
Audit and Risk Committee

OPEN MINUTES

Minutes of a meeting of the Audit and Risk Committee held in Room 1, Level 26, 135 Albert Street, Auckland on Wednesday, 29 July 2015 at 1.35pm.

PRESENT

Chairperson Members

Cr Bill Cashmore	
Cr Cameron Brewer	Until 3.25pm, Item C3
Mr Paul Conder, CA	
Cr Sharon Stewart, QSM	
Mr Roy Tiffin, FCA	
Cr Sir John Walker, KNZM, CBE	From 1.51pm, Item 10
Cr Penny Webster	

ABSENT

Mayor Len Brown
Deputy Mayor Penny Hulse

ALSO PRESENT

Cr Linda Cooper
Cr Calum Penrose
Cr George Wood
Member Greg Presland, Waitakere
Ranges Local Board

Secretarial note: Cr Sir John Walker resigned as Chairperson of the Audit and Risk Committee.
Cr Dr Cathy Casey, Deputy Chairperson, resigned from the Audit and Risk Committee on 28 July 2015.
Cr Bill Cashmore's appointment as Chairperson of the Audit and Risk Committee by His Worship the Mayor was ratified by the Governing Body on 30 July 2015.

1 Apologies

Resolution number AUD/2015/23

MOVED by Chairperson WB Cashmore, seconded by Cr MP Webster:

That the Audit and Risk Committee:

- a) **accept the apologies from Mayor LCM Brown and Deputy Mayor PA Hulse for absence on council business and from Cr JG Walker for lateness.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2015/24

MOVED by Member R Tiffin, seconded by Cr SL Stewart:

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Wednesday, 20 May 2015, 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 and Audit New Zealand briefing

Sarah Lineham – Sector Manager Local Government from the Office of the Auditor-General and Jo Smail – Audit Director from Audit NZ addressed the meeting regarding the agenda report and responded to questions.

Resolution number AUD/2015/25

MOVED by Chairperson WB Cashmore, seconded by Cr MP Webster:

That the Audit and Risk Committee:

- a) **receive the verbal update from Sarah Lineham – Sector Manager Local Government from the Office of the Auditor-General and Jo Smail – Audit Director from Audit NZ.**

CARRIED

Cr George Wood entered the meeting at 1.49pm.

Cr Sir John Walker entered the meeting at 1.51pm.

10 Audit New Zealand report on LTP consultation document

Sarah Lineham – Sector Manager Local Government from the Office of the Auditor-General and Jo Smail – Audit Director from Audit NZ assisted Matthew Walker in responding to questions.

Resolution number AUD/2015/26

MOVED by Chairperson WB Cashmore, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **receive the Audit New Zealand report on the audit of Auckland Council's Consultation Document for the 2015-2025 Long-term Plan.**

CARRIED

Cr George Wood left the meeting at 2.09pm.

11 Management Report Interim Audit 2015

Resolution number AUD/2015/27

MOVED by Chairperson WB Cashmore, seconded by Member R Tiffin:

That the Audit and Risk Committee:

- a) **receive the interim management report from Audit New Zealand on the findings arising from their planning and first interim audit visits of Auckland Council for the year ended 30 June 2015.**
- b) **note the responses to the issues identified by Audit New Zealand.**

CARRIED

12 2015 Pro forma Group Financial Statements

Resolution number AUD/2015/28

MOVED by Cr MP Webster, seconded by Cr CE Brewer:

That the Audit and Risk Committee:

- a) receive the 2015 Pro forma group financial statements report.
- b) approve the 2015 Pro forma group financial statements for Auckland Council and Group, subject to the Pro forma being updated to reflect the feedback provided by Mr Roy Tiffin and Mr Paul Conder and delegate to them authority to approve any amendments resulting from consultation with Audit New Zealand.

CARRIED

13 Update on Targeted rates / reserves

Greg Presland, member of the Waitakere Ranges Local Board presented to the committee on the Te Henga Quarry Aftercare Fund and treatment of reserve fund and tabled supporting information. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number AUD/2015/29

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

That the Audit and Risk Committee:

- a) receive this Update on Targeted rates/reserves report.

CARRIED

Attachments

- A 29 July 2015 - Audit and Risk Committee - Item 13 - Update on Targeted rates/reserves - Te Henga Quarry Aftercare Fund and treatment of reserve fund

14 Compliance (Do it Right) Programme

Resolution number AUD/2015/30

MOVED by Chairperson WB Cashmore, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) note that, on 10 July 2015, Executive Lead Team endorsed the Compliance (Do it Right) Programme and implementation roadmap, resources and investment.

CARRIED

15 Update on Enterprise Risk Management and Insurance Activities

Resolution number AUD/2015/31

MOVED by Chairperson WB Cashmore, seconded by Cr MP Webster:

That the Audit and Risk Committee:

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

CARRIED

16 Council Controlled Organisation's Risk Report

Resolution number AUD/2015/32

MOVED by Chairperson WB Cashmore, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) receive an update on the risks reported by Council-Controlled Organisations.

CARRIED

17 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

Cr Linda Cooper left the meeting at 3.18pm.

18 Procedural motion to exclude the public

Resolution number AUD/2015/33

MOVED by Cr MP Webster, seconded by Cr CE Brewer:

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 - Sector Manager Local Government from the Office of the Auditor-General be permitted to remain for Confidential Items C1 to C3 after the public has been excluded, because of her 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 Council-Controlled Organisations Risk Management Information

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 discussions on risks that may jeopardise the business operations of the entity.	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 Integrity and Investigation Activity

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 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 of 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

3.18pm 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.

3.37pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Council-Controlled Organisations Risk Management Information

This item was withdrawn.

C2 Update on Integrity and Investigation Activity

That the Audit and Risk Committee:

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

C3 Update on Internal Audit Activities

That the Audit and Risk Committee:

- a) receive the Update on Internal Audit Activities report.
- b) approve the detailed audit programme of work for the six months to December 2015.
- c) note that the detailed audit programme for the six months to 30 June 2016 will be tabled for approval at the December 2015 meeting of the committee.
- d) note the progress made by the Internal Audit function in delivering on agreed “Internal Audit Strategy 2016-18” initiatives for the period February to June 2015.
- e) agree that the Update on Internal Audit Activities report remain confidential.

3.37 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:.....