
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, 24 February 2020 at 1.17pm.

PRESENT

Chairperson	Sue Sheldon, CNZM	
Deputy Chairperson	Cr Daniel Newman, JP	
Members	Deputy Mayor Cr Bill Cashmore Paul Conder, CA Bruce Robertson	
Ex-officio	IMSB Deputy Chair Tau Henare	Until 1.52pm, Item 10

ABSENT

Member	Cr Shane Henderson
Ex-officio	Mayor Hon Phil Goff, CNZM, JP IMSB Chair David Taipari

IN ATTENDANCE

Greg Schollum, Deputy Auditor-General
Sarah Markley, Auditor-General Sector Manager – Local Government
Athol Graham, Audit Director, Audit New Zealand

1 Apologies

Resolution number AUD/2020/1

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

That the Audit and Risk Committee:

- a) **accept the apologies from Cr S Henderson and Mayor P Goff for absence on council business and from IMSB Chair D Taipari for absence.**

CARRIED

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2020/2

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

That the Audit and Risk Committee:

- a) **confirm the ordinary minutes of its meeting, held on Monday, 9 December 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 2020-2022

Resolution number AUD/2020/3

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

That the Audit and Risk Committee:

- a) **approve the recommended new matters and adopt the updated Audit and Risk Committee work programme**
- b) **approve the recommended workshop topics to be held in May 2020.**

CARRIED

9 Treaty Audit Monitoring Update

Staff provided a presentation a copy of which has been placed on the official minutes and is available on the Auckland Council website as a minutes attachment.

Resolution number AUD/2020/4

MOVED by IMSB Deputy Chair T Henare, seconded by Member P Conder:

That the Audit and Risk Committee:

- a) **receive the update on the monitoring and progress of the Treaty Audit response programme and progress on the Māori Outcomes Framework**
- b) **note the oversight and monitoring that has been performed by the Assurance Services department**
- c) **note that the Assurance Services department will report on a six-monthly basis on progress against the Treaty Audit Response Programme to this committee in accordance with the approved Assurance Plan 2019/2020**
- d) **agree that the Assurance Services department, Te Waka Angamua and the General Manager, Māori Outcomes and Relationships report to the Audit and Risk Committee in August 2020 on Māori Responsiveness Plans implementation and reporting across the Council Group with a view to whether there are adequate risk management and controls in place.**

CARRIED

Attachments

- A 24 February 2020 - Audit and Risk Committee - Item 9 - Treaty Audit Monitoring Update - presentation

IMSB Deputy Chair T Henare retired from the meeting at 1.52pm.

10 Health, Safety and Wellbeing update - emerging risks and issues

Resolution number AUD/2020/5

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

That the Audit and Risk Committee:

- a) **note the council's response to the novel coronavirus threat and challenges for frontline staff facing antisocial behaviour from members of the public**
- 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 be provided to all local boards for their information.**

CARRIED

The Chairperson requested that Item 11 America's Cup programme risk management update be considered after Item 15 Approval of the Audit New Zealand audit plan for the year ended 30 June 2020.

12 Resource and Building Consents performance and improvement activities update

Resolution number AUD/2020/6

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

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 variances reported by Audit New Zealand in 2019 and improve overall performance.**

CARRIED

13 Resource and Building Consents Performance Measures Assurance Plan Update

Resolution number AUD/2020/7

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

That the Audit and Risk Committee:

- a) **receive the update on the consents performance measure assurance activities and the generation of required performance results for the Annual Report concerning the processing of consents within 20 working days.**

CARRIED

14 Risk Update Report

Resolution number AUD/2020/8

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

That the Audit and Risk Committee:

- a) **note the risk and insurance activities in this report.**

CARRIED

15 Approval of the Audit New Zealand audit plan for the year ended 30 June 2020

Note: changes to the original motion were incorporated under clause c), with the agreement of the meeting.

Resolution number AUD/2020/9

MOVED by Deputy Chair D Newman, seconded by Deputy Mayor BC Cashmore:

That the Audit and Risk Committee:

- a) **approve the draft audit plan for the 30 June 2020 audit of the annual report**
b) **request Audit New Zealand issue the final audit plan**

- c) recommend the mayor and chief executive sign the finalised audit plan.

CARRIED

The meeting adjourned at 2.35pm and reconvened at 3.05pm.

11 America's Cup programme risk management update

Resolution number AUD/2020/10

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

That the Audit and Risk Committee:

- a) receive the update on the risk management activities for the 36th America's Cup programme.

CARRIED

16 Consideration of Extraordinary Items

There was no consideration of extraordinary items.

17 Procedural motion to exclude the public

Resolution number AUD/2020/11

MOVED by Chairperson S Sheldon, seconded by Deputy Mayor 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, Athol Graham, Audit Director, Audit New Zealand and Sarah Markley, Auditor-General Sector Manager – Local Government 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 Council-controlled Organisations' Quarterly Risk Updates - February 2020

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)(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	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.

	<p>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 confidential to the council-controlled organisations' Boards or Audit and Risk Committees. The council controlled organisations have provided their risk reports for the council's Audit and Risk Committee subject to confidentiality.</p>	
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C2 Proposed approach for 2020-2021 Insurance Renewal

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)(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 details of the proposed insurance strategy, policies and programmes for which terms and costings are being sought from and negotiated with the insurance market.</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 Half year results announcement for NZX and Interim Report 31 December 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)(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 contains information which if disclosed to the public, could breach NZX disclosure rules.</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 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 interim report and financial results of the Auckland Council Group and Auckland Council as at 31 December 2019.</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

3.15pm 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.

5.35pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 Council-controlled Organisations' Quarterly Risk Updates - February 2020

Resolution number AUD/2020/12

MOVED by Deputy Chair Cr D Newman, seconded by Member B Robertson:

That the Audit and Risk Committee:

- a) note the governance processes that exist to identify and manage risks within individual substantive council-controlled organisations
- b) note the written and verbal risk updates provided by Panuku Development Limited and thank them for their attendance
- c) note the written risk updates provided by Auckland Tourism, Events and Economic Development Limited, Auckland Transport, Regional Facilities Auckland and Watercare Services Limited

Restatement:

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

C2 Proposed approach for 2020-2021 Insurance Renewal

Resolution number AUD/2020/13

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

That the Audit and Risk Committee:

- a) note the update on the progress against council group's strategic objectives and workplan for Insurance
- b) note the update on the proposed approach for 2020-2021 Insurance Renewal Programme

Restatement:

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

C3 Half year results announcement for NZX and Interim Report 31 December 2019

Resolution number AUD/2020/14

MOVED by Deputy Chair Cr D Newman, seconded by Deputy Mayor Cr BC Cashmore:

That the Audit and Risk Committee:

- a) note that there are no significant outstanding issues in relation to the draft half year NZX release
- b) approve the changes to accounting policies as set out in the draft interim report
- c) recommend the chair and deputy chair of the Finance and Performance Committee approve the half year NZX release for the six months ended 31 December 2019
- d) 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 on 28 February 2020
- e) approve the updated fraud representation document for release to Audit New Zealand

Restatement:

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

C4 Office of the Auditor-General and Audit New Zealand Briefing

Resolution number AUD/2020/15

MOVED by Deputy Chair Cr D Newman, seconded by Deputy Mayor 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 Athol Graham 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.

5.35pm

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:.....