

Minutes of the Audit and Risk Committee Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Thursday, 1 March 2018 commencing at 9.30 a.m.

Present:

- Chairman:** J Cronin
Deputy Chairman: D Love
Councillors: S Crosby, A von Dadelszen, A Tahana
Ex Officio: Chairman D Leeder
Appointees: B Robertson

In Attendance: Councillor N Bruning, M Macleod (Chief Executive), M Taylor (General Manager Corporate Performance), S Hey (Manager Chief Executive’s Office), A Chappell (Property Manager), D Hyland (Finance and Corporate Planning Manager), N Newman (Principal Advisor), S Slack (Principal Internal Auditor), C Gordon (Internal Auditor), B Love (Contractor Project Manager for Kopeopeo Canal), R Garrett (Committee Advisor).

Apologies: A Tahana (lateness)

1 Apologies

Resolved

That the Audit and Risk Committee:

- 1 Accepts the apology tendered by Councillor Tahana for lateness**

**Cronin/Love
CARRIED**

2 Public Forum

Nil.

3 Acceptance of Late Items

The Committee was advised of the following tabled item for consideration:

- 1) Tabled Item 1, *External Audit: Management Report on the Long Term Plan 2018-2028 Consultation Document***

This item was not included in the agenda as the Management Report was not provided by Audit New Zealand until after the agenda had been published, and

its consideration could not be delayed until a subsequent meeting as the Consultation Process discussed in the report was due to commence.

Resolved

That the Audit and Risk Committee:

Pursuant to section 46A of the Local Government Official Information and Meetings Act 1987, considers the following tabled item at the meeting:

Tabled Document 1	Agenda Report	Item 8.2	External Audit: Management Report on the Long Term Plan 2018-2028 Consultation Document
-------------------	---------------	----------	---

Cronin/von Dadelszen
CARRIED

4 General Business

Nil.

5 Declaration of conflicts of interest

Councillor Love noted his membership of the Ōpōtiki District Council Audit and Risk Committee.

6 Previous Minutes

6.1 Audit and Risk Committee minutes - 19 December 2017

Resolved

That the Audit and Risk Committee:

- 1 Confirms the Audit and Risk Committee minutes of 19 December 2017 as a true and correct record.

Cronin/Love
CARRIED

7 Reports

7.1 Committee Chairperson's Report

General Manager Corporate Performance Mat Taylor updated members on Audit and Risk Committee activities. Mr Taylor noted that members would receive the first quarterly update on implementation of the Rangitāiki River Scheme Review report at the meeting, and that these updates were now included in the Committee work programme. In response to a member's question regarding the CouncilMARK™ process, Mr Taylor advised that an internal working group had been formed to manage the process, and that updates to members would be included at future meetings.

Resolved

That the Audit and Risk Committee:

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

**Cronin/Love
CARRIED**

7.2 **External Audit: Management Report on the Long-Term Plan 2018-2028 Consultation Document**

General Manager Corporate Performance Mat Taylor noted that Audit New Zealand had previously presented to Council on their audit of the Long Term Plan 2018-2028 Consultation Document; and advised that this report requested the formal acceptance of the final management report.

Resolved

That the Audit and Risk Committee:

- 1 **Receives the report, External Audit: Management Report on the Long Term Plan 2018-2028 Consultation Document;**
- 2 **Notes the final audit of the Long Term Plan 2018-2028 is scheduled to commence 5 June 2018.**

**Love/Crosby
CARRIED**

7.3 **Internal Audit Status Update 2017/18**

Principal Internal Auditor Steve Slack and Internal Auditor Claire Gordon updated members regarding progress made on the Internal Audit 2017/18 work programme, and noted the following points:

- Health and Safety and Grants audits were underway;
- The Asset Management Review had been rescheduled and would now take place in the first quarter of 2019; and
- Consideration was being given to bringing a small number of audits in the 2018/19 audit plan into the current year due to good progress being made with the 2017/18 work plan.

Mr Slack advised that 30 management actions remained open, with overdue actions being actively managed with appropriate staff. The overdue actions mainly related to three reviews: Legislative Compliance Framework, Accela Phase One and Enterprise Risk Management, and were being monitored closely by Internal Audit.

Mr Slack clarified for a member that, while no internal audit had been completed for Council's asset management as outlined in the Long Term Plan, the external audit had assessed the Council as low risk with appropriate asset management plans and processes.

Attendance

Councillor Tahana joined the meeting at 9.45 am.

Resolved

That the Audit and Risk Committee:

- 1 Receives the report, Internal Audit Status Update 2017/18.

Cronin/Love
CARRIED

7.4 Kopeopeo Canal Remediation Project Update 17

Refer PowerPoint Objective ID: A2815984

Refer website: <https://gen3.ricardo.co.nz/>

Kopeopeo Canal Project Manager Brendon Love updated members on recent progress with the Kopeopeo Canal remediation project, with key work including control structures in place, dredging commenced, compliance monitoring in place and eel removal and baseline tissue sampling completed. Mr Love advised that steady progress was being made with dredging, with validation results below the remediation target and excellent water quality achieved. Mr Love clarified for members the structure and function of the geobags, noted that the site would be capped with soil when the project was completed and explained the process of bioremediation. The eel removal was a one-off exercise before the control structure construction to remove dioxin-contaminated eels from the food chain.

In regards to iwi involvement, Mr Love advised that implementation of bioremediation was critical to Ngāti Awa, that a cultural monitor was on site at all times and that students from Te Wānanga o Awanuiārangi were actively involved on site.

Mr Love updated members regarding two areas of project risk – the previously recorded geotechnical risk at Containment Site 3 had decreased with further mitigation measures implemented; and ongoing monitoring indicated that the systems in place to manage the risk of release of contaminant-laden water were working well. Mr Love demonstrated the use of the website *Ricardo* which provided live site images and real-time canal turbidity monitoring.

In response to members' questions regarding ongoing funding, Mr Love noted that funding for bioremediation was included in the Long Term Plan, and advised that further Ministry for the Environment funding was based on assessment of risk to health. General Manager Corporate Performance Mat Taylor clarified that the Long Term Plan included provision for investigations but not for capital expenditure.

Mr Love noted that a community open day and a Ministerial visit to the site were being planned.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 Receives the report, Kopeopeo Canal Remediation Project Update 17.

von Dadelszen/Love
CARRIED

7.5 Rangitaiki River Scheme Review: Implementation update

Manager Chief Executive's Office Shelley Hey and Principal Advisor Nic Newman updated members on progress made with implementation of the recommendations

from the Rangitāiki River Scheme Review (the Review). Ms Hey noted that this was the first report to members following the delegation from Council of the monitoring function for the Review implementation to the Committee, and explained that implementation of the recommendations had been spread across a number of work streams, with an internal working group established to ensure co-ordination of responses and linkages with wider catchment work. Ms Hey noted that this report provided an overview across the range of work being undertaken rather than the detail of any particular work stream.

Members asked several points of technical clarification around redundancy in the catchment monitoring network and various stopbank sites. Ms Hey also advised that since the report had been written, tenders for the design of the College Road stopbank had closed and that the contract had been let, and that a paper addressing a shortfall in the project budget would be coming to full Council. General Manager Corporate Performance Mat Taylor further clarified that any necessary revisions to Long Term Plan estimates would come before members in the deliberations phase of the Long Term Plan.

Members noted the need for more detailed information to be provided for members to fully assess the financial implications of implementation actions; and also the need for options analysis to be included as members needed to have a high-level understanding of the different options and approaches being considered.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 Receives the report, Rangitāiki River Scheme Review: Implementation update;**
- 2 Notes the work underway, to ensure an integrated response across Council and the progress that is being made to respond to the recommendations.**

**Love/Crosby
CARRIED**

8 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 - 19 December 2017.	Please refer to the relevant clause in the meeting minutes.	Good reason for withholding exists under Section 48(1)(a).

9.2 Key Risk Register Quarterly Update - December 2017 to February 2018.	To protect information where the making available of the information would be likely otherwise to damage the public interest.	Good reason for withholding exists under Section 48(1)(a).
---	--	---

**Cronin/von Dadelszen
CARRIED**

The meeting closed at 10.50 am.