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## Audit and Risk Committee

### OPEN MINUTES

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Minutes of a meeting of the Audit and Risk Committee held in Room 1, Level 26, 135 Albert Street, Auckland on Wednesday, 18 February 2015 at 1.35pm.

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#### PRESENT

<b>Chairperson</b>	Cr Sir John Walker, KNZM, CBE	From 2.30pm, Item 13
<b>Deputy Chairperson</b>	Cr Dr Cathy Casey	
<b>Members</b>	Cr Cameron Brewer	Until 2.30pm, Item 13
	Cr Bill Cashmore	
	Mr Paul Conder, CA	
	Cr Sharon Stewart, QSM	
	Mr Roy Tiffin, FCA	
	Cr Penny Webster	

#### APOLOGIES

Mayor	Len Brown
Deputy Mayor	Penny Hulse

#### ALSO PRESENT

Cr Linda Cooper	Until 3.30pm, Item C3
Cr Calum Penrose	
Cr George Wood	Until 2.30pm, Item 13; from 3.23pm, Item C3

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Secretarial note: The Deputy Chairperson Dr Cr Cathy Casey assumed the chair as an apology for lateness had been received from the Chairperson Cr Sir John Walker.

## **1 Apologies**

Resolution number AUD/2015/59

MOVED by Deputy Chairperson CM Casey, seconded by Cr WB Cashmore:

**That the Audit and Risk Committee:**

- a) **accept the apologies from Mayor LCM Brown and Deputy Mayor PA Hulse for absence on council business, from Councillor JG Walker for lateness and from Councillor C Brewer for early departure.**

**CARRIED**

## **2 Declaration of Interest**

There were no declarations of interest.

## **3 Confirmation of Minutes**

Resolution number AUD/2015/60

MOVED by Deputy Chairperson CM Casey, seconded by Cr CE Brewer:

**That the Audit and Risk Committee:**

- a) **confirm the ordinary minutes of its meeting, held on Tuesday, 16 December 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**

Sarah Lineham, Office of the Auditor-General and Robert Sutherland, Audit New Zealand addressed the meeting regarding an audit status update briefing paper.

Resolution number AUD/2015/61

MOVED by Deputy Chairperson CM Casey, seconded by Cr WB Cashmore:

**That the Audit and Risk Committee:**

- a) receive the information provided by the representatives of the Auditor-General and Audit New Zealand.

**CARRIED**

**10 Audit New Zealand Management letter**

Resolution number AUD/2015/62

MOVED by Deputy Chairperson CM Casey, seconded by Member P Conder:

**That the Audit and Risk Committee:**

- a) receive the final management report from Audit New Zealand on the audit of Auckland Council for the year ended 30 June 2014.
- b) note the recommendations made by Audit New Zealand for improvements and Council's responses.

**CARRIED**

**11 Update on Enterprise Risk Management**

Resolution number AUD/2015/63

MOVED by Member R Tiffin, seconded by Cr MP Webster:

**That the Audit and Risk Committee:**

- a) receive the Update on Enterprise Risk Management report.

**CARRIED**

**12 Consideration of Extraordinary Items**

There was no consideration of extraordinary items.

*Cr Sir John Walker entered the meeting at 2.30pm and assumed the chair.  
Crs Cameron Brewer and George Wood left the meeting at 2.30pm.*

**13 Procedural motion to exclude the public**

Resolution number AUD/2015/64

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

**That the Audit and Risk Committee:**

- a) exclude the public from the following part(s) of the proceedings of this meeting.
- b) agree that Sarah Lineham, Office of the Auditor-General and Robert Sutherland, 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 Legislative Compliance Framework Project**

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
<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 7.</p>	<p>s7(2)(c)(i) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information or information from the same source and it is in the public interest that such information should continue to be supplied.</p> <p>In particular, the report contains information and advice concerning an Internal Audit investigation.</p> <p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.</p> <p>In particular, the report contains information and advice concerning an Internal Audit investigation.</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 7.</p>

### C2 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, this report contains operational information regarding investigation and other activity, which if released may compromise 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>

### C3 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.	<p>s7(2)(c)(ii) - The withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.</p> <p>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.</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 7.</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**

2.30pm 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 Legislative Compliance Framework Project**

That the Audit and Risk Committee:

- a) note that, on 13 February 2015, the Executive Leadership Team is to be asked to approve the principles and outline of the Legislative Compliance Framework and the project plan and timetable.
- b) note the report / power point on the Legislative Compliance Framework Project.
- c) endorse the principles and outline of the Legislative Compliance Framework and the project plan and timetable.
- d) agree that the Legislative Compliance Framework Project report remain confidential.

**C2 Update on Integrity and Investigation Activities**

That the Audit and Risk Committee:

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

**C3 Update on Internal Audit Activities**

That the Audit and Risk Committee:

- a) receive the Update on Internal Audit Activities report.
- b) endorse updates to the FY14/15 internal audit plan as outlined in paragraph 8 of the report on the agenda.
- c) agree that the Update on Internal Audit Activities report remain confidential.

3.45pm

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:**.....