
Komiti Tātari me te Mātai Raru Tūpono / 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 Monday, 26 February 2018 at 2:16pm.

PRESENT

Chairperson	Sue Sheldon, CNZM	
Deputy Chairperson	Cr Greg Sayers	
Members	Paul Conder	
	Bruce Robertson	
Ex-officio	Mayor Hon Phil Goff, CNZM, JP	
	IMSB Chair David Taipari	Until 3.30pm, Item C1

ABSENT

Deputy Mayor Bill Cashmore
Cr Richard Hills

ALSO PRESENT

Cr Dr Cathy Casey

IN ATTENDANCE

Greg Schollum, Deputy Auditor-General, Office of the Auditor-General
Sarah Markley, Sector Manager, Local Government, Office of the Auditor-General
Jo Smaill, Audit Director, Audit New Zealand

1 Apologies

Resolution number AUD/2018/7

MOVED by Chairperson S Sheldon, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) **accept the apologies from Deputy Mayor BC Cashmore and Cr R Hills for absence and from IMSB Chair D Taipari for early departure.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2018/8

MOVED by Chairperson S Sheldon, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Monday, 12 February 2018, 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 Audit and Risk Committee Forward Work Programme

Resolution number AUD/2018/9

MOVED by Deputy Chairperson Cr G Sayers, seconded by IMSB Chair D Taipari:

That the Audit and Risk Committee:

- a) **reconfirm its forward work programme.**

CARRIED

10 Risk and Insurance Quarterly Update

Resolution number AUD/2018/10

MOVED by Chairperson S Sheldon, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) **note the update on Enterprise Risk Management.**
- b) **note the update on Insurance activities.**
- c) **endorse the proposed indicative Insurance Renewal Strategy.**

CARRIED

11 Monitoring of Treaty Audit Response Work Programme

Resolution number AUD/2018/11

MOVED by IMSB Chair D Taipari, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) **receive the Monitoring of Treaty Audit Response Work Programme report**
- b) **note the monitoring work that has been performed to date by the Internal Audit department**
- c) **note that the Internal Audit department will report on a six-monthly basis to this committee in accordance with the approved Internal Audit work plan**
- d) **note that in relation to action group 24 Performance Framework, staff will consider and report back on the inclusion of the Independent Maori Statutory Board in future Long-term Plan planning processes.**

CARRIED

12 Quarterly Health Safety & Wellbeing performance update

Resolution number AUD/2018/12

MOVED by Member P Conder, seconded by Mayor P Goff:

That the Audit and Risk Committee:

- a) receive this report on the second quarter of 2017/2018 about health, safety and wellbeing
- b) refer this report to the Governing Body for its consideration
- c) note that this report will also be provided to all local boards for their information.

CARRIED

13 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

14 Procedural motion to exclude the public

Resolution number AUD/2018/13

MOVED by Chairperson S Sheldon, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) exclude the public from the following part(s) of the proceedings of this meeting.
- b) agree that Greg Schollum, Deputy Auditor-General, Office of the Auditor-General, Sarah Markley, Sector Manager, Local Government, Office of the Auditor-General and Jo Smaill, Audit Director, Audit New Zealand be permitted to remain for all the Confidential Items after the public has been excluded, because of their knowledge of matters 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 Financial release of the Half Year New Zealand Stock Exchange Announcement and Interim Report

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)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. In particular, the report contains information regarding the financial results of Auckland Council group which are yet to be released to the market.	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 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.	<p>s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.</p> <p>In particular, the report from Audit New Zealand contains information regarding the financial results of the Auckland Council Group as at 31 December 2017.</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>

C3 Council-controlled organisations - Quarterly Risk Reports

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)(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>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>In particular, the report contains risk reporting and detailed top risks reported confidentially to the respective council-controlled organisation Boards or Audit and Risk Committees. These have been provided subject to confidentiality.</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>

C4 Update on Holidays Act Compliance

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.

C5 Internal Audit and Integrity Progress Report

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, and details of internal audit and integrity 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.

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

3.25pm 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.

5.25pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Financial release of the Half Year New Zealand Stock Exchange Announcement and Interim Report

Resolution number AUD/2018/14

MOVED by Deputy Chairperson Cr G Sayers, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) note that there are no significant outstanding issues arising from the half year 31 December 2017 review and process of preparing the Interim Report for the Auckland Council group.
- b) recommend the release of the New Zealand Stock Exchange Announcement, media release and Interim Report for the half year ended 31 December 2017 to the chair and deputy chair of the Finance and Performance Committee.
- c) recommend that the chair and deputy chair of the Finance and Performance Committee authorise the mayor and the chief executive to approve and release the items identified in clause b above to the New Zealand Stock Exchange on 28 February 2018.

Restatement:

- d) agree that the report remain confidential, but the decisions be restated in the open minutes.

C2 Office of the Auditor-General and Audit New Zealand briefing

Resolution number AUD/2018/15

MOVED by Member B Robertson, seconded by Deputy Chairperson Cr G Sayers:

That the Audit and Risk Committee:

- a) receive the information provided by the Auditor-General's representatives, Greg Schollum, Deputy Auditor-General, Sarah Markley, Sector Manager, Office of the Auditor-General and Jo Smail, Audit Director, Audit New Zealand.
- b) thank the Deputy Auditor-General, Greg Schollum, Sarah Markley, Sector Manager, Office of the Auditor-General and the Audit Director, Jo Smail, for their attendance.

Restatement

- c) agree that the report and attachments will remain confidential, but the decisions be restated in the open minutes.

C3 Council-controlled organisations - Quarterly Risk Reports

Resolution number AUD/2018/16

MOVED by Member B Robertson, seconded by Deputy Chairperson Cr G Sayers:

That the Audit and Risk Committee:

- a) note the written risk updates provided by Auckland Transport, Panuku Development Auckland Limited and Watercare Services Limited
- b) note the risk update presented by Auckland Tourism, Events and Economic Development Limited.
- c) request the lack of reporting by Regional Facilities Auckland be followed up by staff.

Restatement

- d) agree that the decisions be restated in the open minutes but that this report and attachments remain confidential.

C4 Update on Holidays Act Compliance

Resolution number AUD/2018/17

MOVED by Member P Conder, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) receive this report on Auckland Council's compliance with the Holidays Act 2003
- b) note the work that has been performed to date to identify non-compliance with the Holidays Act 2003, and to reconfigure our payroll systems.
- c) note that updates will continue to be reported to the committee regularly throughout the course of this review.

Restatement:

- d) agree that the decisions be restated in the open minutes but that this report and attachments remain confidential.

C5 Internal Audit and Integrity Progress Report

Resolution number AUD/2018/18

MOVED by Member P Conder, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) note the progress made by the Internal Audit and Integrity units of the Internal Audit department in delivering against the internal audit programme
- b) note the verbal updates on CRL Limited and America's Cup procurement provided by staff

Restatement

- c) agree that the decision be restated in the open minutes, but the Internal Audit and Integrity Activity report and attachments remain confidential.

5.25pm

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:.....