

# 30 August Finance Risk and Audit Committee



Meeting location: Microsoft Teams

30 August 2024 09:00 AM - 01:00 PM

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Letter from Minister for Tertiary Education and Skills 26 August 2024 re Approval for reallocation of Single Stage Business Case funding to Data System Refresh programme

5.	Approvals			33
5.1	<a href="#">Risk and assurance policy review</a>	Ziena Jalil and Jodie Banner	09:30 AM-09:40 AM	33
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7.1	<a href="#">Risk report August 2024</a>	Ziena Jalil and Jodie Banner	09:55 AM-10:00 AM	65
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8.1	<a href="#">Te Pūkenga Monthly Financial Update – July 2024</a>	Phil O'Callaghan	10:00 AM-10:20 AM	74
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11.	Implementation governance			108
11.1	<a href="#">Regional ITP viability update</a>	Phil O'Callaghan	10:55 AM-11:05 AM	108
11.2	<a href="#">Project update – Single stage business case – finance systems</a>	James Smith	11:05 AM-11:10 AM	112
11.3	Immediate cost-out initiatives	Phil O'Callaghan	11:10 AM-11:15 AM	
11.4	Decision-making framework	Gus Gilmore	11:15 AM-11:20 AM	
12.	External audit			118

\*Audit NZ in attendance

12.1	<a href="#">Letter from Office of the Auditor General to the Minister for Tertiary Education and Skills re Te Pūkenga audit for the year ended 31 December 2023</a>	Gus Gilmore	11:20 AM-11:25 AM	118
12.2	Audit planning and communications for FY2024 external audit	Gus Gilmore, Phil O'Callaghan, and Jo Smaill	11:25 AM-11:35 AM	
12.3	Audit NZ and Committee-only session		11:35 AM-11:45 AM	
13.	Any other closed business		11:45 AM-11:50 AM	
13.1	2025 meeting dates	Ziena Jalil and Rebecca Donne	11:50 AM-11:55 AM	

[Karakia whakakapi](#)

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Next meeting: Friday 27 September

# Te Pūkenga Finance Risk and Audit Committee Register of Interests

**As at 19 August 2024**

Name	Interest	Nature of Interest
<b>Jeremy Morley</b> Chair	Wellington Free Ambulance	Contractor
	Te Kupenga – Catholic Leadership Institute (A registered PTE)	Pro-bono
	Racing New Zealand	Director
	Warwick Trust	Settlor, Trustee, and Beneficiary
	Wellington Over 60s Cricket	Treasurer and Member
	Wellington Bridge Club Inc	Honorary Auditor
	Caritas NZ Inc	Financial and Commercial Advisor
<b>Sue McCormack</b> Ex-officio member	Kiwirail	Deputy Chair
	Canterbury Earthquakes Insurance Tribunal	Judicial Officer
	University of Canterbury	Past Chancellor
	Dress for Success	Honorary solicitor
<b>Teorongonui Josie Keelan</b> Member	Te Pūkenga: Unitec	Supervisor
<b>Bill Moran</b> Member	WorkSafe NZ	Deputy Chair
	Chamber Music at the World's Edge Foundation USA	Chair
	Chamber Music at the World's Edge Foundation NZ	Chair
	Parliamentary Education Trust	Trustee

Name	Interest	Nature of Interest
	Iti Kōpara Charitable Trust	Trustee
	Hoops and Life Awhi Trust	Trustee
	New Zealand Qualifications Authority	Deputy Chair
	Pioneer Energy	Director
	Pioneer Energy Renewables GP	Director
	Pioneer Energy Group GP	Director
	TAB New Zealand	Director (from 9 September 2024)
<b>John Brockies</b> Independent member	Resolve Group Ltd	Director
	Walworth Ltd	Director
	Three Waters Capital Delivery Partnering Board, Tauranga Council	Independent member
	Te Maunga Strategic Capital Investment Board, Tauranga Council	Independent member

## 2024 Schedule of Te Pūkenga Finance Risk and Audit Committee meetings

As at 7 August 2024

### Committees

Finance Risk and Audit Committee – confirmed dates

Name	Role	Meeting dates	Venue
1. Jeremy Morley	Chair	<del>Wednesday 31 January</del>	MIT Ōtara
2. Bill Moran	Member	<del>Wednesday 14 February</del>	Online
3. Josie Keelan	Member	<del>Wednesday 28 February</del>	Online
4. John Brockies	Independent member	<del>Wednesday 28 February</del>	Online
5. Sue McCormack	Ex-officio member	<del>Wednesday 27 March</del>	MITO, Wellington
		<del>Friday 26 April</del>	Online
		<del>Monday 27 May</del>	Auckland
		<del>Monday 1 July</del>	Online
		<del>Friday 26 July</del>	Wellington
		<del>Friday 30 August</del>	Online
		<del>Friday 27 September</del>	Palmerston North
		<del>Friday 25 October</del>	Online
		<del>Friday 29 November</del>	Online

## Finance Risk and Audit Committee Workplan 2024

Agenda item	W 31 Jan	W 14 Feb	W 28 Feb	W 27 Mar	Fri 26 Apr	M 27 May	Mon 1 Jul	Fri 26 Jul	Fri 30 Aug	Fri 27 Sep	Fri 25 Oct	Fri 29 Nov
<b>Approvals</b>												
Five-year capital plan intentions							■					
Sensitive expenditure policy							■					
Fee setting (including student levy)						Intern- ational	Dome- stic					
Insurance renewal								■	■	■	■	■
<b>Financial strategy and planning</b>												
Financial plan update	■											
Draft investment plan							■					
Financial improvement plan							■					
<b>Financial position and performance</b>												
Monthly financial report	■		■	■		■	■	■	■	■	■	■
Enrolment update	■		■					■	■			2025
NorthTec financial analysis			■									
Ring-fenced funds				■	■							
Finance function effectiveness and structure						■			■			
Budget assumptions review								■				
2025 Budget										■	■	
<b>Treasury</b>												
Quarterly treasury report	■					■			■			■
JBWere portfolio			■									
Group treasury policy											■	

Legend: ■ Approval ■ Endorsement to Council ■ Discussion ■ Information

## Finance Risk and Audit Committee Workplan 2024

Agenda item	W 31 Jan	W 14 Feb	W 28 Feb	W 27 Mar	Fri 26 Apr	M 27 May	Mon 1 Jul	Fri 26 Jul	Fri 30 Aug	Fri 27 Sep	Fri 25 Oct	Fri 29 Nov
<b>Capital asset planning</b>												
Major property project update	■		■	■		■	■	■			■	
High priority building programme update	■		■	■		■	■	■			■	
Wellington Regent make-good	■											
EIT Hawkes Bay remediation			■	■		■	■			■		
2024 capital asset plan review				■								
Investment Case – Te Kahui Auaha					■							
Tai Poutini – Proposed Lease Renewal					■							
CAMS assessment (internal only for 2024)						■						
Auckland Central discussion paper						■						
Asset disposal programme							■		■		■	
Useful lives of buildings and improvements								■				
Property and lease strategy and plan								■				
UCOL Investment Case										■		
<b>Implementation governance</b>												
Disestablishment update	■	■	■	■		■	■					
FMIS/EPM project	■		■	■		■	■	■	■	■	■	■
Regional ITP viability project								■	■	■	■	■
Assurance on continuing obligations of ITO acquisition agreements										■		
Immediate cost-out initiatives									■			
Decision-making framework									■			

Legend: ■ Approval ■ Endorsement to Council ■ Discussion ■ Information



## Finance Risk and Audit Committee Workplan 2024

Agenda item	W 31 Jan	W 14 Feb	W 28 Feb	W 27 Mar	Fri 26 Apr	M 27 May	Mon 1 Jul	Fri 26 Jul	Fri 30 Aug	Fri 27 Sep	Fri 25 Oct	Fri 29 Nov
Annual report, including financial statements												
Te Pūkenga annual report			■		■							
Internal control environment												
Status of 2024 Audit and Assurance Plan				■		■		■			■	
2023 internal audit reports				■								
Status of internal audit and assurance recommendations						■		■			■	
Regulation conditions compliance – subcontracted delivery							■					
Internal audit function												
2025 internal audit plan (if required)											■	
External audit												
30 June 2024 FSG audit fee	■											
Status of external audit recommendations (audit planning and communications)			■			■		■	■		■	
Final Audit New Zealand report for Wintec and NorthTec				■								
Audit letter of representation					■							
External audit					■							
Going concern assessment					■							
Audit NZ report to management 31 December 2023					■							
WITT reports and proposal letters					■							
Pre-year-end review of issues and assumptions											■	
2025 external audit and engagement letter												■
Committee-only time with Audit New Zealand									■	■	■	■

Legend: ■ Approval ■ Endorsement to Council ■ Discussion ■ Information

## Finance Risk and Audit Committee Workplan 2024

Agenda item	W 31 Jan	W 14 Feb	W 28 Feb	W 27 Mar	Fri 26 Apr	M 27 May	Mon 1 Jul	Fri 26 Jul	Fri 30 Aug	Fri 27 Sep	Fri 25 Oct	Fri 29 Nov
<b>Legislative and organisational compliance</b>												
Contentious legal matters			■			■			■			■
Legislative compliance			■									
Delegations policy and register			■									
Conflicts of interest policy				■								
Risk and assurance policy									■			
<b>Risk management</b>												
Risk report (full report only when there are changes)			■	■		■	■	■	■	■	■	■
Risk management framework									■			
<b>Group audit, risk and compliance issues</b>												
TBC												
<b>Engagement with tāngata whenua</b>												
TBC												
<b>Other responsibilities</b>												
Terms of Reference review	■											
Deregistration of PINZ			■									
Southern Lakes English College Limited				■								
2025 meeting dates									■			
2025 workplan											■	
Committee self-review												■

Legend: ■ Approval ■ Endorsement to Council ■ Discussion ■ Information



## Open minutes for 26 July Finance Risk and Audit Committee

26/07/2024 | 08:30 AM - 12:30 PM - Auckland, Wellington New Zealand Standard Time

MITO Wellington

### Attendees (8)

John Brockies; Jeremy Morley; Teorongonui Josie Keelan; Gus Gilmore; Ziena Jalil; William Moran; Sue McCormack; Phil O'Callaghan

### In attendance:

Gus Gilmore (Chief Executive), Ziena Jalil (Chief of Staff), Phil O'Callaghan (Interim CFO), Haley Passmore (Governance Director - Minutes), Jo Smaill (Audit New Zealand, items 12 and 14), Jodie Banner (Director Risk and Assurance, items 9.1, 10.1 and 10.2), Kara Hiron (Director, Legal, item 5.2), Katherine Harbrow (Financial Reporting and Operations Director, item 8.3), Jaala Jacobs (Strategic Property Director, Property, item 8.1 and 8.2) James Smith (Regional Finance Director, item 11.1); Jonathan Cooke (Strategic Finance Director, item 7.2); Grant McPhail (Capital Assets and Property Director, item 8.1).

### Karakia tīmatanga

The meeting opened with karakia led by the Chair of the Committee at 8.45am.

### 1. Administration

#### 1.1 Welcome/apologies

An apology was received and accepted from S. McCormack for lateness.

#### 1.2 Register of interests

The Committee noted the register of interests.

#### 1.3 Schedule of committee membership and meeting dates for 2024

The Committee noted the schedule of committee membership and that the 8 August meeting will involve a discussion on the Crown Financial Statements Declaration.

B. Moran provided his apologies for the 8 August meeting.

#### 1.4 Committee workplan 2024

The Committee noted the 2024 workplan and agreed the following changes:

- incorporate financial modelling as part of ITP viability project updates.

- regular property reporting frequency to be quarterly rather than monthly in future.
- 2025 budget update in September.
- 2025 enrolment update in November.
- asset management at today's meeting.

### 1.5 Open minutes of 1 July Finance Risk and Audit Committee

**RESOLVED: (J. Morley/B. Moran)**

*That Te Pūkenga Finance Risk and Audit Committee approve the open minutes of the 1 July 2024 Finance Risk and Audit Committee.*

**CARRIED**

### 2. Any other open business

There was no other business.

### 3. Resolution to exclude the public

**RESOLVED: (J. Morley/B. Moran)**

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)
<b>4. Administration (closed)</b>		
4.1	Closed minutes of 27 March 2024 Finance Risk and Audit Committee	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
4.2	Action list	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>5. Approvals</b>		
5.1	SODA Inc. Limited	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
5.2	Otago Polytechnic Auckland International Campus (OPAIC)	Section 9(2)(g)(ii) OIA Section 9(2)(j) OIA
5.3	Bank account signatories	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA

Item	General subject of each matter to be considered	Section(s)
		Section 9(2)(a)
<b>6. Financial strategy and planning</b>		
6.1	Te Pūkenga 2024 Insurance Renewal Strategy	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
<b>7. Financial position and performance</b>		
7.1	Te Pūkenga Monthly Financial Update – June 2024	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
7.2	Budget assumptions for 2025	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>8. Capital asset planning</b>		
8.1	Major property projects and seismic status update	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
8.2	High priority building programme and EIT Remediation Project update	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
8.3	Te Pūkenga useful lives of buildings and improvements	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>9. Risk management</b>		
9.1	Risk report July 2024	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>10. Internal control environment</b>		
10.1	2024 Internal Audit and Assurance Plan update	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
10.2	Status of internal and external audit and assurance recommendations	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>11. Programme governance</b>		
11.1	Project update – Single Stage Business Case - Finance Systems	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
11.2	Regional ITP viability project	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
12.	<b>Annual Report</b>	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
13.	<b>Any other closed business</b>	Section 9(2)(b)(ii) OIA

Item	General subject of each matter to be considered	Section(s)
		Section 9(2)(g)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
14.	Committee and Audit New Zealand only session	Section 9(2)(g)(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)(g)(ii) OIA	To maintain the effective conduct of public affairs through the protection of such Ministers, members of organisations, officers, and employees from improper pressure or harassment.
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).
Section 9(2)(a) OIA	When withholding is necessary to protect the privacy of natural persons, including deceased natural persons.

And that certain employees from Te Pūkenga, namely James Smith, Katherine Harbrow, Grant McPhail, Jaala Jacobs, and Jodie Banner, 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 meeting closed at 12.21pm.



# Te Pūkenga Finance 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.

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)
<b>4. Administration (closed)</b>		
4.1	Closed minutes of 26 July 2024 Finance Risk and Audit Committee	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
4.2	Action list	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
4.3	Correspondence	
4.3.1	Letter from the Minister for Tertiary Education and Skills received 26 August 2024	Section 9(2)(i) OIA Section 9(2)(j) OIA
<b>5. Approvals</b>		
5.1	Risk and assurance policy review	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
5.2	Risk management framework	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA

Item	General subject of each matter to be considered	Section(s)
<b>6. Legislative and organisational compliance</b>		
6.1	Contentious legal matters	Section 9(2)(h) OIA
<b>7. Risk management</b>		
7.1	Risk report August 2024	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>8. Financial position and performance</b>		
8.1	Te Pūkenga Monthly Financial Update – July 2024	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
8.2	Insurance renewal	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
8.3	Finance Function resourcing and management	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>9. Treasury</b>		
9.1	Quarterly Treasury report	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>10. Capital asset planning</b>		
10.1	Property disposals update	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>11. Implementation governance</b>		
11.1	Regional ITP viability update	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA



Item	General subject of each matter to be considered	Section(s)
		Section 9(2)(j) OIA
11.2	Project update – Single stage business case – finance systems	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
11.3	Immediate cost-out initiatives	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
11.4	Decision-making framework	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
<b>12. External audit</b>		
12.1	Letter from Office of the Auditor General to the Minister for Tertiary Education and Skills re Te Pūkenga audit for the year ended 31 December 2023	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
12.2	Audit planning and communications for FY2024 external audit	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
12.3	Audit NZ and Committee-only session	Section 9(2)(b)(ii) OIA Section 9(2)(i) OIA
<b>13.</b>	<b>Any other closed business</b>	Section 9(2)(b)(ii) OIA Section 9(2)(g)(ii) OIA Section 9(2)(h) OIA Section 9(2)(i) OIA Section 9(2)(j) OIA
13.1	2025 meeting dates	Section 9(2)(g)(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)(g)(ii) OIA	To maintain the effective conduct of public affairs through the protection of such Ministers, members of organisations, officers, and employees from improper pressure or harassment.
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, namely James Smith, Kara Hiron, and Jodie Banner 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.