

Finance, Accountability & Audit Komiti

Date	Rāapa, 5 Pāenga-whāwhā 2023	Time:	09.30am – 11.00am
Location:	Hui a-ipurangi I Online meeting		
Heamana I Chair:	Steven McJorow, Te Aka Whai Ora Board		
Attendees:	Members: Dr Sue Crengle, Te Aka Whai Ora Board Fiona Pimm, Te Aka Whai Ora Board Stephen Lucy, Audit New Zealand Management: Craig Owen, Maiaka Tōakiaki Deputy Chief Executive Governance & Advisory Merewaakana Kingi, Maiaka Tahua Deputy Chief Executive Te Aka Tahua / Tari Finance & Support Services Mark Keenan, General Manager, Finance & Support Services, Te Aka Whai Ora Board Secretariat: Michelle Hippolite, General Manager, Secretariat Kadeen Williams, Secretariat Attendance for specific items: Jared McGillicuddy, Assurance Manager, Te Whatu Ora, item 4		

Karakia

1. The hui began at 9:30am with Karakia led by the Chair.

Heamana I Chair update

2. The Sub-Committee members requested that papers be provided earlier.

Hui-tanguru I February Financial update

3. The Komiti discussed and received the Te Aka Whai Ora financial performance to 28 Hui-tanguru I February 2023. The following issues were raised:
 - variance reporting and identification of funding to be allocated, committed, and expended;
 - the purpose of funding for Iwi Māori Partnership Boards (IMPBs) to be explicit; and
 - Departmental funding needs further explanation.

Decision

4. **The Sub-Komiti:**
 - a. noted the financial update to 28 February 2023;
 - b. noted the current projected forecast surplus for 2022/23 year of \$145m, driven primarily by the timing of non-departmental/commissioning spend;
 - c. noted that managing the forecasting of non-departmental spend and reporting is primarily related to timing;
 - d. agreed that this paper is not proactively released on the Te Aka Whai Ora website.

Action:

- Continue to update budget with actual and forecast spend and an outline of departmental funding.
- Provide update on narrative commissioning work and funding for 2023/24.

Internal Audit

5. The Komiti welcomed Jared McGillicuddy, Assurance Manager, Te Whatu Ora to speak to the Internal Audit papers.

Audit and Assurance Services

6. The Audit and Assurance Services paper provided an overview of the Te Whatu Ora assurance service and a draft Assurance Charter. The Te Whatu Ora Audit & Assurance services comprises four types of activities: internal audit, provider and certification, certification, and health payment integrity.
7. The Komiti want to ensure Te Aka Whai Ora are engaged in Audit discussions and that the quality of work is consistent across Te Whatu Ora and Te Aka Whai Ora.
8. The Komiti sought confirmation of a risk workshop.

Decision

9. The Komiti:

- a. **noted the overview of the Te Whatu Ora – Assurance Services and how these relate to Te Aka Whai Ora and**
- b. **agreed to recommend to the Board approval of the draft Te Aka Whai Ora – Assurance Charter.**

Action

- Update at the June 2023 hui about Te Whatu Ora Audit and Assurance programme.
- Organise Risk workshop.

Te Whatu Ora Audit and Assurance

10. The Komiti received an update on key assurance activities and actions since March 2023 covering major risks, the national assurance dashboard, and the fraud radar report.

Decision

11. **The Komiti noted the audit and assurance update from Te Whatu Ora.**

Accounting treatment of commissioning expenditure

12. The Komiti welcomed Mark Keenan, General Manager Finance and Support Services.
13. The Komiti considered the advice from KPMG on accounting treatment of commissioning costs.

Decision

14. The Komiti:

- a. **noted advice from KPMG on the timing of expensing non-departmental commissioning spend and indicates it should reflect milestone delivery rather than commitment;**

- b. noted that managing the forecasting of non-departmental spend and reporting is primarily related to timing;
- c. agreed that this paper is not proactively released on the Te Aka Whai Ora website.

Action

- Submit a policy on accounting policy.

Budget 2023/24 approach

15. An update on the 2023/24 budget methodology was discussed covering key focus areas, key parties, key dates, possible risks, and mitigations. The budget will account for staff transferred from Te Whatu Ora.

Decision

16. The Komiti noted the budget approach for 2023/24.

Contractors/Consultants

17. The Komiti reviewed the July 2022 – February 2023 contractor/consultant profile and discussed the approach taken by Te Aka Whai Ora. Contractors and consultants are engaged for specialist work or where there is a gap while kaimahi are recruited.

18. The Komiti sought assurance that the Register of Interests is captured for contractors and consultants.

Decision

19. The Komiti

- a. noted major consultants and contractors' expenditure to February 2023;
- b. agreed that this paper will not be proactively released on Te Aka Whai Ora website.

Action

- Advice to Komiti on timing of transition from contractors and consultants to permanent appointments.
- Update Register of Interests for Steven McJorrow.

PwC Internal Audit Findings | TAWO remediation actions

20.

- a. PwC Internal Audit findings – The internal audit identified some weaknesses with TAWO's procurement, payroll, and policy guidance processes and controls.
- b. TAWO's Remediation Plan – Due to resource constraints, the finance team focus to date has been establishing a plan for a fit-for-purpose finance function while also delivering organisational level outputs such as managing overall funding, reporting, detailing with prioritised issues such as commissioning accounting treatment.

Action

- New standing item is to track controls remediation from the PwC recommendations.

Organisational policies

21. The Komiti received an update on discussed the Legislative Compliance Policy, Staff Travel and Accommodation, Staff Sensitive Expenditure, and the Chief Executive's Expenses Disclosure Policy three Finance policies and received an update on the development of organisational policies.

Decisions

22. The Komiti did not have sufficient time to review the organisational policy papers and referred the organisational policy papers to the Board for approval.

Komiti Secretariat

Register of interest

23. One addition from Steve McJorrow.

Nga miniti a Poari o Te Aka Whai Ora 01 Poutū-te-rangi 2023

24. Steven Lucy to provide feedback on item 10 to Craig Owen.

Action register

25. Items to be updated.

Nga korero o te wa | General Business

26. The Komiti noted IRD changes to director fees effective from 1 April.

Action: Follow up IRD change and implication for Directors.

Hui closed: 11:00am.