Minutes of a meeting of the Audit and Risk Committee held in Room 1, Level 26, 135 Albert Street, Auckland on Tuesday, 27 August 2019 at 10.35am.

PRESENT

Chairperson
Sue Sheldon, CNZM

Deputy Chairperson
Deputy Mayor Cr Bill Cashmore

Members
Cr Ross Clow
Paul Conder
Cr Richard Hills
Bruce Robertson

From 12.20pm, Item C3

Ex-officio
IMSB Deputy Chair Glenn Wilcox (Alt)

ABSENT

Mayor Hon Phil Goff, CNZM, JP
IMSB Chair David Taipari

IN ATTENDANCE

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

Resolution number AUD/2019/38

MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:

That the Audit and Risk Committee:

a) accept the apologies from Mayor Hon P Goff and IMSB Chair D Taipari for absence and from Cr R Clow for lateness.

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2019/39

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 June 2019, 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 Audit and Risk Committee Work Programme

Resolution number AUD/2019/40

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

That the Audit and Risk Committee:

a) adopt the revised forward work programme.

CARRIED

Staff provided a presentation in support of this report. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number AUD/2019/41

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

**That the Audit and Risk Committee:**

a)  note the draft Assurance Strategy 2019-2022 and provide feedback to staff

b)  note the draft Assurance Plan 2019/2020 and provide feedback to staff

c)  approve the Auckland Council Assurance Services Charter.

CARRIED

**Attachments**


10  **Monitoring of the Treaty of Waitangi audit recommendations**

Staff provided a presentation in support of this report. A copy has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Note:  Changes to the original recommendations were made with the agreement of the meeting.

Resolution number AUD/2019/42

MOVED by IMSB Deputy Chair G Wilcox, seconded by Deputy Chairperson Cr BC Cashmore:

**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 Assurance Services department

c)  note that the Assurance Services department will report on a six-monthly basis, and consider whether that is appropriate, on progress against the Treaty Audit Response Programme to this committee in accordance with the approved Assurance Plan 2019/20

d)  agree that as part of the update on Te Tiriti Audit Response Programme action (Performance Management Framework) that Assurance Services provide documentation of the performance measures for Marae development, Economic Development, Te Reo Māori and Water in the next report of the Treaty Audit Programme to this committee.

CARRIED

**Attachments**

A  27 August 2019 - Audit and Risk Committee - Item 10 - Monitoring of the Treaty of Waitangi audit recommendations - presentation
11 Interim audit management report for the year ending 30 June 2019

Resolution number AUD/2019/43
MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:

That the Audit and Risk Committee:

a) note the issues identified by the Office of the Auditor-General and Auckland Council’s responses to the matters raised as a result of the interim audit for the year ended 30 June 2019.

CARRIED

12 Final Audit Management Report for the Long-term Plan Amendment

Resolution number AUD/2019/44
MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:

That the Audit and Risk Committee:

a) note the matter identified by the Office of the Auditor-General in the audit of the Long-term Plan Amendment and the council’s response.

CARRIED

13 Green Bond Annual Report

Resolution number AUD/2019/45
MOVED by Chairperson S Sheldon, seconded by Member P Conder:

That the Audit and Risk Committee:

a) receive the first Green Bond Annual Report for information

b) note that future Green Bond Annual Reports will be presented to the committee for approval prior to publication.

CARRIED

14 Consideration of Extraordinary Items

There was no consideration of extraordinary items.
15 Procedural motion to exclude the public

Resolution number AUD/2019/46

MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:

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, Jo Smaill, Audit Director, Audit New Zealand, Sarah Markley, Sector Manager – Local Government, Office of the Auditor-General and Athol Graham, 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:

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>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. 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 risk reporting and detailed top risks 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.</td>
<td>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.</td>
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### C2 2019/20 Insurance Programme - Post Renewal Update

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<td>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.</td>
<td>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 particular details of Council Group's professional indemnity policy.</td>
<td>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.</td>
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### C3 Auckland Council Group New Zealand Stock Exchange announcement, media release and primary financial statements for the year ended 30 June 2019

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<td>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.</td>
<td>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 2019.</td>
<td>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.</td>
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### C4 Update on the Audit of Building and Resource Consents

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<td>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.</td>
<td>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 information prepared for Audit New Zealand and in draft for the Annual Report that is subject to confidentiality</td>
<td>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.</td>
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C5 Office of the Auditor-General and Audit New Zealand Briefing

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<td>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.</td>
<td>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 and Auckland Council as at 30 June 2019.</td>
<td>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.</td>
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C6 Correspondence received

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<td>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.</td>
<td>s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. In particular, the report contains information which is the subject of legal negotiations.</td>
<td>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.</td>
</tr>
</tbody>
</table>

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

11.40am The public was excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publically available.

2.58pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Council-controlled Organisations Risk Update - August 2019

Resolution number AUD/2019/52

MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:

That the Audit and Risk Committee:

a) note the written and verbal risk updates provided by Watercare Services Limited and thank the representatives for their attendance

Restatement

b) agree that the decisions be restated in open minutes but that this report and attachments remain confidential.
C2 2019/20 Insurance Programme - Post Renewal Update
Resolution number AUD/2019/47
MOVED by Chairperson S Sheldon, seconded by Deputy Chairperson Cr BC Cashmore:
That the Audit and Risk Committee:
  a) note the update on the group’s insurance renewal placement
  b) note the update on key policy reviews planned for the year 2019/2020
Restatement
  c) agree that the decisions be restated in the open minutes but that this report remain confidential.

C3 Auckland Council Group New Zealand Stock Exchange announcement, media release and primary financial statements for the year ended 30 June 2019
Resolution number AUD/2019/49
MOVED by Chairperson S Sheldon, seconded by Cr R Clow:
That the Audit and Risk Committee:
  a) agree the release of the 2019 New Zealand Stock Exchange preliminary announcement, media release and preliminary financial statements for the year ended 30 June 2019 to the chair and deputy chair of the Finance and Performance Committee, subject to further consideration of the wording in the media release and final sign-off by the chair of the Audit and Risk Committee
  b) recommend that, on 28 August 2019, 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 2019
Restatement
  c) agree that the report and attachments will remain confidential, but the decisions be restated in the open minutes.

C4 Update on the Audit of Building and Resource Consents
Resolution number AUD/2019/50
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 Update on the Audit of Building and Resource Consents report remain confidential.
C5  Office of the Auditor-General and Audit New Zealand Briefing

Resolution number AUD/2019/51

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

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 Auditor-General Sector Manager – Local Government Sarah Markley 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.

C6  Correspondence received

Resolution number AUD/2019/48

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

That the Audit and Risk Committee:

Restatement

b) agree that the decisions, report and attachment remain confidential.

2.58pm  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:.....................................................................................