
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, 25 June 2018 at 1:34pm.

PRESENT

Chairperson Sue Sheldon, CNZM
Members Paul Conder
Cr Richard Hills
Bruce Robertson
Ex-officio Mayor Hon Phil Goff, CNZM, JP

ABSENT

Deputy Chairperson Bill Cashmore
Cr Ross Clow
IMSB Chair David Taipari

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/2018/32

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

That the Audit and Risk Committee:

- a) **accept the apologies from Deputy Chairperson BC Cashmore for absence on council business and Cr R Clow and IMSB Chair D Taipari for absence.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2018/33

MOVED by Chairperson S Sheldon, seconded by Cr R Hills:

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Monday, 28 May 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.

Note: From this point forward, agenda items were taken in the following order:

- Item 13 Procedural motion to exclude the public
Confidential Items C1 to C4
- Item 9 Quarterly health and safety performance report
- Item 10 NewCore Programme closure report
- Item 11 Forward Work Programme
- Item 12 Consideration of Extraordinary Items

13 Procedural motion to exclude the public

Resolution number AUD/2018/34

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 Smail, 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 Update on Key Controls and Risks Related to the Long-term Plan 2018-2028

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)(g) - The withholding of the information is necessary to maintain legal professional privilege. In particular, the report contains legal advice being provided to the Committee.	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 Audit of Building and Resource Consents

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 operational information, 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.

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)(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 findings of the audit review engagement for the Long-term Plan 2018-2028.	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 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. 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 operational information, 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

1.37pm 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.

3.16pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Update on Key Controls and Risks Related to the Long-term Plan 2018-2028

Resolution number AUD/2018/35

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

That the Audit and Risk Committee:

- a) receive the report on the key controls and risks relating to the development of the 10-year Budget.
- b) note a number of high level issues discussed by the committee.
- c) request that management consider the presentation of a number of issues raised.
- d) advise the Governing Body that effective internal control and risk management processes have been followed during the preparation of the 10-year Budget.
- e) advise the Governing Body that there are no significant outstanding audit issues.

Restatement

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

C2 Audit of Building and Resource Consents

MOVED by Chairperson S Sheldon, seconded by Mayor P Goff:

That the Audit and Risk Committee:

- a) receive this report, noting the work being undertaken to respond to the audit issue reported by Audit New Zealand.
- b) note that a further update will be provided to the committee at its August meeting.

Restatement

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

C3 Office of the Auditor-General and Audit New Zealand Briefing

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

That the Audit and Risk Committee:

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

Restatement

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

C4 Internal Audit and Integrity Progress Report

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

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.

Restatement

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

Note: As noted previously, the open agenda items were taken after the confidential agenda items were considered.

9 Quarterly health and safety performance report

Resolution number AUD/2018/39

MOVED by Member B Robertson, seconded by Mayor P Goff:

That the Audit and Risk Committee:

- a) receive the quarter three report on the council's health and safety performance.
- b) refer this report to the Governing Body and draw elected members attention to the need to fulfil their duties under the Health and Safety at Work Act 2015.
- c) note that this report will also be provided to all local boards for their information.

CARRIED

10 NewCore Programme closure report

Note: Changes to the original recommendation c) were made with the agreement of the meeting.

Resolution number AUD/2018/40

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

That the Audit and Risk Committee:

- a) note the closure report for NewCore.
- b) note that this report is the formal closure of the NewCore Programme.
- c) note that a post-implementation review will be carried out by the Internal Audit department, completed by December 2018 and reported to the committee in February 2019.

CARRIED

11 Forward Work Programme

Resolution number AUD/2018/41

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

That the Audit and Risk Committee

a) reconfirm its forward work programme.

CARRIED

12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

3.40pm

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:.....