

29 November Risk and Audit Committee Meeting



29 November 2023 09:00 AM - 05:00 PM

| Agenda Topic | Presenter | Time | Page |
|--|---------------|-------------------|------|
| Karakia timatanga | | | 4 |
| 1. Administration (open) | John Brockies | 09:00 AM-09:05 AM | 5 |
| 1.1 1.1 Welcome/apologies | | | |
| 1.2 1.2 Register of interests | | | 5 |
| 1.3 Schedule of committee membership and meeting dates for 2024 | | | 6 |
| 1.4 2024 Workplan | | | 7 |
| Recommendation: That the Committee provide feedback on the draft 2024 workplan for the Risk and Audit Committee. | | | |
| 1.5 1.5 Minutes of previous meeting held 29 August 2023 | | | 9 |
| Recommendation: That the Risk and Audit Committee approve the minutes of its open meeting held on 29 August 2023 as a true and correct record. | | | |
| 1.6 Delegations | | | 12 |
| Members to note the delegations from Council to the Risk and Audit Committee when considering recommendations at this meeting. | | | |
| 2. Any other open business | | 09:05 AM-09:10 AM | |
| 3. 3. Resolution to exclude the public | John Brockies | | 13 |
| Recommended: That the public be excluded from the remainder of the meeting. This resolution will be made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 (LGOIMA) (noting Te Pūkenga Council is specified, in Schedule 2 of LGOIMA, as a body to which LGOIMA applies) and the particular interests protected by section 9 of the Official Information Act 1982 (OIA) which would be prejudiced by the holding of the relevant parts of the proceedings of the meeting in public. | | | |
| 4. Administration (closed) | John Brockies | 09:10 AM-09:15 AM | 16 |
| 4.1 Minutes of previous meeting held 29 August 2023 | | | 16 |
| Recommendation: That the Risk and Audit Committee approve the minutes of its open meeting held on 29 August 2023 as a true and correct record. | | | |
| 4.2 Confidential action list | | | 20 |
| To be provided next week | | | |

| | | | | |
|-------|--|---------------------------------|-------------------|-----|
| 4.3 | Committee self-assessment To be provided next week | John Brockies | 09:15 AM-09:25 AM | |
| 5. | 5. External audit | | | 21 |
| 5.1 | Audit NZ Report to Management – 31 December 2022 | Michelle Teirney | 09:25 AM-09:35 AM | 21 |
| 5.2 | 2024 External audit plan and engagement letter | Michelle Teirney | 09:35 AM-09:45 AM | 23 |
| 5.3 | External audit status of recommendations | Ziena Jalil and Jodie Banner | 09:45 AM-09:50 AM | 51 |
| Break | | | 09:50 AM-10:05 AM | |
| 6. | 6. Internal audit | | | 59 |
| 6.1 | 2024 Internal Audit Plan | Ziena Jalil and Jodie Banner | 10:05 AM-10:10 AM | 59 |
| 6.2 | 2024 Internal audit and assurance resourcing and delivery plan | Ziena Jalil and Jodie Banner | 10:10 AM-10:20 AM | 65 |
| | Recommendation: That Te Pūkenga Risk and Audit Committee: | | | |
| | a. Receive the report titled '2024 Internal Audit and Assurance Resourcing and Delivery Plan'; | | | |
| | b. Note the proposed resourcing and delivery arrangements for the 2024 Internal Audit and Assurance Plan; and | | | |
| | c. Note that an externally sourced audit service provider to support the delivery of the 2024 plan will be appointed following the RFP process in early 2024 and be advised to the Committee once appointed. | | | |
| 6.3 | Status of Internal Audit Plan Delivery | Ziena Jalil and Jodie Banner | 10:20 AM-10:25 AM | 68 |
| 6.4 | Internal audit charter | Ziena Jalil and Jodie Banner | 10:25 AM-10:30 AM | 73 |
| 7. | 7. Risk and compliance | | | 92 |
| 7.1 | Pre-year-end review of issues and assumptions | Michelle Teirney | 10:30 AM-10:40 AM | 92 |
| 7.2 | Risk report | Ziena Jalil and Jodie Banner | 10:40 AM-10:50 AM | 104 |
| 7.3 | Legislative compliance | Ziena Jalil and Kara Hiron | 10:50 AM-11:00 AM | 113 |
| 7.4 | Contentious matters | Ziena Jalil and Kara Hiron | 11:00 AM-11:10 AM | 117 |
| 8. | 8. Any other closed business | | | |
| 9. | Committee and Audit NZ only session If required | | 11:10 AM-11:30 AM | |

[Karakia whakakapi and close of meeting](#)

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Karakia timatanga

Tēnā tātou here are some useful phrases you can use to introduce opening karakia next time you are asked to lead it.

Māku e huaki te wānanga nei.

I'll open our shared space.

Kia huakina te wānanga nei ki te karakia.

May our shared space be opened with karakia.

Kāti anō kia karakia e manawa ora ai te wānanga nei.

It's only fitting that we begin with karakia so we may strengthen our shared space together.

Karakia tīmatanga Opening incantation

**Whakarongo rā e Rongo
ki Te Pūkenga
te manawa nei
ki te rongo taketake,
te whiwhia, te rawea
te whiwhi-ā-nuku
whiwhi-ā-rangi
i takea mai i te kāhui o ngā ariki.
kia tūturu ka whakamau ai kia
tina,
Tina! (everybody)
Hui e?
Tāiki e!**

Listen o Rongo
to Te Pūkenga
offering gratitude
for the peace and harmony
that allows us to enjoy
he gifts of the earth
and the heavens
bequests of a higher order.
And bind it firmly,
firmly!
Do we all concur?
We concur!

When someone has led karakia to open a hui, it is seen as respectful for someone else to then thank them for carrying out that duty. Here are some mihi to the kaikarakia you can try next time.

Tēnā koe i tō karakia mai.

Thank you for delivering karakia.

Ka nui te mihi o te manawa ki a koe, i tō karakia mai.

With heartfelt gratitude, thank you for delivering karakia.

Kia waiho mā ēnei kupu e kawē atu te whakamiha ki a koe, i tō karakia mai. Nāu oti, e manawa ora nei te wānanga.

May these words convey my sincerest appreciation to you for delivering karakia. Because of you, our shared space is now strengthened.



Te Pūkenga Council Register of Interests

As at 1 November 2023

| Name | Interest | Nature of Interest |
|--------------------------------------|---|-----------------------------------|
| Murray Strong Member | Centre of Digital Excellence of NZ Ltd | Chairman |
| | Southern Digital Transformation Programme – Te Whatu Ora | Chairman |
| | Destination Southern Lakes | Independent Chairman |
| | Digital Interactive Health/MedTech iQ - Dunedin | Independent Chairman |
| Sue McCormack Deputy Chair | Kiwirail | Deputy Chair |
| | Canterbury Earthquakes Insurance Tribunal | Judicial Officer |
| | University of Canterbury | Past Chancellor |
| | Dress for Success | Honorary solicitor |
| John Brockies Chair | Resolve Group Ltd | Director |
| | Walworth Ltd | Director |
| Jeremy Morley Member | Wellington Free Ambulance | Contractor |
| | Te Kupenga – Catholic Leadership Institute (A registered PTE) | Contractor |
| | Racing New Zealand | Director |
| | Warwick Trust | Settlor, Trustee, and Beneficiary |
| | YW/Petone Hockey Club Inc | Treasurer |
| | Wellington Over 60s Cricket | Treasurer |
| | Wellington Bridge Club Inc | Honorary Auditor |
| | Caritas NZ Inc | Financial and Commercial Advisor |

2024 Schedule of Te Pūkenga Risk and Audit Committee meetings

As at 24 November 2023

| Name | Role | Meeting dates | Venue |
|------------------|-------------------|----------------------------------|-------|
| 1. John Brockies | Chair | Wednesday 21 February | |
| 2. Jeremy Morley | Member | Friday 26 April (TBC) | |
| 3. Sue McCormack | Member | Monday 29 July | |
| 4. Murray Strong | Ex-officio member | Friday 9 August (if required) | |
| | | Thursday 14 November | |

DRAFT Risk and Audit Committee Workplan 2024

| Agenda item | Wednesday 21 February | Friday 26 April (date TBC) | Monday 29 July | Friday 9 August* | Thursday 14 November |
|--|-----------------------|----------------------------|----------------|------------------|----------------------|
| Annual report, including financial statements | | | | | |
| Te Pūkenga Annual Report | | ■ | | | |
| Internal control environment | | | | | |
| Status of 2024 Audit and Assurance Plan | ■ | ■ | ■ | | ■ |
| Internal audit function | | | | | |
| Internal audit charter | ■ | | | | |
| 2025 Internal audit plan | | | | | ■ |
| External audit | | | | | |
| Committee and Audit New Zealand only session | ■ | ■ | ■ | ■ | ■ |
| Audit letter of representation | | ■ | | | |
| Status of audit and assurance recommendations | | ■ | | | |
| External audit | | ■ | | | |
| Going concern assessment | | ■ | | | |
| Audit NZ report to management 31 December 2023 | | | ■ | | |
| Crown Financial Statements declaration | | | | ■ | |
| 2025 external audit plan and engagement letter | | | | | ■ |
| Pre-year-end review of issues and assumptions | | | | | ■ |
| Legislative and organisational compliance | | | | | |
| Contentious legal matters | ■ | ■ | ■ | | ■ |
| Conflicts of interest policy | ■ | | | | |
| Risk and assurance policy | | | ■ | | |
| Legislative compliance | | | | | ■ |
| Risk management | | | | | |
| Risk report | ■ | ■ | ■ | | ■ |

Legend: ■ Approval ■ Endorsement to Council ■ Information

DRAFT Risk and Audit Committee Workplan 2024

| Agenda item | Wednesday 21 February | Friday 26 April (date TBC) | Monday 29 July | Friday 9 August* | Thursday 14 November |
|--|-----------------------|----------------------------|----------------|------------------|----------------------|
| Risk deep dive | ■ | | ■ | | |
| Risk management framework | | ■ | | | |
| Group audit, risk and compliance issues | | | | | |
| TBC | | | | | |
| Other responsibilities | | | | | |
| Committee self-review | | | ■ | | |
| Terms of Reference review | | | ■ | | |
| 2025 meeting dates | | | ■ | | |
| 2025 workplan | | | | | ■ |

* Crown Financial Statements declaration will be considered at Council meeting on 8 August 2024 if possible and therefore no RAC meeting will be held on 9 August.

Legend: ■ Approval ■ Endorsement to Council ■ Information



Open minutes of a meeting of the Risk and Audit (the Committee) of the Council of Te Pūkenga – New Zealand Institute of Skills and Technology (Te Pūkenga Council)

Held on Wednesday 30 August at 3.30pm via Zoom video conference

Present: John Brockies (Chair), Jeremy Morley, Sue McCormack

In Attendance: Peter Winder (Chief Executive), Michelle Teirney (Chief Financial Officer), Jo Smaill (Audit New Zealand), Ziena Jalil (Chief of Staff), Agnes Wilson (item 5.1.) Deirdre Hemera (item 6.1.), Kara Hiron (Legal Director, item 6.3.)

Apologies: Bill Moran, Murray Strong

Minutes: Haley Passmore (Governance Advisor)

Open minutes

1. Administration

1.1. Welcome/apologies

Apologies were noted from Bill Moran and Murray Strong.

1.2. Register of interests

1.3. Schedule of committee membership and meeting dates for 2023

The Committee noted that the next meeting is in November.

1.4. Workplan and ideas list

The Chief Executive provided an update. The Management response to audit letter has been deferred to the next meeting. Statutory compliance will be addressed at this meeting.

1.6. Late items

RESOLVED (J. Brockies/S. McCormack)

That Te Pūkenga Risk and Audit Committee (the Committee):

- a. Resolve to discuss the 'Fraud questionnaires and letter of representation for CFIS audit' as item 7.1. under 'Any other general business' on the public excluded agenda;
- b. Note that the late item 'Fraud questionnaires and letter of representation for CFIS audit' was not on the agenda because it was not received until 28 August 2023;
- c. Note that the late item 'Fraud questionnaires and letter of representation for CFIS audit' cannot be delayed until a subsequent meeting because Audit New Zealand requested the items to be returned on 28 August 2023;
- d. Note that under the Local Government Official Information and Meetings Act, no resolution, decision, or recommendation may be made in respect of the item except to refer the item to a subsequent meeting of the local authority for further discussion.

CARRIED

2. Any other open business

2.1 Terms of reference review

The committee discussed the Crown loan agreement and possible re-wording of “right to audit” changed. The Chief Executive advised that wording changes should wait until the Crown loan conditions are concluded.

RESOLVED (J. Brockies/S. McCormack)

That Te Pūkenga Risk and Audit Committee (the Committee):

- a. Receive the draft amended Risk and Audit Committee Terms of Reference; and
- b. Recommend to Te Pūkenga Council to approve the amended Risk and Audit Committee Terms of Reference subject to any changes requested by the Committee.

CARRIED

3. Resolution to exclude the public

RESOLVED (J. Brockies/J.Morley)

That the public be excluded from the remainder of the meeting. This resolution will be made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 (LGOIMA) (noting Te Pūkenga Council is specified, in Schedule 2 of LGOIMA, as a body to which LGOIMA applies) and the particular interests protected by section 9 of the Official Information Act 1982 (OIA) which would be prejudiced by the holding of the relevant parts of the proceedings of the meeting in public.

The general subject of each matter to be considered while the public is excluded and the reason for passing the resolution in relation to each matter are as follows:

| Item | General subject of each matter to be considered | Section(s) |
|-----------|--|--|
| 4. | Administration | |
| 4.1. | Minutes from closed meeting held 26 April 2023 | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 4.2. | Confidential action list | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 5. | Internal audit | |
| 5.1. | Internal audit procurement plan and delivery options | Section 9(2)(j) OIA |
| 6. | Risk and compliance | |
| 6.1. | Risk register | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 6.2. | Statutory compliance | Section 9(2)(b)(ii) OIA |
| 6.3. | Contentious legal matters | Section 9(2)(h) OIA |
| 7. | Any other closed business | Section 9(2)(b)(ii) OIA Section 9(2)(h) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA |
| 7.1 | Fraud questionnaires and letter of representation for CFIS audit | Section 9(2)(b)(ii) OIA |

Interests

| Section | Interest |
|-------------------------|---|
| Section 9(2)(b)(ii) OIA | To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. |
| Section 9(2)(h) OIA | To maintain legal professional privilege. |
| Section 9(2)(i) OIA | To enable the organisation holding the information to carry out, without prejudice or disadvantage, commercial activities. |
| Section 9(2)(j) OIA | To enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |

And that certain employees from Te Pūkenga be permitted to remain at the meeting, after the public has been excluded, because of their specific knowledge in relation to the above items. This knowledge, which will be of assistance in relation to the matters above to be discussed, is relevant to those matters because they have assisted in the progression of such matters.

CARRIED

The open session meeting closed at 3.46pm and moved into closed session at 3.47pm.

The meeting closed at 5.01pm



A2: Council Delegations to Risk and Audit Committee

| Ref | Subject | Description | Power to Sub-Delegate? |
|-----|-------------------------|--|------------------------|
| 1. | Policies and frameworks | Ability to review policies that fall within the remit of the Risk and Audit Committee, whether as part of the policy development process (as set out in the Document Development Framework) or otherwise, and approve amendments which are compliance based and do not impact on the strategic direction of Council. | No |
| 2. | Ad hoc | Such ad hoc delegations as authorised by Council from time to time | No |



Te Pūkenga Council Risk and Audit Committee Meeting

3. Resolution to exclude the public

It will be moved by the Chair that the public be excluded from the remainder of the meeting. This resolution will be made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 (LGOIMA) (noting Te Pūkenga Council is specified, in Schedule 2 of LGOIMA, as a body to which LGOIMA applies) and the particular interests protected by section 9 of the Official Information Act 1982 (OIA) which would be prejudiced by the holding of the relevant parts of the proceedings of the meeting in public.

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| 4. | Administration | |
| 4.1. | Minutes from closed meeting held 29 August 2023 | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 4.2. | Confidential action list | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 4.3. | Committee self-assessment | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 5. | External audit | |
| 5.1. | Audit NZ Report to Management – 31 December 2022 | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 5.2. | 2024 External Audit Plan and Engagement letter | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 5.3. | External Audit Status of Recommendations | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |

| Item | General subject of each matter to be considered | Section(s) |
|-----------|--|---|
| 6. | Internal audit | |
| 6.1. | 2024 Internal Audit Plan | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 6.2. | 2024 Internal Audit Procurement Plan and Delivery Options | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 6.3. | Status of Internal Audit Plan Delivery | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 6.4 | Internal Audit Charter | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 7. | Risk and compliance | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 7.1 | Pre-Year-End Review of Issues and Assumptions | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 7.2 | Chief Executive Environment and Emerging Risks Briefing - General property, transformation, and finance teams' resourcing | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 7.3 | Risk Register | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(h) OIA |
| 7.4 | Legislative Compliance | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(h) OIA |
| 7.5 | Contentious matters paper | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(h) OIA |

| Item | General subject of each matter to be considered | Section(s) |
|------|---|--|
| 8. | Any other closed business | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |
| 9. | Committee and Audit NZ only session | Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA |

Interests

| Section | Interest |
|-------------------------|---|
| Section 9(2)(b)(ii) OIA | To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. |
| Section 9(2)(h) OIA | To maintain legal professional privilege. |
| Section 9(2)(i) OIA | To enable the organisation holding the information to carry out, without prejudice or disadvantage, commercial activities. |
| Section 9(2)(j) OIA | To enable a Minister of the Crown or any public service agency or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). |

The Chair will also move that certain employees from Te Pūkenga be permitted to remain at the meeting, namely Jodie Banner, after the public has been excluded, because of their specific knowledge in relation to the above items. This knowledge, which will be of assistance in relation to the matters above to be discussed, is relevant to those matters because they have assisted in the progression of such matters.