
Audit and Risk Committee

OPEN MINUTES

Minutes of a meeting of the Audit and Risk Committee held in the Reception Lounge, Auckland Town Hall, 301-305 Queen Street, Auckland on Tuesday, 16 September 2014 at 1.35pm.

PRESENT

Chairperson	Cr Sir John Walker, KNZM, CBE
Deputy Chairperson	Cr Dr Cathy Casey
Members	Cr Cameron Brewer
	Cr Bill Cashmore
	Mr Paul Conder, CA
	Mr Roy Tiffin, FCA

APOLOGIES

Mayor Len Brown	For absence
Deputy Mayor Penny Hulse	For absence on Council business
Cr Sharon Stewart, QSM	For absence
Cr Penny Webster	For absence

ALSO PRESENT

Cr Arthur Anae	From 2.00pm, Item 9
Cr Ross Clow	Until 3.40pm, Item C2
Cr Chris Darby	Until 2.05pm, Item 9
Cr Calum Penrose	

1 Apologies

Resolution number AUD/2014/37

MOVED by Chairperson JG Walker, seconded by Deputy Chairperson CM Casey:

That the Audit and Risk Committee:

- a) **accept the apologies from Mayor LCM Brown, Cr SL Stewart and Cr MP Webster for absence and Deputy Mayor PA Hulse for absence on Council business.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2014/38

MOVED by Chairperson JG Walker, seconded by Deputy Chairperson CM Casey:

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Tuesday, 22 July 2014, including the confidential section, as a true and correct record.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

There was no public input.

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

8 Notices of Motion

There were no notices of motion.

9 Office of the Auditor-General

*Cr A Anae entered the meeting at 2.00pm.
Cr C Darby left the meeting at 2.05pm.*

Lyn Provost, Controller and Auditor-General attended and spoke to the importance of the work being done on the Long-term Plan 2015-2025 and Audit New Zealand's involvement in that process.

Sarah Lineham, Sector Manager, Local Government attended and spoke to a report from the Controller and Auditor-General on the Review of Service Performance scoping document on the proposed review of Auckland-Manukau Eastern Transport Initiative which was provided to members prior to the meeting.

A copy of the report has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

Resolution number AUD/2014/39

MOVED by Chairperson JG Walker, seconded by Cr WB Cashmore:

That the Audit and Risk Committee:

- a) **receive the information provided by the Auditor-General and Sarah Lineham together with the report of the Controller and Auditor-General on the Review of Service Performance scoping document on the proposed review of Auckland-Manukau Eastern Transport Initiative.**

CARRIED

Attachments

- A Review of Service Performance scoping document on the proposed review of Auckland-Manukau Eastern Transport Initiative

10 2013/2014 group and council annual financial statements

Resolution number AUD/2014/40

MOVED by Chairperson JG Walker, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **receive the 2013/2014 Annual Report.**
- b) **note that there are no significant outstanding audit issues in respect of the audit of the 2013/2014 Annual Report for group and Auckland Council.**
- c) **recommend the 2013/2014 Annual Report for group and Auckland Council to the Governing body for adoption.**

CARRIED

11 2014 annual report Management Letter

Francis Caetano, Audit Director, Audit New Zealand attended and spoke to a report of the Controller and Auditor-General on the final audit findings for the year ending 30 June 2014 which was provided to members prior to the meeting.

A copy of the report has been placed on the official copy of the minutes and can be viewed on the Auckland Council website as a minutes attachment.

Resolution number AUD/2014/41

MOVED by Chairperson JG Walker, seconded by Member R Tiffin:

That the Audit and Risk Committee:

- a) **receive the 2014 annual report Management Letter report together with the report of the Controller and Auditor-General on the final audit findings for the year ending 30 June 2014.**

CARRIED

Attachments

- A Report of the Controller and Auditor-General on the final audit findings for the year ending 30 June 2014.

12 Update on Audit New Zealand report issues

Resolution number AUD/2014/42

MOVED by Chairperson JG Walker, seconded by Deputy Chairperson CM Casey:

That the Audit and Risk Committee:

- a) **receive the Update on Audit New Zealand report issues report.**

CARRIED

13 Update on Risk Management Activities

Resolution number AUD/2014/43

MOVED by Chairperson JG Walker, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **receive the Update on Risk Management Activities report.**

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

15 Procedural motion to exclude the public

Resolution number AUD/2014/44

MOVED by Chairperson JG Walker, seconded by Member R Tiffin:

That the Audit and Risk Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.
- b) agree that Francis Caetano and David Walker, Audit Directors and Katie Blackburn, Audit Supervisor, Audit New Zealand be permitted to remain for Confidential Items C1 to C3 after the public has been excluded, because of their knowledge of matters being discussed, which will help the Audit and Risk Committee in its decision-making.

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 follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Update on Council Controlled Organisation Risk

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains financial and operational information and details of audit findings which if released may jeopardise the commercial operations of the Council Controlled Organisations.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 Update on Internal Audit Activities

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains financial and operational information and details of Internal Audit activity which if released may jeopardise the effective delivery or Internal Audit services.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Update on Integrity and Investigation Activities

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6.	<p>s6(a) - The making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial.</p> <p>In particular, the report contains financial and operational information regarding investigation and other activity, which if released may jeopardise the effective delivery of our Integrity and Investigative services.</p>	<p>s48(1)(a)</p> <p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6.</p>

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

CARRIED

2.50pm The public was excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

3.45pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Update on Council Controlled Organisation Risk

Resolution number AUD/2014/45

That the Audit and Risk Committee:

- c) agree that the Update on Council Controlled Organisation Risk report remain confidential.

C2 Update on Internal Audit Activities

Resolution number AUD/2014/46

That the Audit and Risk Committee:

- b) agree that the Update on Internal Audit Activities report remain confidential.

C3 Update on Integrity and Investigation Activities

Resolution number AUD/2014/47

That the Audit and Risk Committee:

- b) agree that the Update on Integrity and Investigation Activities report remain confidential.

3.45 pm

The Chairperson thanked Members for their attendance and attention to business and declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE AUDIT AND RISK
COMMITTEE HELD ON

DATE:.....

CHAIRPERSON:.....