

Minutes of the Audit and Risk Committee Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Wednesday, 28 November 2018 commencing at 9.30 a.m.

Present:

Chairman: J Cronin

Deputy Chairman: D Love

Councillors: S Crosby, A Tahana

Ex Officio: Chairman D Leeder

Appointees: B Robertson

In Attendance: Councillors K Winters, L Thurston; J Nees; Mat Taylor - General Manager, Corporate; Chris Ingle - General Manager, Integrated Catchments; Sarah Omundsen - General Manager, Regulatory; Namouta Poutasi - General Manager, Strategy and Science; Sam Rossiter-Stead - Communications Manager; Annabel Chappell - Te Tuara Manager; Steven Slack - Risk & Assurance Manager; Donna Llewellyn - In-House Legal Counsel; Andy Dixon - Accounting Team Leader; Nic Newman - Principal Advisor; Claire Gordon - Internal Auditor; Rachel Pinn - Programme Leader - Passenger Transport; Merinda Pansegrouw - Committee Advisor.

External presenter: Anton Labuschagne, Audit New Zealand

Apologies: Cr A Von Dadelszen and Cr A Tahana (late arrival)

1 Apologies

Resolved

That the Audit and Risk Committee:

- 1 Accepts the apologies from Councillors Von Dadelszen and Tahana (for lateness) tendered at the meeting.**

**Love/Cronin
CARRIED**

2 Public Forum

Nil

3 **Acceptance of Late Items**

Nil

4 **General Business**

Nil

5 **Confidential Business to be transferred into the Open**

Nil

6 **Declaration of Conflicts of Interest**

Nil

7 **Previous Minutes**

7.1 **Audit and Risk Committee Minutes - 11 September 2018**

Resolved

That the Audit and Risk Committee:

- 1 **Confirms the Audit and Risk Committee Minutes of 11 September 2018 as a true and correct record.**

Love/Cronin
CARRIED

8 **Reports**

8.1 **External Audit: Final Management Report on the audit of the Annual Report for the year ending 30 June 2018**

Accounting Team Leader Andy Dixon presented the report and introduced external auditor Anton Labuschagne from Audit New Zealand (Audit NZ).

Mr Labuschagne outlined the key points of the Audit New Zealand Management Report for the year ending 30 June 2018:

Key Points

- Audit NZ commended Bay of Plenty Regional Council on the unmodified audit opinion and thanked staff for their delivery and assistance during the audit process
- As part of the audit findings a number of recommendations have been highlighted and these had been appropriately actioned by the Bay of Plenty Regional Council
- Since there would be three significant for-profit standards applicable to the Quayside Group for the 2018/19 review, it was recommended that in liaison with the Quayside Group, proactive consideration be given to the early adoption of the new accounting standards.

In Response to Questions

- It was noted that Audit NZ had recommended that all interests be declared and recorded in Interest Registers (Page 43, item 4.4) as searches by Audit NZ of the

Companies Office and the Charities Commission registers had identified a number of interests that had not been declared. Although each member of Council was required to complete an "Interest Register Form", the level of detail to be declared needed to be clarified.

Items for Staff Follow-up

- The level of detail to be declared in "Elected Member's Register of Interests" to be clarified
- In preparation for the 2018/19 audit review, consideration be given to the early adoption of new accounting standards applicable to the Quayside Group.

Resolved

That the Audit and Risk Committee:

- 1 Receives the report, External Audit: Final Management Report on the audit of the Annual Report for the year ending 30 June 2018;**

**Love/Cronin
CARRIED**

8.2 Committee Chairperson's Report

General Manager, Corporate Mat Taylor updated members on the Audit and Risk Committee activities and provided an overview of the work programme for the period November 2018 to September 2019. He informed members of key organisational changes subsequent to the introduction of the new "Fit for Purpose Structure": Annabel Chappell had been appointed as Te Tuara Manager and Steve Slack as Risk & Assurance Manager.

Item for Staff Follow-up

- The external Audit Arrangement Letter for the Audit to 30 June 2019 to preferably be submitted to the Audit and Risk Committee at the meeting scheduled for March 2019.

Resolved

That the Audit and Risk Committee:

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

**Cronin/Robertson
CARRIED**

9:45 am Cr Tahana **joined** the meeting.

8.3 Legal Services Annual Report & Legislative Compliance

In-House Legal Counsel Donna Llewellyn presented the report outlining an update on the legislative compliance framework and Bay of Plenty Regional Council's legislative compliance during the 2017/18 financial year.

Item for Staff Follow-up

- A copy of the legal advice recently received regarding water provision relevant to modelling in the Upper Kaituna River to be provided to Cr Tahana.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 Receives the report, Legal Services Annual Report & Legislative Compliance; and
- 2 Notes the actions taken to progress the legislative compliance framework.

Cronin/Love
CARRIED

8.4 Update on Preparation for CouncilMARK Assessment

Communications Manager Sam Rossiter-Stead provided an update on progress made in preparing for the CouncilMARK assessment process scheduled during the first quarter of 2019.

Resolved

That the Audit and Risk Committee:

- 1 Receives the report, Update on Preparation for CouncilMARK Assessment, and notes the process which is taking place to prepare for the assessment.

Cronin/Crosby
CARRIED

10:30 a.m. - The meeting adjourned.

10:55 a.m. - The meeting reconvened.

8.5 Rangitaiki River Scheme Review (April 2017 Flood Event): Implementation update

Refer PowerPoint Objective ID: zA228615 and tabled item A3078356

Principal Advisor Nic Newman and Engineering Manager Mark Townsend presented the report providing an update on progress made with the implementation of recommendations from the review:

Key Points

- The Evacuation Planning recommendations had been completed: tabled item "Flood Evacuation Protocol Edgecumbe 13 April 2018 Version 1.0" was provided for the information of members
- New monitoring sites were due for installation during November and the College Road stopbank reconstruction had been completed
- Work with Trustpower was ongoing and communication protocols were complete and tested
- Options for the Rangitāiki Floodway upgrade, consistent with the Review recommendations, have had technical analysis along with community engagement and a recommendation would be brought to a future Council meeting
- The report had completed the annual delegation of a monitoring function from Council to the Audit and Risk committee. As a next step it would be recommended

that Council focus on the long term strategic management of flood risk in the region and adaptation to climate change.

Item for Staff Follow-up

- As a final step and to complete the process of implementing the recommendations in the Rangitāiki River Scheme Review, consideration be given to the inclusion of an external peer review of the implementations for inclusion in the Council report due early 2019.

Resolved

That the Audit and Risk Committee:

- 1 Receives the report, Rangitāiki River Scheme Review (April 2017 Flood Event): Implementation update;**
- 2 Notes the significant progress that Council has made on implementation over the previous 12 months;**
- 3 Notes that this report marks the end of the committee's monitoring delegation, with a final report back to Council in early 2019.**

**Cronin/Robertson
CARRIED**

8.6 Internal Audit Status Update 2018/19

Risk & Assurance Manager Steve Slack and Internal Auditor Claire Gordon provided an outline of the report and responded to questions.

Resolved

That the Audit and Risk Committee:

- 1 Receives the report, Internal Audit Status Update 2018/19.**

**Love/Crosby
CARRIED**

8.7 Public Excluded Section

Resolved

Resolution to exclude the public

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

General Subject of Matter to be Considered	Reason for passing this resolution in relation to this matter	Grounds under Section 48(1) LGOIMA 1987 for passing this resolution
9.1 Public Excluded Audit and Risk Committee Minutes – 11 September 2018	Please refer to the relevant clause in the meeting minutes	Good reason for withholding exists under Section 48(1)(a)
9.2 Internal Audit 2018/19 Review Update	To prevent improper gain or advantage	Good reason for withholding exists under Section 48(1)(a)
9.3 Kopeopeo Canal Remediation Project Update 20	To carry out commercial and industrial negotiations	Good reason for withholding exists under Section 48(1)(a)
9.4 Key Risk Register Quarterly Update - October to December 2018	To protect this information so it doesn't damage public interest	Good reason for withholding exists under Section 48(1)(a)

Leeder/Tahana
CARRIED

8.8 Confidential Business to be Transferred into the Open Resolved

That the Audit and Risk Committee:

1. Transfers item 9.2, “Internal Audit 2018/19 Review Update” on page 111 of the Public Excluded Agenda of the Audit & Risk Committee of 28 November 2018, in its entirety, into the open.

Crosby/Love
CARRIED

The meeting closed at 12:47 p.m.

Confirmed

Chairperson, Audit and Risk Committee

Date