

I hereby give notice that an ordinary meeting of the Audit and Risk Committee will be held on:

Date: Friday, 25 August 2017
Time: 2.15pm
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Audit and Risk Committee

OPEN AGENDA

MEMBERSHIP

Chairperson Sue Sheldon, CNZM
Deputy Chairperson Cr Greg Sayers
Members Deputy Mayor Bill Cashmore
Paul Conder
Cr Richard Hills
Bruce Robertson

Ex-officio Mayor Hon Phil Goff, CNZM, JP
IMSB Chair David Taipari

(Quorum 3 members)

Quorum must include two Governing
Body members

Mike Giddey
Senior Governance Advisor

21 August 2017

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TERMS OF REFERENCE

Purpose

The purpose of the Audit and Risk Committee is to assist and advise the Governing Body in discharging its responsibility and ownership of governance, risk management, and internal control.

The committee will review the effectiveness of the following aspects of governance, risk management and internal control:

- enterprise risk management (ERM) across the Auckland Council group
- internal and external audit and assurance
- integrity and investigations
- monitoring of compliance with laws and regulations
- significant projects and programmes of work focussing on the appropriate management of risk
- oversight of preparation of the LTP, Annual Report, and other external financial reports required by statute.

The scope of the committee includes the oversight of risk management and assurance across council's CCOs with respect to risk that is significant to the Auckland Council group.

To perform his or her role effectively, each committee member must develop and maintain his or her skills and knowledge, including an understanding of the committee's responsibilities, and of the council's business, operations and risks.

Decision-Making Powers

The committee has no decision making powers.

The committee may request expert advice through the chief executive where necessary.

The committee may make recommendations to the Governing Body and / or chief executive.

Tenure

External members will be appointed for an initial period not exceeding three years, after which they will be eligible for extension or re-appointment, after a formal review of their performance, and have not already served two terms on the committee. Councillors appointed to the committee will automatically cease to hold office at the time of the local authority triennial elections. They may be eligible for re-appointment post those elections if they are returned to office and have not already served two terms on the committee.

The chief executive, and the senior management team members will not be members of the committee.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the council. At least one member of the committee should have accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment.

Committee's responsibilities

The committee's responsibilities are detailed below.

Forward Work Programme

The committee will agree and approve annually a forward work programme – which will consist of in depth briefings and reviews of specific significant risks and assurance strategies, as contained in the ERM “Top Risks” or Auckland Council’s work plan.

Risk management

- Review, approve and monitor the implementation of the ERM policy, framework and strategy (including risks pertaining to CCOs that are significant to the Auckland Council group).
- Review and approve the council’s “risk appetite” statement.
- Review the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work, and significant procurement.
- Review risk management reports identifying new and / or emerging risks, and any subsequent changes to the ERM “Top Risk” register.

Internal Audit

- Review annually the Internal Audit Charter – which confirms the authority, independence and scope of the function.
- Review and approve annually and monitor the implementation of the 3 year Internal Audit Strategy and 12 month detailed Internal Audit Plan.
- Review the co-ordination between the risk and internal audit functions – including the integration of the council’s ERM risk profile with the Internal Audit programme. This includes assurance over all material financial, operational, compliance and other material controls. This includes legislative compliance (including Health and Safety), significant projects and programmes of work, and significant procurement.
- Review the reports of the Internal Audit functions dealing with findings, conclusions and recommendations (including assurance over risks pertaining to CCOs that are significant to the Auckland Council group)
- Review and monitor management’s responsiveness to the findings and recommendations – enquiring into the reasons that any recommendation is not acted upon.

Fraud and Integrity

- Review and approve annually, and monitor the implementation of, the Fraud and Integrity Strategy, including detailed work programme.
- Review annually the whistleblowing procedures and ensure that arrangements are in place by which staff, may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters, and that there is proportionate and independent investigation of such matters and appropriate follow-up action.
- Review the procedures in relation to the prevention, detection, reporting and investigation of bribery and fraud.
- Review and monitor policy and process to manage conflicts of interest amongst elected members, local board members, management, staff, consultants and contractors.
- Review reports from the Risk, Internal Audit, Integrity and Investigations, external audit and management related to whistle blower, ethics, bribery and fraud related incidents.

Statutory Reporting

Review and monitor the integrity of the interim and annual report including statutory financial statements and any other formal announcements relating to the council's financial performance, focussing particularly on:

- compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards
- compliance with applicable legal requirements relevant to statutory reporting
- the consistency of application of accounting policies, across reporting periods, and the Auckland Council group
- changes to accounting policies and practices that may affect the way that accounts are presented
- any decisions involving significant judgement, estimation or uncertainty
- the extent to which financial statements are affected by any unusual transactions and the manner in which they are disclosed
- the disclosure of contingent liabilities and contingent assets
- the clarity of disclosures generally
- the basis for the adoption of the going concern assumption
- significant adjustments resulting from the audit.

External Audit

- Discuss with the external auditor before the audit commences:
 - the nature and scope of the external audit
 - areas of audit focus
 - error and materiality levels.
- Review with the external auditors representations required by elected members and senior management, including representations as to the fraud and integrity control environment.
- Review the external auditors management letter and management responses, and inquire into reasons for any recommendations not acted upon.
- Where required, the chair may ask a senior representative of the Office of the Auditor General to attend the committee meetings to discuss the office's plans, findings and other matters of mutual interest.

Interaction with Council Controlled Organisations

Other committees dealing with CCO matters may refer matters to the Audit and Risk Committee for review and advice.

This committee will enquire to ensure adequate processes at a governance level exist to identify and manage risks within a CCO. Where an identified risk may impact on Auckland Council or the wider group, the committee will also ensure that all affected entities are aware of and appropriately managing the risk.

The Head of Risk and Head of Internal Audit are responsible for the provision of quality risk, assurance, insurance and ethics and integrity services for all CCOs except Auckland Transport and Watercare (with the exception of insurance services which are provided to Auckland Transport). Auckland Transport and Watercare have their own risk and assurance functions. The Head of Risk and Head of Internal Audit are responsible for monitoring CCO risk and internal audit strategies with respect to risks that are significant to the Auckland Council group.

Annual Report on the work of the committee

The chair of the committee will submit a written review of the performance of the committee to the chief executive on an annual basis. The review will summarise the activities of the committee and how it has contributed to the council's governance and strategic objectives. The chief executive will place the report on the next available agenda of the governing body.

Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.

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1 Apologies

An apology from Member P Conder has been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Audit and Risk Committee:

- a) confirm the ordinary minutes of its meeting, held on Wednesday, 19 July 2017, including the confidential section, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than **one (1) clear working day** prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of **thirty (30) minutes** is allocated to the period for public input with **five (5) minutes** speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to **five (5) minutes** during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give **one (1) day's** notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

8 Notices of Motion

There were no notices of motion.

Audit and Risk Committee Forward Work Programme

File No.: CP2017/16841

Item 9

Purpose

1. To review and update the Audit and Risk Committee's three-year forward work programme

Executive summary

2. The committee approved its three-year forward work programme at its 29 May 2017 meeting. It is good practice to review the forward work programme at each committee meeting, to ensure that it can be adapted quickly if council's risk profile changes and that it remains relevant to the needs of the committee.
3. There are no substantive changes recommended to the forward work programme that arise from a change in the risk profile of council.

Recommendation/s

That the Audit and Risk Committee:

- a) reconfirm the three-year forward work programme.

Comments

4. The Audit and Risk Committee's three-year forward work programme was approved on 29 May 2017. It was reviewed and reconfirmed at the July meeting of this committee.
5. The forward work programme is attached at Appendix A.
6. The forward work programme reflects:
 - governance, risk management and internal control matters as contained in council's Enterprise Risk Management Top Risk Register relevant to the committee's Terms of Reference;
 - areas of focus in the Internal Audit programme
 - the annual cycle including the audit of council's Annual Report and the risk, internal audit and integrity, and investigations functions.
7. It is good practice that the committee, as a standing item at each meeting, review and confirm its forward work programme. This is to ensure that the work programme is flexible, can be adapted quickly if council's risk profile changes and remains relevant to the needs of the committee.
8. For example, it would be appropriate for the committee to consider a change to the approved forward work programme in the event there has been a significant change in the risk profile of council as reflected in the Top Risk Register. Similarly a significant event occurring either within council or in the wider operating environment could result in a change in the work programme of the committee.
9. No such change in council's risk profile, or significant event has occurred since the last meeting of this committee.

Consideration

Local board views and implications

10. The views of local boards have not been sought for this report

Māori impact statement

11. This report is for information only and does not have direct impact on Māori

Implementation

12. The forward work programme will be reviewed regularly to meet the needs of the committee

Attachments

No.	Title	Page
A 	Audit and Risk Committee forward work programme	15

Signatories

Author	Mark Maloney - Head of Internal Audit
Authoriser	Phil Wilson - Governance Director

2017	March	May	July	August	September	December
Focus Areas - Deep Dive	<ul style="list-style-type: none"> Health and Safety - Special Focus Risk #1 (High) 	<ul style="list-style-type: none"> Insurance Renewal programme Fraud and Integrity workshop 	<ul style="list-style-type: none"> Financial Briefing – Delivery of Commitments and Funding Core Risk #9 (High) Fraud and Corruption Risk (group) – Core Risk # 6 (High) 		<ul style="list-style-type: none"> Legal Risk – Core Risk #8 (High) 	<ul style="list-style-type: none"> Procurement & Supplier Management - Core Risk #15 (Mod) City Rail Link Project
Risk	<ul style="list-style-type: none"> Endorsement of Risk Appetite Statement 		<ul style="list-style-type: none"> Top Risk Reporting by CCO's. Business Plan 17-18 		<ul style="list-style-type: none"> Risk Strategy 2018-20 Legal risk report 	<ul style="list-style-type: none"> Report back on Risk maturity Legal risk report
Internal Audit	<ul style="list-style-type: none"> IA 6 month Report Treaty Audit Monitoring 			<ul style="list-style-type: none"> IA Year in review IA 3 Year strategy update 2017/18 Audit Plan Business Plan 2017/18 	<ul style="list-style-type: none"> Treaty Audit Monitoring IA update report 	<ul style="list-style-type: none"> Fraud and Integrity Strategy update IA 6 month report
Insurance		<ul style="list-style-type: none"> Insurance Renewal programme 	<ul style="list-style-type: none"> Update on Insurance renewal programme Insurance Business Plan FY 17-18 		<ul style="list-style-type: none"> Insurance Strategy 	
External Reporting – Full year NZX announcement and Annual Report	<ul style="list-style-type: none"> APL 2017-19 2017 Audit Arrangements Engagement Letter 	<ul style="list-style-type: none"> NZX Announcement 2017 / Annual Report 2017 update for Committee 	<ul style="list-style-type: none"> Interim management report 2017 NZX Announcement / Annual Report update for Committee 	<ul style="list-style-type: none"> NZX Announcement / Annual Report update for Committee 	<ul style="list-style-type: none"> Annual report 2017 	<ul style="list-style-type: none"> 2018 arrangements
External Reporting – Interim Financial statements			<ul style="list-style-type: none"> Review engagement management report 			<ul style="list-style-type: none"> Engagement review arrangements December 2017 NZX announcement Update
External Reporting – LTP 2018-28			<ul style="list-style-type: none"> LTP Arrangements LTP progress Update 		<ul style="list-style-type: none"> LTP progress Update 	<ul style="list-style-type: none"> LTP Progress Update
Regular Updates Reports	<ul style="list-style-type: none"> Committee Workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee Workplan 	<ul style="list-style-type: none"> Committee Workplan Risk Internal Audit Health and Safety 	<ul style="list-style-type: none"> Committee Workplan 	<ul style="list-style-type: none"> Committee Workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee Workplan Risk Internal Audit Health and safety
Other	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) Annual Report on Committee's performance

2018	Feb	May	August	September	December
Focus Areas – Deep Dive	<ul style="list-style-type: none"> Quality of Asset Management Planning (Infrastructural and Physical)- Core Activity Risk #4 (Mod) 	<ul style="list-style-type: none"> Programme and Project Delivery - Core Risk #2 (High) Business Disruptions – Natural Hazards (Special Focus Risk #2(High) 	<ul style="list-style-type: none"> Central Interceptor Project 	<ul style="list-style-type: none"> Group Risk and mitigations 	<ul style="list-style-type: none"> Business Disruptions – Inadequate IT environment to support Corporate Strategy – Special Focus Risk #4 (Mod)
Risk	<ul style="list-style-type: none"> Update on Champions Programme Legal Risk report Cyber Risk 	<ul style="list-style-type: none"> Do it Right Compliance Programme Report on Focus areas from Audit findings Business Plan 18-19 Legal Risk report 	<ul style="list-style-type: none"> Legal risk report 		<ul style="list-style-type: none"> Report on Risk Maturity Legal Risk report
Internal Audit	<ul style="list-style-type: none"> Treaty Audit Monitoring 	<ul style="list-style-type: none"> IA Year in Review IA 3 year strategy update 2018/19 Audit Plan Business Plan 2018/19 	<ul style="list-style-type: none"> Treaty Audit Monitoring 		<ul style="list-style-type: none"> Fraud and Integrity Strategy update IA 6 month report
Insurance	<ul style="list-style-type: none"> Insurance Risk Profiling for June Renewal 	<ul style="list-style-type: none"> Report on insurance renewal programme Business Plan 18-19 			
Annual Report		<ul style="list-style-type: none"> NZX Announcement 2018 / Annual Report 2018 update for Committee Interim management report 2018 	<ul style="list-style-type: none"> NZX Announcement 2018 / Annual Report 2018 update for Committee 	<ul style="list-style-type: none"> 2018 Annual Report 	<ul style="list-style-type: none"> 2019 Arrangements
Interim financial Statements	<ul style="list-style-type: none"> Dec 2017 Interim Financial Statements NZX Announcement Clearance 	<ul style="list-style-type: none"> Review engagement management report Dec 2017 			<ul style="list-style-type: none"> Review arrangements Dec 2018 December 2018 NZX announcement Update
LTP 2018-28 / Annual Plan	<ul style="list-style-type: none"> 2018-28 LTP (Final) 	<ul style="list-style-type: none"> 2018-28 LTP Management Report 			<ul style="list-style-type: none"> Update on 2019/20 Annual Plan
Regular Update Reports	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety
Other	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) Annual Report on Committee's performance

2019	Feb	May	August	September	December
Focus Areas – Deep Dive	<ul style="list-style-type: none"> Privacy and Confidentiality – Core Risk #7 (Mod) 	<ul style="list-style-type: none"> Business Disruptions (Information and Cyber) – Special Focus Risk #3 (Mod) 2019 LG Elections – management of risks - special Focus Risk #9 (Mod) 	<ul style="list-style-type: none"> Council Governance – special Focus Risk #7 (Mod) 		
Risk	<ul style="list-style-type: none"> Legal Risk report 	<ul style="list-style-type: none"> Review against targets Business Plan 19-20 Legal Risk report 	<ul style="list-style-type: none"> Legal Risk report 		<ul style="list-style-type: none"> Report on Risk Maturity Legal Risk report
Internal Audit	<ul style="list-style-type: none"> Treaty Audit Monitoring 	<ul style="list-style-type: none"> IA Year in Review IA 3 year strategy update 2019/20 Audit Plan Business Plan 2019/20 	<ul style="list-style-type: none"> Treaty Audit Monitoring 		<ul style="list-style-type: none"> Fraud and Integrity Strategy update IA 6 month report
Insurance	<ul style="list-style-type: none"> Insurance risk profiling 	<ul style="list-style-type: none"> Business Plan 19-20 Report on Insurance renewal programme 			
Annual Report		<ul style="list-style-type: none"> NZX Announcement 2019 / Annual Report 2019 update for Committee Interim management report 2019 	<ul style="list-style-type: none"> NZX Announcement 2019 / Annual Report 2019 update for Committee 	<ul style="list-style-type: none"> 2019 Annual Report 	<ul style="list-style-type: none"> 2020 Arrangements
Interim financial Statements	<ul style="list-style-type: none"> Dec 2018 Interim Financial Statements NZX Announcement Clearance 	<ul style="list-style-type: none"> Review engagement management report Dec 2018 			<ul style="list-style-type: none"> Review arrangements Dec 2019 December 2019 NZX announcement Update
LTP 2018-28 / Annual Plan	<ul style="list-style-type: none"> 2019/20 Annual Plan (final) 				<ul style="list-style-type: none"> 2020/21 Annual Plan (draft)
Regular Update Reports	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety 	<ul style="list-style-type: none"> Committee workplan 	<ul style="list-style-type: none"> Committee workplan Risk Internal Audit Health and safety
Other	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) 	<ul style="list-style-type: none"> OAG report (if applicable) Annual Report on Committee’s performance 	<ul style="list-style-type: none"> OAG report (if applicable)

Item 9

Attachment A

Treaty Audit - approach to monitoring implementation of council-controlled organisation Māori Responsiveness Plans

File No.: CP2017/16935

Item 10

Purpose

1. To inform the Audit and Risk Committee of the planned approach that is required for council-controlled organisations (CCOs) to prioritise and implement Treaty Audit recommendations.

Executive summary

2. This report sets out the internal audit department's planned approach to the monitoring and reporting of the development and implementation of CCO Māori Responsiveness Plans through 2017/2018.

Recommendation/s

That the Audit and Risk Committee:

- a) receive this report.
- b) note the planned approach of Internal Audit to monitoring and reporting on council-controlled organisation Māori Responsiveness planning over the 2017/18 year.

Comments

3. At the July 2017 meeting of this Committee, the internal audit department reported on its planned approach to measuring the implementation of Treaty Audit recommendations in 2017/2018.
4. In that report, the department outlined the progress made by departments and CCOs in progressing Māori Responsiveness Plans.
5. Māori responsiveness plans are a key mechanism by which Treaty Audit recommendations are implemented at a departmental and CCO level.
6. With respect to CCOs, the department reported that Māori Responsiveness Plans:
 - have been formally adopted and are being implemented at Panuku Development Auckland Limited, and Auckland Tourism, Events and Economic Development Limited
 - are substantially progressed at Auckland Transport
 - are in the initial stages of development at Watercare Services Ltd, and Regional Facilities Auckland.
7. The Audit and Risk Committee resolved(AUD/2017/28) to request that:
 - the audit and risk department work with the Independent Māori Statutory Board secretariat on the approach that is required for CCOs to prioritise and implement the Treaty Audit recommendations and report back to the next Audit and Risk Committee meeting
 - the audit and risk department provide advice to the Independent Māori Statutory Board at their 4 September 2017 meeting updating them about how council will work with CCO's to implement the Treaty Audit programme.

8. With respect to Auckland Transport, Watercare Services Limited and Regional Facilities Auckland, the required (and planned) approach is:
- the Waharoa group will engage proactively with each of these CCO's to assess and understand both the intended process and timetable for development and finalisation of the respective Maori Responsiveness Plans, the substantive areas of focus of the plans, and the management of key risks in the plans development and finalisation. This will take place in Quarter 1 of the 2017/18 year.
 - Te Waka Angamua will provide support to each CCO to develop their respective plans.
 - The internal audit department will engage regularly with the respective CCO's (at a minimum every two months) to review the plans and provide real time advice as they are developed. The focus of these reviews is to provide assurance that the plans are real, are properly resourced, and will address relevant Treaty Audit recommendations.
 - Internal Audit will report on the progress being made by CCOs in the development of the respective plans as follows:
 - monthly to the Waharoa Group
 - quarterly to the Te Toa Takatini Executive Leadership Group,
 - six monthly to the Audit and Risk Committee.
9. With respect to Auckland Tourism Events and Economic Development Limited, and Panuku Development Auckland Limited, the planned approach is:
- as part of its routine monitoring work, the internal audit department will engage with both of these CCOs and assess progress being made in implementing the respective plans
 - the results of this work will be reported to the Waharoa Group, the Te Toa Takatini Executive Leadership Group and Audit and Risk Committee as outlined above.
10. The internal audit department will report on this planned approach to the Independent Māori Statutory Board on 4 September 2017.

Consideration

Local board views and implications

11. Local board views were not sought for this report.

Māori impact statement

12. Maori Responsiveness Plans are a key mechanism by which Treaty Audit recommendations are implemented at a departmental and CCO level. The Independent Māori Statutory Board secretariat and Te Waka Angamua were consulted on the planned approach to monitoring CCO Māori Responsiveness Plans.

Implementation

13. The planned approach will be implemented and reported on as detailed in this paper.

Attachments

There are no attachments for this report.

Signatories

Authors	Mark Maloney - Head of Internal Audit
Authorisers	Phil Wilson - Governance Director

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

b)

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 compliance with the Holidays Act 2003

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains operational information, including details of internal audit activity which if released may jeopardise the effective delivery of 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.

C2 New Zealand Stock Exchange Preliminary Announcement, media release and primary financial statements for the year ended 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
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 adjustments, assumptions and judgements that have impact on the financial results of the Auckland Council group as at 30 June 2017.	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 Office of the Auditor-General and Audit New Zealand briefing

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 from Audit New Zealand contains information regarding the annual report and financial results of the Auckland Council Group as at 30 June 2017.	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.

C4 Proposed review to embed the learnings of the Albany pool construction.

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. In particular, the report contains financial and operational information, including details of internal audit activity, which if released may jeopardise the effective delivery of 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.

C5 Internal Audit Plan for the year ended 30 June 2018

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)(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. In particular, the report contains financial and operational information amnd details of internal audit activity which, if released, may jeopardise the effective delivery of 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.