </ul>			
<ul style="list-style-type: none"> <li>Key Risk Register – Quarterly Update</li> <li>Rates Collection Risk Report</li> </ul>			
<ul style="list-style-type: none"> <li>Chairperson’s Report (including Work Programme)</li> <li>Council Chairman’s Discretionary Fund – Annual Report</li> <li>Draft Annual Report Review 2021/2022</li> <li>Expenditure and Koha Report</li> <li>Local Government Official Information &amp; Meetings Act 1987 – Annual Report for period 1 July 2021 – 30 June 2022</li> </ul>			
External Audit	Internal Audit	Risk	Other



***Risk & Assurance Completed Work Programme  
June 2021 to April 2022***

Meeting date	Report title	Purpose of report
<b>10 June 2021 Committee Meeting</b>	Committee Chairperson's Report	Report provided the Committee with an update on Risk and Assurance Committee Activities.
	Internal Audit Update and Audit Plan	This report provides an update on the status of internal audit activities as at 31 March 2021
	External Audit Plan and Audit Fees 2020/21	This report provides the audit plan and audit fees proposed by Audit New Zealand for the external audit of BOPRC for the year ending 31 June 2021.
	External Audit: Report to Council on the Long Term Plan 2021 – 2031 Consultation Document	This report was based on a range of audit reviews of the Council's Long Term Plan documents, plans and processes received from Audit New Zealand.
	Setting of Rates 2021/22	This report provided the draft Bay of Plenty Regional Council Rates Resolution and it's specific wording requirements to ensure continued statutory compliance for the Setting of Rates 2021/22.
	Cybersecurity Risk Management Update	<b>CONFIDENTIAL</b> - Presentation was presented to members of the Committee relating to the cyber security data breach at the Waikato District Health Board
	IRD Risk Review of Bay of Plenty Regional Council	<b>CONFIDENTIAL</b> - This report was presented to the Committee with the IRD's letter that the IRD Risk Review was finalised with no further adjustments required.
	Completed Audit Reviews	<b>CONFIDENTIAL</b> - This report provided a summary of internal audit reviews completed during the quarter as part of the 2020/21 Internal Audit Plan.
	Key Risk Register	<b>CONFIDENTIAL</b> - This report provided an update on Key Risks.
Meeting date	Report title	Purpose of report
<b>21 October 2021 Committee Meeting</b>	Committee Chairperson's Report	Provided the Committee with an update on Risk and Assurance Committee Activities.
	2020/21 Draft Annual Report Review	This report presented the Draft Annual Report 2020/21 to the Risk and Assurance Committee.
	Chairman's Discretionary Fund 2020/21	This report provided an updated summary list of financial assistance provided to various organisations for 2021.
	Expenditure and Koha Report for the year ended 30 June 2021	The report provided financial information about the Council's total supplier spend for the 12 months ending 30 June 2021 and koha expenditure for 2020/21.
	Summary of Councillors' Expenditure July 2020 – June 2021	The report summarised the annual Councillors related expenditure for the last financial year.
	Audit New Zealand Final Management Report on Long Term Plan 20201 - 2031	This report is based on a range of reviews of the content of the LTP undertaken by Audit NZ Staff.
	Essential Freshwater Policy Programme Risks	The report outlined significant risks for the Essential Freshwater Policy Programme, relating to legislated obligations, environmental outcomes, progressing partnerships with Māori and relationships.
	Local Government Official Information and Meetings Act 1987 – Annual Report 1 July 2020 to 30 June 2021	This report provided the Committee with information relating to requests under the Local Government Official Information and Meetings Act 1987 from 1 July 2020 to 30 June 2021.
	Internal Audit Status Update and 2020/21 Annual Reports	The report provided an update on the status of internal audit activities as at 30 June 2021.

***Risk & Assurance Completed Work Programme  
June 2021 to April 2022***

	Infrastructure Insurance Review – Flood Risk Assessment	<b>CONFIDENTIAL</b> – This report highlighted the benefits of Council's joint procurement with Bay of Plenty Shared Services Ltd's (BOPLASS) insurance programme for insurance underwriters and reduced premium costs.
	Legal Services – Annual Report 1 July 2020 to 30 June 2021	<b>CONFIDENTIAL</b> – The report highlighted Council's lowest spend on external legal services since 2014.
	Legislative Compliance – Annual Report 1 July 2020 to 30 June 2021	<b>CONFIDENTIAL</b> – This report highlighted the results of our Legislative Compliance Report which will be run annually showing our legal compliance obligations and risks.
	Completed Audit Reviews (Q4 FY20/21)	<b>CONFIDENTIAL</b> – The report provided a summary of internal audit reviews completed during the quarter as part of the 2020/21 Internal Audit Plan.
	Key Risk Register	<b>CONFIDENTIAL</b> – This report provided Council's Key Risk Register's risk related information for our most significant and high profile risks.

Meeting date	Report title	Purpose of report
<b>2 December 2021 Committee Meeting</b>	Committee Chairperson's Report	Provided the Committee with an update on Risk and Assurance Committee Activities.
	Internal Audit Status Update	This report provided an update on the status of internal audit activities as at 30 September 2021.
	Key Risk Register	This report provided the Committee with Council's Key Risk Register's risks related information for our most significant and high profile risks.

Meeting date	Report title	Purpose of report
<b>14 April 2022 Committee Meeting</b>	Audit New Zealand Report on audit of the Bay of Plenty Regional Council Toi Moana for the year ended 30 June 2021	This report outlined the audit findings, recommendations and priorities.
	Chairperson's Report	This report provided the Committee with an update on Risk and Assurance Committee activities.
	Internal Audit Update	This report provided an update on the status of internal audit activities as at 31 December 2021.
	Draft Terms of Reference – Efficiency and Effectiveness Reviews	This report sought feedback on the Draft Terms of Reference for a programme of Efficiency and Effectiveness reviews.
	Key Risk Register	<b>CONFIDENTIAL</b> – This report outlined Council's Risk Register which provides risk related information for our most significant and high profile risks.



<b>Report To:</b>	Risk and Assurance Committee
<b>Meeting Date:</b>	9 June 2022
<b>Report Writer:</b>	Aaron Huggins, Principal Internal Auditor
<b>Report Authoriser:</b>	Mat Taylor, General Manager, Corporate
<b>Purpose:</b>	To provide an update on the internal audit program and the audit plan.

## Internal Audit Update

### Executive Summary

This report provides an update on the status of internal audit activities as at 31 March 2022 and includes:

- The status of internal audit reviews in the current year;
- The status of follow up of internal audit recommendations and management actions to 31 March 2022.

## Recommendations

**That the Risk and Assurance Committee:**

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

### 1. Introduction

This report provides the quarterly update on internal audit activity undertaken by internal audit staff and external assurance specialists as part of Bay of Plenty Regional Council's co-sourced internal audit approach. It includes:

- The status of internal audit reviews in the current year;
- The status of follow up of internal audit recommendations and management actions to 31 March 2022.

#### 1.1 Alignment with Strategic Framework

---

**The Way We Work** We continually seek opportunities to innovate and improve.

---

## 2. Internal Audit Work Plan 2021/22 Status

Based on the Internal Audit Work Plan 2021/22 the following table summarises the status of internal audit reviews for 2021/22.

Review	Field work	GM Sponsor	Status	Status of Internal Audit				
				Planning /Scope	Fieldwork	Draft Report	Mgmt Actions	Final Report
Project management	BOPRC	Corporate	In Progress	Complete	In Progress (25%)			
Business continuity management	BOPRC	Chief Executive	In Progress	Complete	In Progress (25%)			
Pest management plan	BOPRC	Integrated Catchments	In Progress	Complete	Complete	Complete	In Progress (25%)	
Risk management	Co-Source	Corporate	In Progress	Complete				
Laboratory services – benefits realisation	BOPRC	Regulatory Services	In Progress	Complete	Complete	Complete	In Progress (25%)	
Post-COVID funding readiness	BOPRC	Integrated Catchments	In Progress	In Progress (75%)				
Compliance process	BOPRC	Regulatory Services	In Progress	Complete	In Progress (25%)			
Payroll	BOPRC	People & Leadership	In Progress	Complete				
ICT Security Review (20/21)	BOPRC	Corporate	In Progress	Complete	Complete	Complete	Complete	Complete

While the quarter has continued to see COVID impact operations across BOPRC, this has started to reduce. As such, a more normalised assurance delivery workflow has started to resume.

We have appointed a provider to carry out the Risk Management review, which will be performed during July 2022.

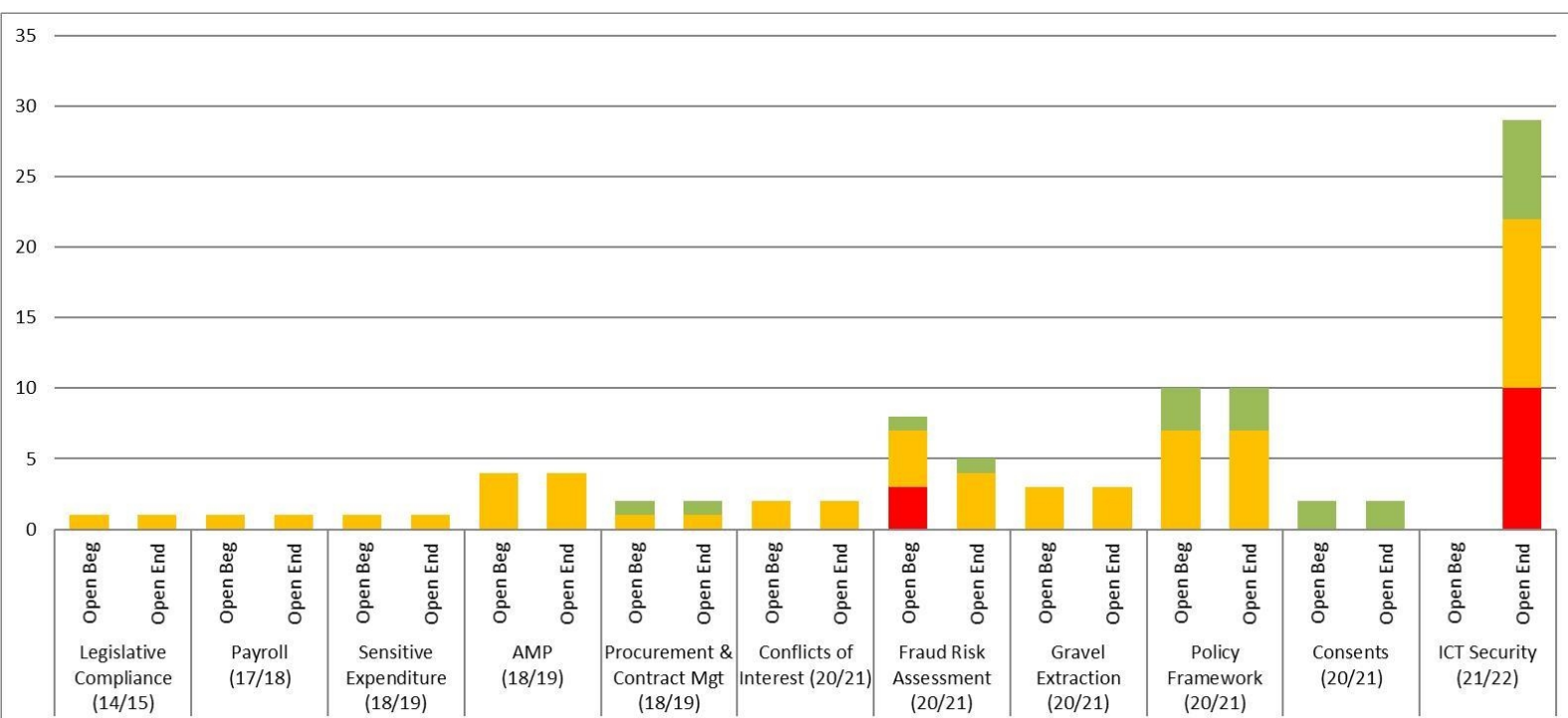
## 3. Internal Audit Follow Up

Internal Audit has reviewed all open management actions as part of the follow up work in the 2021/22 Work Plan.

Management actions

At the start of the quarter (1 January 2022) there were 35 open management actions.

During the quarter three actions were closed and twenty nine actions were added. The total of actions open as at 31 March 2021 is 61, the majority of these relate to ICT Security (29), Policy Framework (ten), and Fraud Risk Assessment (five).



At the start of the quarter (1 January 2022) there was 1 open Health & Safety improvement action; this action remains open and refers to the last phase of the critical risk project rollout.

## 4. Considerations

### 4.1 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

## 4.2 Financial Implications

There are no material unbudgeted financial implications and this fits within the allocated budget.

## 5. Next Steps

To note the Internal Audit status update (as at 31 March 2022).



**Report To:** Risk and Assurance Committee

**Meeting Date:** 9 June 2022

**Report Writer:** Mereana Toroa, Finance Support Team Lead and Kumaren Perumal, Chief Financial Officer

**Report Authoriser:** Mat Taylor, General Manager, Corporate

**Purpose:** Rates setting for 2022/23 financial year

## Rates Setting for the 2022/23 financial year

### Executive Summary

This report provides the draft Bay of Plenty Regional Council rates setting recommendations to ensure continued statutory compliance for the rates setting process for the 2022/23 financial year.

An external legal review has been undertaken to perform a legislative compliance review of the rates setting process for 2022/23 financial year. The attached draft Rates Setting Report to Council incorporates amendments arising from this review process.

Council is scheduled to set rates for the 2022/23 financial at its meeting on 23 June 2022.

### Recommendations

**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.**

1. Introduction

1.1 Legislative Framework

The Local Government Act 2002 (the Act) and more specifically the Local Government (Rating) Act 2002 (the Rating Act) sets out the process for setting rates for a property. This involves the preparation of three formal documents:

- i. Funding Impact Statement;
- ii. Rates Setting Report to Council; and
- iii. Draft Annual Plan

1.2 Alignment with Strategic Framework

A Healthy Environment	
Freshwater for Life	
Safe and Resilient Communities	
A Vibrant Region	
The Way We Work	We deliver value to our ratepayers and our customers.

Rates revenue supports the delivery of all of our work to achieve the Community Outcomes.

1.2.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input type="checkbox"/> Social	<input type="checkbox"/> Economic

Rates revenue supports the delivery of all of our work to improve the well-beings.



## 2. Rates Setting

### 2.1 Background

The Local Government Act 2002 (the Act) and more specifically the Local Government (Rating) Act 2002 (the Rating Act) sets out the process for setting rates for a property. This involves the preparation of three formal documents;

- i. Funding Impact Statement;
- ii. Rates Setting Report to Council; and
- iii. Long Term Plan.

### 2.2 Funding Impact Statement

The Funding Impact Statement (FIS) is a detailed explanation to the community of what rates will be charged, how they will be calculated and what they will be used for. Ratepayers should be able to work out what they will pay from this document.

To prepare an Annual Plan (Schedule 10, part 2 Clause 20) and Long Term Plan (Schedule 10, part 1 Clause 5 and 15) in accordance with the Act, the plan must include a FIS for the year to which it relates. It must be in the prescribed form, and must identify:

- a) The sources of funding to be used by the local authority;
- b) The amount of funds expected to be produced from each source; and
- c) How the funds are to be applied.

### 2.3 Rates Resolution

The Rates Resolution is a local authority's formal legal decision to impose specific rates on a community and creates the obligation to pay. Each rate must be set in keeping with the relevant FIS and Long Term Plan.

The preparation of the Rates Resolution must be in accordance with section 23 of the Rating Act. The rates set in the resolution must;

- d) Relate to a financial year;
- e) Be set in accordance with the relevant provisions of the Council's LTP and FIS for that financial year.

### 2.4 Long Term Plan

The Long Term Plan (LTP) sets out what Council intends to do and how it will go about delivering on its objectives over the next ten years.

Detailed legal requirements on what is to be included in the LTP is prescribed under schedule 10, part 1 of the Act. This includes the FIS, a policy governing Council's financial strategy for the next three years, Council's revenue and financing policy and Council's Rates Remissions and Postponement Policies. This provides a prudent financial management framework for Council to make decisions.

It also provides the basis for Council's funding mix and source of funds.

## 2.5 Annual Plan

The Annual Plan shows what the Council intends to do and how it will go about delivering on its objectives for the coming financial year.

The detailed legal requirements on what is to be included in the Annual Plan is set out in schedule 10, part 2 of the Act. This includes the FIS and rating database information. This provides a prudent financial management framework for Council to make decisions.

## 3. Local Government Rate Setting Reviews

### 3.1 Audit Implications

While the Annual Plan is not subject to an audit process Audit New Zealand carries out an Annual Plan legal compliance assessment as part of the annual report audit process.

### 3.2 Legal Review

An external legal advisor has been engaged to perform a statutory compliance review for the 2022/23 financial year's rate setting and collection processes. Feedback from this process has been incorporated into the attached draft Rates setting for the 2022-23 financial year paper. The review will continue up to the date of the finalisation of the Council report, and will be completed in advance of the Council meeting.

Recommendations from the review are included in the final rates setting recommendations presented to Council for the 2022/23 financial year.

## 4. Draft Rates Setting 2022/23

### 4.1 Changes from 2021/22

Council will be collecting its own rates from 2022/23. As such, paragraphs 21 to 27 in Attachment 1 have been specifically amended to address all envisaged process implications of the rates collection function.

There are no new targeted rates to be set for the 2022/23 year.

## 5. Considerations

### 5.1 Risks and Mitigations

The main risk relates the rates setting process not being legislatively compliant

### 5.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

### 5.3 Implications for Māori

Māori are ratepayers and are affected in the same way as any other member of the community in the same situation as them in terms of property ownership and ability to pay. Māori freehold land may, in certain circumstances, be eligible for rates remissions.

The Local Government (Rating of Whenua Māori) Amendment Act 2021 came into force on 1 July 2021. This changed several aspects of the Local Government (Rating) Act, and other Acts, to facilitate the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

The reviews of the Revenue and Financing Policy, the Policy on Development Contributions or Financial Contributions, and the policy on the Remission and Postponement of Rates on Māori Freehold Land are required to support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

### 5.4 Community Engagement



#### **INFORM** **Whakamōhio**

To provide affected communities with balanced and objective information to assist them in understanding the problems, alternatives and/or solutions.

Council deliberated on the draft Annual Plan 2022/23 and related policies at its meeting of 18 May 2022. This followed a process that involved four Council workshops through late 2021 and early 2022. The proposed draft Annual Plan 2022/23 budget has been revised to incorporate Council direction from the deliberations meeting on 18 May 2022.

### 5.5 Financial Implications

This work is planned under the Finance Activity in the Annual Plan 2022-2023.

## 6. Next Steps

The next steps for this process are to address the final legal review recommendations, receive feedback from the Committee on this report, recommend that Council adopts the Annual Plan and Financial Policies, recommend that Council adopts the rates resolutions.

## Attachments

Attachment 1 - Rates setting for the 2022-23 financial year (Public Excluded) [↓](#)

Attachment 2 - Rating Delegations - Recommended Additions to Council's Delegations Manual - 23 June 2022 [↓](#)

## **ITEM 8.4**

### **PUBLIC EXCLUDED ATTACHMENT 1**

#### **Rates setting for the 2022-23 financial year**

**LOCAL GOVERNMENT (RATING) ACT 2002**

The Local Government (Rating) Act 2002 (LGRA) gives a local authority the power to assess, set and collect rates in a transparent and consultative manner. The LGRA also sets out the processes and information which must be made available to enable ratepayers to identify and understand their liability for rates.

Delegations under the LGRA have been delegated to staff directly by a Council resolution on 10 November 2021. They cannot be further sub-delegated by the Chief Executive (or other delegate) in accordance with 132 LGRA.

Where there is more than one delegate, unless otherwise stated, the power is given to each delegate individually.

SECTION	DESCRIPTION OF FUNCTION / POWER / DUTY	DELEGATES
	Any of the functions, powers and duties conferred on the Council by the Local Government (Rating) Act 2002 (including any amendments to the Act) and any regulations, rules and Bay of Plenty Regional Council policies and plans made under the Act, that are not otherwise specifically delegated by Council <u>with the exception of:</u> <ul style="list-style-type: none"> <li>the power to delegate;</li> <li>the power to make a rate;</li> <li>any functions, powers and duties under Subpart 2 of Part 1 (sections 7 to 26) of the Act;</li> <li>any functions, powers and duties under Subpart 1 of Part 5 (sections 118 to 130) of the Act; and</li> <li>any functions, powers and duties the Council is prohibited by rule of law from delegating to a Council officer.</li> </ul>	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Setting</li> <li>Manager responsible for Rates Collection</li> <li>Rates Team Leader</li> </ul>
27	Functions, powers and duties relating to keeping and maintaining a rating information database	<ul style="list-style-type: none"> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Setting</li> <li>Manager responsible for Rates Collection</li> <li>Rates Team Leader</li> <li>Manager responsible for Customer Services</li> </ul>

## Item 8.4, Attachment 2

28 and 28A	Functions, powers and duties relating to making the rating information database and the complete rating information database available for inspection	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Manager responsible for Customer Services</li> </ul>
28C	Power to remove or restore an owner's name and/or postal address upon that owner's written request	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Manager responsible for Customer Services</li> </ul>
29	Power to determine objections to information contained in the rating information database	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
33	Power to update the rating information database upon receipt of notification of transfer or assignment of lease or licence	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Manager responsible for Customer Services</li> </ul>
35	Power to determine if the name of a ratepayer entered in the rating information database may be removed	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
36	Power to update the rating information database upon receipt of notification of change of name	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Manager responsible for Customer Services</li> </ul>

## Item 8.4, Attachment 2

37	Functions, powers and duties relating to keeping and maintaining rates records for each rating unit in the district	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
38	Functions, powers and duties in relation to making the rates records available for inspection and to determine if a requester is entitled to inspect the rates records	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Chief Information Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Manager responsible for Customer Services</li> </ul>
39	Power to determine objections to rates records	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
40	Power to authorise correction of an error in the rating information database or rates records even though no objection has been received	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
41	Power to authorise the issue of an amended rates assessment if an error in the rating information database or the rates record is corrected and to make a refund (if applicable)	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
41A	Power to authorise the issue of an amended rates assessment to give effect to a decision on an objection to a valuation under the Rating Valuations Act 1998 and to make a refund (if applicable)	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>

## Item 8.4, Attachment 2

42	Power to recover additional rates and to add interest to any rates that are determined to be recoverable in accordance with the Council resolution authorising penalties to be added	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
44 and 45	Functions, powers and duties relating to content and delivery of rates assessments	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> </ul>
46	Functions, powers and duties relating to content and delivery of rates invoices	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> </ul>
47	Functions, powers and duties relating to delivery of amended rates invoice	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
48	Functions, powers and duties relating to delivery of rates assessments and rates invoices (including the power to determine if a rates invoice will be delivered with the rates assessment)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
50	Functions, powers and duties in relating to delivering a rates invoice for not more than 25% of the rates that are payable in the previous year if not able to deliver a rates assessment at least 14 days before the circumstances specified in subsection 50(1)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
51	Functions, powers and duties relating to delivery of combined rates assessments and combined rates invoices if the circumstances set out in subsection 51(1) apply	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
52	Power to determine method of payment of rates	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>



## Item 8.4, Attachment 2

53	Power to appoint a rates collector. Power to accept appointment of the Council as a rates collector for another local authority.	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
54	Power to determine not to collect rates payable on a rating unit that are uneconomic to collect	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> </ul>
55(3)	Power to apply rates discounts for early payment in accordance with Council's policy for early payment of rates in current financial year	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
56(4)	Power to apply rates discounts for early payment in accordance with Council's policy for early payment of rates in subsequent financial years	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Setting</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
57 and 58	Power to add penalties for rates not paid by the due date in accordance with the Council resolution authorising penalties to be added	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
61(1)	Power to recover rates from the owner of a rating unit if the ratepayer defaults	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>

## Item 8.4, Attachment 2

61(2)	Power to recover or retain the amount of unpaid rates from the ratepayer (where Council is the owner but another entity is the ratepayer)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
62	Power to: <ul style="list-style-type: none"> <li>• notify persons with an interest in the property that the owner has defaulted in paying rates; and</li> <li>• accept payment from those persons; or</li> <li>• recover the unpaid rates from the first mortgagee.</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer/</li> <li>• Manager responsible for Rates Collection</li> </ul>
63 and 64	Power to commence legal proceedings to recover unpaid rates and service of summons to an agent or by public notice	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
67	Power to apply to the Registrar of the High Court to have a judgment enforced (for sale or lease of a rating unit)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> </ul>
72	Power to give consent to the Registrar to sell or lease a rating unit by private treaty for any consideration that the Registrar thinks reasonable	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> </ul>
77	Power to apply to the District Court for an order declaring land as abandoned and authorising Council to sell or lease the land (includes the power to give notice under subsections 77(2) and 77(4))	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> </ul>
79 to 83	All authority necessary under sections 79 to 83 to implement the court's authorisation (given pursuant to section 78) to the Council to sell or lease abandoned land (provided that any documents that Council is required to execute under seal are executed by persons with the necessary delegated authority to witness the affixation of Council's seal)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> </ul>

## Item 8.4, Attachment 2

85 and 86	Power to remit rates (and penalties for unpaid rates) in accordance with Council's rates remission policy and section 85 (including the duty to give notice to the ratepayer pursuant to subsection 85(2)) and duty to record remitted rates in accordance with section 86	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Kaitohutohu Matua, Whenua Māori (Māori Land Rates Specialist)</li> </ul>
87	Power to postpone the requirement to pay all or part of the rates (including penalties for unpaid rates) in certain circumstances in accordance with Council's rates postponement policy and section 87 (including the duty to give notice to the ratepayer pursuant to subsection 87(2))	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> </ul>
88	Power to authorise that a postponement fee be added to postponed rates in accordance with the Council's rates postponement policy and section 88	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
89(2)	Functions, powers and duties relating to authorising the recording of postponement fees	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
90(1)	Power to register a notice of charge on a rating unit if the requirement to pay rates for the rating unit has been postponed under section 87(1)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-house Legal Counsel</li> </ul>
90(2)	Power to determine whether to give consent to the Registrar to register a dealing by the owner of the rating unit, of the land comprising the rating unit	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-house Legal Counsel</li> </ul>

## Item 8.4, Attachment 2

90(4)	Power to register a notice of release of charge if all postponed rates for a rating unit are paid	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-house Legal Counsel</li> </ul>
92	Power to record details of ratepayers for Māori freehold land	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• Rates Team Leader</li> <li>• Kaitohutohu Matua, Whenua Māori (Māori Land Rates Specialist)</li> </ul>
93	Power to request annual financial statements from beneficial owners of rateable Māori freehold land	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
94	Power to apply to the Māori Land Court to appoint an owner or an agent of the owners to receive rates assessments and rates invoices and to record the appointee in the rating information database in accordance with subsection 94(3)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
95(3)	Functions, powers and duties relating to delivery of rates assessments to an appointee appointed under section 94	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
97	Functions, powers and duties relating to delivery of rates assessments and rates invoices to a person actually using rateable Māori freehold land and liable for rates in accordance with section 96	<ul style="list-style-type: none"> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
98A	Power to divide Māori freehold land into separate rating areas upon request made in accordance with section 98A and power to give notice of the request to the ratepayers of the rating unit	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>

## Item 8.4, Attachment 2

98B	Power to apportion rates assessed for the rating unit between each separate rating area and residual rating area in accordance with section 98B	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
98D	Power to agree with a requestor that a separate rating area should apply from the commencement of the financial year in which the request is made and power to do anything required to in respect of adjustments pursuant to subsection 98D(3)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
98E	Power to determine that a separate rating area ceases to be a separate rating area and the financial year from which any such determination shall apply. Power to write off any rates outstanding in accordance with subsection 98E(3).	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
99	Power to apply to the Māori Land Court for an order charging unpaid rates against Māori freehold land	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-house Legal Counsel</li> </ul>
104	Power to give consent to owner to deal with Māori freehold land that is the subject of a charging order	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
108	Power to apply to the Māori Land Court to enforce a charging order made by the Court	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-house Legal Counsel</li> </ul>
111	Power to apply to the Māori Land Court to make an order for the payment of unpaid rates by the Māori Trustee or any other person as described in subsection 111(1)	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>

## Item 8.4, Attachment 2

112	Power to discharge a charging order in writing on behalf of the Council (in full or in proportion to the amount of rates paid)	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Collection</li> </ul>
114	Power to remit all or part of the rates (including penalties for unpaid rates) on Māori freehold land in accordance with Council's remission and postponement of rates on Māori freehold land policy and section 114	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Collection</li> <li>Rates Team Leader</li> <li>Kaitohutohu Matua, Whenua Māori (Māori Land Rates Specialist)</li> </ul>
114A	Power to remit all or part of rates (including penalties for unpaid rates) on Māori freehold land for land that is being developed, or intended to be developed in accordance with section 114A	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Collection</li> <li>Rates Team Leader</li> <li>Kaitohutohu Matua, Whenua Māori (Māori Land Rates Specialist)</li> </ul>
115	Power to postpone the requirement to pay all or part of the rates on Maori freehold land (including penalties for unpaid rates) in accordance with Council's remission and postponement of rates on Maori freehold land policy and section 115	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Collection</li> </ul>
116	Power to determine whether to give consent to the Governor-General exempting Māori freehold land, as specified in the relevant Order in Council, from some or all liability for rates.	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> </ul>
131	Power to arrange for a registered valuer to make an estimate of the projected valuation of all rateable land	<ul style="list-style-type: none"> <li>Chief Executive</li> <li>General Manager, Corporate</li> <li>Chief Financial Officer</li> <li>Manager responsible for Rates Collection</li> </ul>

135(2)	Power to sign the documents specified in section 135 as correct copies for the purpose of legal proceedings	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• General Manager, Corporate</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> <li>• In-House Legal Counsel</li> </ul>
--------	-------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**RATING VALUATIONS ACT 1998**

Delegations under the Rating Valuations Act 1998 have been delegated to staff directly by a Council resolution on 10 November 2021.

Where there is more than one delegate, unless otherwise stated, the power is given to each delegate individually.

SECTION	DESCRIPTION OF FUNCTION / POWER / DUTY	DELEGATES
	Any of the functions, powers and duties conferred on the Council by the Rating Valuations Act 1998 (including any amendments to the Act) and any regulations, rules and Bay of Plenty Regional Council policies and plans made under the Act, that are not otherwise specifically delegated by Council <u>with the exception of:</u> <ul style="list-style-type: none"> <li>• any functions, powers and duties the Council is prohibited by rule of law from delegating to a Council officer.</li> </ul>	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• Chief Financial Officer/Deputy Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>
43	Power to agree with the relevant territorial authority the amount of Council's share of the costs of the relevant territorial authority in preparing and maintaining its district valuation roll.	<ul style="list-style-type: none"> <li>• Chief Executive</li> <li>• Chief Financial Officer/Deputy Chief Financial Officer</li> <li>• Manager responsible for Rates Collection</li> </ul>