

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 Tuesday, 26 February 2019 at 10.36am.

PRESENT

Chairperson	Sue Sheldon, CNZM
Members	Cr Ross Clow Paul Conder Cr Richard Hills Bruce Robertson

ABSENT

Deputy Chairperson	Deputy Mayor Cr Bill Cashmore
Ex-officio	Mayor Hon Phil Goff, CNZM, JP IMSB Chair David Taipari

IN ATTENDANCE

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

1 Apologies

Resolution number AUD/2019/5

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

That the Audit and Risk Committee:

- a) **accept the apologies from Deputy Chairperson BC Cashmore and Mayor Hon P Goff for absence on council business; 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/2019/6

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 Wednesday, 5 December 2018 and the extraordinary minutes of its meeting, held on Friday, 1 February 2019, including the confidential sections, as true and correct records.**

CARRIED

4 Petitions

There were no petitions.

5 Public Input

5.1 Public Input - Chris Joel - Atkinson Park, Titirangi

Mr Chris Joel provided a PowerPoint presentation and tabled a copy of a breach notice that he had previously provided to council. Copies of the presentation and the tabled documentation has been placed on the official minutes and is available on the Auckland Council website as minutes attachments.

Resolution number AUD/2019/7

MOVED by Cr R Clow, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) **receive the presentation from Chris Joel regarding Atkinson Park, Titirangi and thank him for his attendance.**

CARRIED

Attachments

- A 26 February 2019 - Audit and Risk Committee - Item 5.1 - Public Forum - Chris Joel - Atkinson Park, Titirangi - presentation
- B 26 February 2019 - Audit and Risk Committee - Item 5.1 - Public Forum - Chris Joel - Atkinson Park, Titirangi - tabled documentation

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/2019/8

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

That the Audit and Risk Committee:

- a) **adopt the revised forward work programme.**

CARRIED

9 Correspondence from Auditor-General - Appointed Auditor for Auckland Council

Resolution number AUD/2019/9

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

That the Audit and Risk Committee:

- a) **note the correspondence from the Auditor-General confirming the audit engagement team effective as from the year ending 30 June 2020.**

CARRIED

10 Risk and Insurance Update - February 2019

Resolution number AUD/2019/10

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

That the Audit and Risk Committee:

- a) **note the update on enterprise risk management and insurance**
- b) **note the update on the 36th America's Cup Programme.**

CARRIED

11 Monitoring of the Treaty of Waitangi Audit Recommendations

Note: changes to the original motion, adding new clause c) was made with the agreement of the meeting.

Resolution number AUD/2019/11

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

That the Audit and Risk Committee:

- a) **receive the Monitoring of the Treaty of Waitangi Audit Recommendations report.**
- b) **note the monitoring work that has been performed by the Internal Audit department.**

- c) note the development of the Maori Outcomes Performance Management Framework and the future incorporation of these into six monthly reporting.
- d) note that the Internal Audit department will report on a six-monthly basis on progress against the Treaty Audit Response Programme to this committee in accordance with the approved Internal Audit work plan.

CARRIED

12 City Rail Link update

Resolution number AUD/2019/12

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

That the Audit and Risk Committee:

- a) note the work done so far on the sponsors' investor risk profile for City Rail Link, the intended process for adopting it, and updating it over time to reflect changed risk profiles
- b) note that staff will next bring the updated risk profile to the committee at its 5 June 2019 meeting.

CARRIED

13 Health & Safety Performance Report - Quarter Two Financial Year 2018/19

Resolution number AUD/2019/13

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

That the Audit and Risk Committee:

- a) 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
- b) note that this report will be provided to all local boards for their information.

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

15 Procedural motion to exclude the public

Resolution number AUD/2019/14

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

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 of 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 Half year results announcement for the New Zealand Stock Exchange 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 which if disclosed to the public, could breach NZX disclosure rules.	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.	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 financial results of the Auckland Council Group as at 31 December 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.

C3 Update on the audit of building and non notified 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 financial and operational information and details of activity which if released may jeopardise the effective delivery of internal 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.

C4 Council-controlled Organisations Risk Update - February 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
<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)(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 council-controlled organisations Board or Audit and Risk Committees. The council-controlled organisations have provided their risk report for council's Audit and Risk Committee 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>

C5 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 activity which if released may jeopardise the effective delivery of internal 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

12.10pm 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.

3.00pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Half year results announcement for the New Zealand Stock Exchange and Interim Report

Resolution number AUD/2019/15

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

That the Audit and Risk Committee:

- a) note that there are no significant outstanding issues in relation to the Half Year NZX Release.
- b) recommend the release of the Half Year NZX Release for the six months ended 31 December 2018 to the chair and deputy chair of the Finance and Performance Committee subject to minor changes as discussed.
- 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 Half Year NZX Release to the New Zealand Stock Exchange on 28 February 2019.

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/2019/16

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

That the Audit and Risk Committee:

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

Restatement:

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

C3 Update on the audit of building and non notified resource consents

Resolution number AUD/2019/17

MOVED by Cr R Clow, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) note the work that has been undertaken to respond to the resource consent and building consent processing time errors reported by Audit New Zealand.

Restatement

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

C4 Council-controlled Organisations Risk Update - February 2019

Resolution number AUD/2019/18

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

That the Audit and Risk Committee:

- a) note the written risk updates provided by Watercare Services Limited, Panuku Development Auckland Limited and Auckland Tourism, Events and Economic Development Limited.
- b) note the risk update presented by Auckland Transport.

Restatement

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

C5 Update on internal audit activity

Resolution number AUD/2019/19

MOVED by Chairperson S Sheldon, 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 remains confidential.

3.00pm

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:.....