

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, 27 August 2018 at 11.00am.

PRESENT

| | | |
|---------------------------|--|--------------------------|
| Deputy Chairperson | Deputy Mayor Bill Cashmore, presiding | |
| Chairperson | Sue Sheldon, CNZM | By electronic attendance |
| Members | Paul Conder Cr Richard Hills Bruce Robertson | |

ABSENT

| | |
|---|----------------------|
| Mayor Phil Goff Cr Ross Clow IMSB Chair David Taipari | For leave of absence |
|---|----------------------|

IN ATTENDANCE

Jo Smaill, Audit Director, Audit New Zealand

Note: In the absence of Chairperson, Sue Sheldon, Deputy Chairperson Cr B Cashmore presided.

1 Apologies

Resolution number AUD/2018/42

MOVED by Deputy Chairperson BC Cashmore, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) **accept the apology from Mayor P Goff for absence on council business.**

CARRIED

Resolution number AUD/2018/43

MOVED by Deputy Chairperson BC Cashmore, seconded by Member B Robertson:

That the Audit and Risk Committee:

- b) **approve the request for electronic attendance from Chairperson Sue Sheldon to accommodate the members physical presence at the meeting being impossible or impracticable due to adverse travel conditions.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2018/44

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

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Monday, 25 June 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 Forward Work Programme

Resolution number AUD/2018/45

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

That the Audit and Risk Committee:

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

CARRIED

9 Interim Audit Management Report for the year ending 30 June 2018

Resolution number AUD/2018/46

MOVED by Deputy Chairperson BC Cashmore, seconded by Cr R Hills:

That the Audit and Risk Committee:

- a) **note the issues identified by the Office of the Auditor-General and the council's responses to the matters raised in the interim audit for the year ended 30 June 2018.**

CARRIED

10 Final Audit Management Report for the Long-term Plan 2018-2028

Resolution number AUD/2018/47

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

That the Audit and Risk Committee:

- a) **note the matters identified by the Office of the Auditor-General and the council's responses to the matters raised in the audit of the Long-term Plan 2018-2028.**

CARRIED

11 Quarterly health and safety performance report

Resolution number AUD/2018/48

MOVED by Deputy Chairperson BC Cashmore, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **receive the fourth quarter report on the Auckland Council's health and safety performance**
- b) **refer this report to the Governing Body and draw the attention of elected members to 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

12 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

13 Procedural motion to exclude the public

Resolution number AUD/2018/49

MOVED by Deputy Chairperson BC Cashmore, 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 Jo Smaill, Audit Director, Audit New Zealand be permitted to remain for all of the confidential items after the public has been excluded, because of her 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 New Zealand Stock Exchange Preliminary Announcement, media release and primary financial statements 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)(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 2018. | 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. | <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 operational information 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> |

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. | <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 from Audit New Zealand contains information regarding the annual report and financial results of the Auckland Council Group as at 30 June 2018.</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 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. | <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 operational information the release of which may jeopardise the effective delivery of internal audit and integrity 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> |

C5 Internal Audit plan for the year ending 30 June 2019

| 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 would jeopardise the effective delivery of internal audit and integrity 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

11.45am 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.

1.30pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 New Zealand Stock Exchange Preliminary Announcement, media release and primary financial statements for the year ended 30 June 2018

Resolution number AUD/2018/50

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

That the Audit and Risk Committee:

- a) recommend the release of the New Zealand Stock Exchange Preliminary Announcement, media release and primary financial statements for the year ended 30 June 2018, subject to any minor editorial changes, to the chair and deputy chair of the Finance and Performance Committee.
- b) recommend that, on 28 August 2018, the chair and deputy chair of the Finance and Performance Committee authorise the mayor and chief executive to approve and release the items identified in a) above to the New Zealand Stock Exchange on 29 August 2018.

Restatement

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

C2 Audit of Building and Resource Consents

Resolution number AUD/2018/51

MOVED by Deputy Chairperson BC Cashmore, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) note the work being undertaken to respond to the resource consent and building consent processing time errors reported by Audit New Zealand.
- b) note that a further update will be provided to the committee at its September 2018 meeting.

Restatement

- c) agree that the decisions be restated in the open minutes, but that the Audit of Building and Resource Consents departments report remain confidential.

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

Resolution number AUD/2018/52

MOVED by Member B Robertson, seconded by Deputy Chairperson BC Cashmore:

That the Audit and Risk Committee:

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

Resolution number AUD/2018/53

MOVED by Deputy Chairperson BC Cashmore, 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.

Restatement

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

C5 Internal Audit plan for the year ending 30 June 2019

Resolution number AUD/2018/54

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

That the Audit and Risk Committee:

- a) note the Internal Audit department's progress against the 2016-2018 Internal Audit Strategy objectives for 2017/2018.
- b) note the areas of focus for the Internal Audit department in 2018/2019.
- c) approve the updated 2016-2018 Internal Audit Strategy, 2019 Internal Audit Business Plan, and 2019 Detailed Internal Audit Programme.
- d) approve the Internal Audit Charter.

Restatement

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

1.30pm

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:.....