



Audit and Risk Committee OPEN MINUTES

Minutes of a meeting of the Audit and Risk Committee held in Meeting Room 1, Level 26, 135 Albert Street, Auckland on Monday, 8 August 2016 at 1.59pm.

PRESENT

Chairperson Cr Bill Cashmore
Deputy Chairperson Mr Paul Conder, CA
Members Cr Cameron Brewer
Cr Ross Clow
Cr Linda Cooper, JP
Cr Sharon Stewart, QSM
Mr Roy Tiffin, FCA
Cr Sir John Walker, KNZM, CBE
Cr Penny Webster Until 3.15pm, Item 13

ABSENT

Mayor Len Brown, JP
Deputy Mayor Penny Hulse

ALSO PRESENT

Cr Calum Penrose Until 3.30pm, Item 13

IN ATTENDANCE

Jo Smail – Audit Director, Audit New Zealand

1 Apologies

Resolution number AUD/2016/20

MOVED by Chairperson W Cashmore, seconded by Cr C Brewer:

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 MP Webster for early departure.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2016/21

MOVED by Member P Conder, seconded by Cr SL Stewart:

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting held on Tuesday, 24 May 2016, 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 Review of Forward Work Plan

Resolution number AUD/2016/22

MOVED by Member P Conder, seconded by Cr LA Cooper:

That the Audit and Risk Committee:

- a) re-confirm the approved 2016 forward work programme, which will include the following amendments:
 - i) progress on re-cladding of 135 Albert Street (to be reported on twice annually)
 - ii) debrief on the 2015-25 Long-term Plan process (September 2016)
 - iii) report on Council's insurance renewal programme (August 2016 deferred from May 2016).

CARRIED

10 Office of the Auditor-General and Audit New Zealand briefing

Resolution number AUD/2016/23

MOVED by Cr MP Webster, seconded by Cr R Clow:

That the Audit and Risk Committee:

- a) receive the information provided by the Auditor-General's representative, Jo Smail, Audit Director, Audit New Zealand.

CARRIED

11 Management Report to council Interim Audit 2016

Resolution number AUD/2016/24

MOVED by Cr SL Stewart, seconded by Cr JG Walker:

That the Audit and Risk Committee:

- a) receive the Management Report to council Interim Audit 2016 and note the recommendations made by Audit New Zealand and the council's responses.

CARRIED

12 Pro forma Group Financial Statements

Resolution number AUD/2016/25

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

That the Audit and Risk Committee:

- a) approve the 2016 pro forma group financial statements for Auckland Council and Group, subject to the pro forma being updated for any changes identified during the current audit process and delegate to Mr Paul Conder and Mr Roy Tiffin authority to approve any such amendments.
- b) delegate authority to Mr Paul Conder and Mr Roy Tiffin to review and provide comments on the draft 2015/2016 Annual Report and Summary Annual Report to Auckland Council and Group and verbally report to the September 2016 meeting of this Committee on the process, findings and conclusions on the suitability of the reports for adoption.

CARRIED

The chairperson accorded Item 14 - Update on Enterprise Risk Management Activities, Item 15 - Stone cladding repairs - 135 Albert Street and Item 16 - Update on Insurance Activities, precedence at this time.

14 Update on Enterprise Risk Management Activities

Resolution number AUD/2016/26

MOVED by Cr R Clow, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) receive the update on Enterprise Risk Management Activities report.
- b) endorse the Risk Appetite Statement as attached (Attachment B) to the report.

CARRIED

15 Stone cladding repairs - 135 Albert Street

Supporting documentation was provided. A copy has been attached to the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number AUD/2016/27

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

That the Audit and Risk Committee:

- a) receive the report on the management of risks associated with the 135 Albert Street cladding repair works.

CARRIED

Attachments

- A 8 August 2016 - Audit and Risk Committee - Item 15 Stone cladding repairs - 135 Albert Street - supporting documentation

16 Update on Insurance Activities

Resolution number AUD/2016/28

MOVED by Cr SL Stewart, seconded by Cr JG Walker:

That the Audit and Risk Committee:

- a) note the insurance renewal programme for the 2016/17 year and the changes to the insurance cover;
- b) note the intention to seek Expressions of Interest and/or Requests for Proposals for the appointment of Council's insurance brokers for a new term from 1 April 2017 with the process due to commence shortly.

CARRIED

13 Health, Safety and Wellbeing August 2016 update

A PowerPoint presentation was provided. A copy has been attached to the official minutes and is available on the Auckland Council website as a minutes attachment.

Cr MP Webster left the meeting at 3.15pm.

Cr C Penrose left the meeting at 3.30pm.

Resolution number AUD/2016/29

MOVED by Cr SL Stewart, seconded by Cr R Clow:

That the Audit and Risk Committee:

- a) receive the update report and presentation on Health, Safety and Wellbeing.
- b) refer this report to the Finance and Performance Committee for its consideration.
- c) refer this report to all Local Boards for their information.

CARRIED

Attachments

- A 8 August 2016 - Audit and Risk Committee - Item 13 Health, Safety and Wellbeing August 2016 update - presentation

Item 14 - Update on Enterprise Risk Management Activities, Item 15 - Stone cladding repairs - 135 Albert Street and Item 16 - Update on Insurance Activities were addressed prior to Item 13 – Health, Safety and Wellbeing August 2016 update.

17 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

18 Procedural motion to exclude the public

Resolution number AUD/2016/30

MOVED by Chairperson W Cashmore, seconded by Cr LA Cooper:

That the Audit and Risk Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.

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 Internal Audit 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
<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)(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>

C2 Internal Audit Plan for year ending 30 June 2017

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)(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

3.40pm The public was excluded.

3.53pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Update on Internal Audit Activity

Resolution number AUD/2016/31

MOVED by Member R Tiffin, seconded by Cr R Clow:

That the Audit and Risk Committee:

- a) note the progress made by Internal Audit in delivering against the internal audit programme for the year to 30 June 2016.

Restatement:

- b) agree that this report remains confidential, but the decisions be restated in the open minutes.

C2 Internal Audit Plan for year ending 30 June 2017

Resolution number AUD/2016/32

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

That the Audit and Risk Committee:

- a) note Internal Audit's progress against the strategy objectives for 2015/2016.
- b) note the areas of focus for Internal Audit in 2016/2017.
- c) approve the updated 2016-18 Internal Audit strategy, 2017 Internal Audit Business Plan and 2017 detailed Internal Audit Programme.
- d) approve the Internal Audit Charter.

Restatement:

- e) agree that this report remains confidential, but the decisions be restated in the open minutes.

3.53pm

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:.....