

Minutes of the Audit and Risk Committee Meeting held in Mauao Rooms, Bay of Plenty Regional Council Building, 87 First Avenue, Tauranga on Tuesday, 13 June 2017 commencing at 9.30 am.

Present:

Chairman: Councillor J Cronin

Deputy Chairman: Councillor D Love

Councillors: A Tahana, S Crosby, A von Dadelszen

Ex Officio: Chairman D Leeder

Appointees: B Robertson

In Attendance: M Taylor (General Manager Corporate Performance), C Ingle (Acting Chief Executive), E Grogan (General Manager Regulatory Services), F McTavish (General Manager Strategy & Science), J Graham (General Manager Corporate Solutions), A Dixon (Management Accountant Team Leader), A Chappell (Property Manager), B Love (Contractor Project Manager for Kopeopeo Canal), D Hyland (Finance Manager), D Phizacklea (Regional Integrated Planning Manager), K Tarboton (Contractor), M Langridge (Chief Information Officer), M Butler (Regional Planner), R Fraser (Consents Manager), S Hey (Manager Chief Executive's Office), N Moore (Committee Advisor).

Mr Paul Cooney (Consultant, Cooney Lees Morgan)

Apologies: A Tahana (for lateness)

1 General Business

There were no items for General Business.

2 Tabled Items

There were no tabled documents.

3 Declaration of conflicts of interest

There were no conflicts of interest declared.

4 Audit and Risk Committee minutes - 2 March 2017

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 **Confirms the minutes of the Audit and Risk Committee meeting held on 2 March 2017.**

Love/von Dadelszen
CARRIED

5 **Welcome to new Independent Committee Member**

The Chair, Councillor John Cronin, and members welcomed Mr Bruce Robertson as the first appointed independent member to the Audit and Risk Committee. It was acknowledged that Mr Robertson brought an extensive wealth of knowledge gained from directorship and senior leadership roles in areas of local government, environment and energy as well as being a fellow of the New Zealand Institute of Chartered Accountants.

Mr Robertson provided an overview of his broader experience.

6 **Reports**

6.1 **Committee Chairperson's Report**

The Chair provided an update on Audit and Risk activities. Members considered the 2017/18 programme and requested an opportunity to provide input into external audit arrangements, once the audit scope had been completed.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 **Receives the report, Committee Chairperson's Report;**
- 2 **Notes the Committee's completed work programme to March 2017 and the work programme June 2017 to March 2018.**

Cronin/Love
CARRIED

7 **Order of Business**

The Chairperson advised, with the leave of the Committee, that the item order be changed to provide continuity with reporting matters.

8 **Public Excluded Section**

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
7.1 Audit and Risk Committee Minutes – 2 March 2017	Please refer to the relevant clause in the meeting minutes	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
7.2 Appendix 2 – Internal Audit Executive Summary – Fees and Charges	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
7.4 Fees and Charges Review – Internal Audit Report (May 2017): Proposed Actions and Response (Regulatory Compliance)	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.
7.3 Appendix 3 – Internal Audit Executive Summary - Accela Phase 1	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.

<p>7.5 Accela Consents and Compliance Module Internal Audit Review Action Plan</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>7.8 Accela Implementation Project Cost and Risk Update 9</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>7.9 Awatarariki Fanhead Risk and Liability</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to maintain legal professional privilege.</p>	<p>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

Cronin/Crosby
CARRIED

9 **Internal Audit Status Update and Proposed Internal Audit Work Plan 2017/18 to 2019/20**

Manager Chief Executive's Office Ms Shelley Hey provided an update on the status of 2016/17 internal audit reviews and the follow up of management actions.

Members noted there are 34 open management actions, with 25 of these open past their original due date. Target dates had been revised based on available resources, and progress would be enhanced when resourcing vacancies were filled. The potential to extend the audit programme scope could be considered then.

Ms Hey outlined the proposed Internal Audit Work Plan to 2020, focussing on the detailed plan for 2017/18. The continued focus on high risk areas was supported however a member queried whether there were other areas (ranked medium-low risk) that would not be reviewed, and whether this was appropriate.

It was suggested that timing for high risk areas be revised to align with the Council's long term planning process, if possible.

Members requested that a report on outstanding 'open' actions be provided at the next meeting.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 Receives the report, Internal Audit Status Update and Proposed Internal Audit Work Plan 2017/18 to 2019/20;**
- 2 Notes the changes to the Internal Audit Work Plan 2016/17 which defers the Asset Management Planning and Grants reviews to 2017/18;**
- 3 Approves the Internal Audit Work Plan 2017/18, 2018/19, 2019/20, including the detailed work plan for 2017/18.**

**Cronin/Love
CARRIED**

10 Rates setting review

Management Accountant Team Leader Mr Andy Dixon and Finance Manager Ms Debbie Hyland reported on the proposed draft Council resolutions for the setting of rates 2017/18.

General Manager Corporate Performance Mr Mat Taylor confirmed that Simpson Grierson had undertaken a legal review to ensure specific wording requirements were sufficient to ensure statutory compliance with the Local Government (Rating) Act 2002.

Members noted that at the Council meeting on 29 June, Council's Annual Plan 2017/18 would be adopted and then rates would be set.

Members also noted that formal agreements would be put in place with constituent district and city councils of the Bay of Plenty Region, to collect the rates assessed by Council, excluding Minor River and Drainage Scheme targeted rates.

Resolved

That the Audit and Risk Committee under its delegated authority:

- 1 Receives the report, Rates setting review;**
- 2 Notes the draft rate setting information provided, and the process that will be followed at Council on 29 June 2017.**

**Cronin/Love
CARRIED**

11 Public Excluded Section

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
7.7 Key Risk Register Update: February 2017-May 2017	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	See above.
7.6 Kopeopeo Canal Remediation Project Update 14	That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	See above.

Cronin/Tahana
CARRIED

The meeting closed at 1.10 pm.