

Finance, Accountability & Audit

Date	Rāapa 01 Poutū-te-rangi 2023
Time	9.30am – 11.30am
Location	https://mohnz.zoom.us/j/83474893026?pwd=U1BBRXdNNUYxRURDcWpTZHduVUxVZz09Hui-a-lpurangi
Ngā mema o te Poari Board attendees	Steven McJorow (Chair) Fiona Pimm Dr Sue Crengle
Ngā Manuhiri In Attendance	Management attendance: Merewaakana Kingi (Maiaka Tahua Deputy Chief Executive Te Aka Tahua / Tari Finance & Support Services) Craig Owen (Maiaka Tōakiaki Deputy Chief Executive Governance & Advisory) External attendance: Steven Lucy (Director, Audit New Zealand) Senior Manager, Risk Services, PricewaterhouseCoopers Partner, Risk Services, PricewaterhouseCoopers Jared McGillicuddy (Internal Audit Manager, Te Whatu Ora)

Admin

Karakia / Meeting opening

- Hui was opened by Steven McJorow.

Apologies

- There were no apologies.

Minutes

- The minutes of Rāapa 23 Whiringa-ā-rangi 2022 were approved.

Actions

- All actions were closed.

Interest Register

- Two members would provide interests for the Interests register.

Health & Safety

- SITREPS are being received by all Board Members regarding 2023 Cyclone Gabrielle.

Audit engagement letter

- Stephen Lucy from Audit New Zealand (Audit NZ) attended this item.
- An audit engagement letter was received and sets out:
 - the terms of the audit engagement and the nature, and limitations, of the annual audit; and

- 8.1. the respective responsibilities of the Board and Audit NZ as auditors for the financial statements and performance information.
9. The objectives of the annual audit are:
 - 9.1. To provide an independent opinion on the financial statements and performance information of Te Aka Whai Ora; and
 - 9.2. To report on other matters that come to our attention as part of the annual audit (typically those matters relate to issues of financial management and accountability and other matters relevant to public entities performance such as integrity).
10. The Finance, Accountability & Audit Committee:
 - 10.1. **endorsed** the letter to go through to Board (15 Poutū-te-rangi 2023) for engagement approval.
 - 10.2. **noted** Audit NZ will be working with the Deputy Chief Executive Finance and Support Services to create and propose a framework for the audit, a timetable and fee schedule.
 - 10.3. **noted** the Auditor-General will also be auditing the joint annual performance report prepared jointly by both Te Aka Whai Ora and Te Whatu Ora against Te Pae Tata prior to that report being passed onto the Minister of Health.

Organisation Policies

11. The Deputy Chief Executive, Governance and Advisory presented an outline of organisational policies that are being developed for Board sub-committee endorsement and Board approval.
12. A number of Te Whatu Ora policies have been adopted until Te Aka Whai Ora policies are developed. Te Whatu Ora are currently harmonising policies over a period of 24 months to produce a set and will partner with Te Aka Whai Ora, the Public Service Organisation (PSA) and consulting with the relevant Unions.
13. Te Aka Whai Ora policies will developed using our values and the Te Mauri o Rongo pou as the underlying principles.
14. The Finance, Accountability & Audit Committee:
 - 15.1. **noted** that on 13 February 2022 the Te Aka Whai Ora Board agreed to adopt the Te Whatu Ora Health and Safety policy until one is developed for Te Aka Whai Ora;
 - 15.2. **noted** that ELT has endorsed the following process for the development and promulgation of the programme of policies:
 - 15.2.1. Draft policy considered by the Executive Leadership Team (ELT);
 - 15.2.2. staff comment sought;
 - 15.2.3. Feedback considered and policies endorsed by ELT for endorsement;
 - 15.2.4. policies to be considered by the appropriate Board Subcommittee;
 - 15.2.5. Policy to the Board for approval (if required); and
 - 15.2.6. following Board approval policies will be published the intranet and form part of the Te Aka Whai Ora suite of policies.
 - 15.3. **noted** the expectation that Te Aka Whai Ora would be an exemplar of collecting ethnicity data;

Procurement and Payroll Controls – PricewaterhouseCoopers Report

15. PricewaterhouseCoopers (PwC) attended this item.

16. The komiti received a report that provided six recommendations to create and improve policy and procedures to ensure clarity and controls are in place to ensure that the business and staff are supported.
17. **agreed** to all six recommendations will maintain oversight of their implementation.

Sub process	Rec #	Summary of key recommendations	Risk priority*	Efficiency priority*	Priority roadmap*
Delegated Financial Authority Policy (page 11)	2.1	Updating and refining the Delegated Financial Authority Policy to: a. Establish delegation limits and levels for entertainment expenses to ensure sufficient oversight of discretionary spend; b. Separate out procurement guidance into a standalone Procurement Policy to provide better visibility and clarity to kaimahi rather than the guidance being entwined in the Delegated Financial Authority Policy; and c. Establish continuous monitoring reviews to detect instances of non-compliance, identify training needs or hold repeat offenders accountable.	Moderate	Moderate (3-6 months)	Priority 2 (6 – 12 months)
Sensitive Expenditure Policy (including travel, gifts, hospitality and koha) (page 13)	2.2	Refining and implementing tailored sensitive expenditure (including travel, gifts, hospitality and koha) policy guidance that aligns to the Controller and Auditor-General's Sensitive Expenditure: Guide for Public Organisations, addresses the policy gaps identified above and clearly articulates what activities are permissible or not at TAWO e.g. purchase of alcohol, accepting gifts, tipping etc.	High (Urgent)	High (0 - 3 months)	Priority 1 (0 – 3 months)
Chief Executive Expenses Policy (page 14)	2.3	Implement policy guidance for the disclosure of the Chief the Executive's expenses that aligns to the Office of the Ombudsman guidance on Chief executives expenses.	Moderate	Moderate (3-6 months)	Priority 2 (3 – 6 months)
Procurement policy, detailed business rules and processes (page 19)	3.1	Implement procurement policy, detailed business rules and processes that align to the Government's Procurement Guidelines and suit TAWO's context and requirements should be established, ensuring identified process and procedures control gaps identified (see pages 16 – 18 for more details).	High (Urgent)	High (0 -3 months)	Priority 1 (0 – 3 months)
Payroll Service Level Agreements (page 26)	4.1	Implement a service level agreement (SLA) with additional controls, monitoring and oversight procedures to ensure completeness and accuracy of the payroll, with responsibilities formally assigned for these activities.	High (Urgent)	High (0 - 3 months)	Priority 1 (0 – 3 months)
Payroll Additional controls (page 26)	4.2	Implement additional controls, monitoring and oversight procedures to ensure completeness and accuracy of the payroll, with responsibilities formally assigned for these activities (see pages 23 – 25 for more details).	High (Urgent)	Moderate (3 - 6 months)	Priority 1 (0 – 3 months)

Audit and Assurance Function of Te Whatu Ora

18. Jared McGillicuddy from Te Whatu Ora attended this item.
19. The komiti received a presentation that provided an overview of the Audit and Assurance function, the Memorandum of Understanding (for enabling services) July 2022 and proposed next steps
20. **noted** the Memorandum of Understanding (for enabling services) July 2022 provides for the group to deliver assurance services to Te Aka Whai Ora.
21. **action** the komiti want to see timeframes, and equitable improvements for the delivery of services through the audit and assurance services and their support for Governance and Management.

Forward Agenda and work plan

22. **noted** information and taken as read.

Guidance: Audit and Risk Committee

23. **noted** information and taken as read.

Quarter two performance report

24. **action** the Committee requested another review of the financials to ensure accuracy of detail for on track and over budget.

Nga korero o te wa | General Business

25. **noted** the current Terms of Reference (ToR) for the komiti with a view to renaming and refocussing to be an Audit and Assurance Committee. The committee discussed that Finance, in addition to Risk, should be an 'all of Board' responsibility.
26. **action** further discussion on the ToR at the next komiti (5 Pāenga-whāwhā 2023).

Meeting closed: 11.30am