Minutes of a meeting of the Audit and Risk Committee held remotely on Monday, 24 August 2020 at 11.58am.

PRESENT

Chairperson          Sue Sheldon, CNZM  
Deputy Chairperson   Cr Daniel Newman, JP  
Members              Deputy Mayor Cr Bill Cashmore  
                      Paul Conder  
                      Cr Shane Henderson  
                      Bruce Robertson  
Ex-officio           IMSB Chair David Taipari  

ABSENT

Ex-officio           Mayor Hon Phil Goff, CNZM, JP  

ALSO PRESENT

Cr Angela Dalton  

IN ATTENDANCE

Greg Schollum, Deputy Auditor-General  
Athol Graham, Audit Director, Audit New Zealand  
Andrea Reeves, Assistant Auditor-General, Local Government  
Karen MacKenzie, Audit Director, Audit New Zealand

Note: All members attended the meeting via electronic link.
1 Apologies

Resolution number AUD/2020/40

MOVED by Chairperson S Sheldon, 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 ON VOICES

2 Declaration of Interest

There were no declarations of interest.

3 Confirmation of Minutes

Resolution number AUD/2020/41

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

That the Audit and Risk Committee:

a) confirm the ordinary minutes of its meeting, held on Tuesday, 26 May 2020, including the confidential section, as a true and correct record.

CARRIED ON VOICES

4 Petitions

There were no petitions.

Note: The chairperson accorded precedence to Item 8 – Audit and Risk Committee Forward Work Programme, at this time.

8 Audit and Risk Committee Forward Work Programme

Mark Maloney, Head of Assurance Services spoke to the agenda report outlining the proposed changes in timing of items on the forward work programme and responded to questions from members.

Resolution number AUD/2020/42

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

That the Audit and Risk Committee:

a) note the additional extraordinary meeting on 14 October 2020, approve the changes in timing of items and adopt the updated Audit and Risk Committee work programme.

CARRIED ON VOICES
5 Public Input

5.1 Public Input - Deborah Manning - tree risk assessment

Ms Deborah Manning spoke to the briefing paper which was included in the agenda and was supported by Mark Roberts, independent arboricultural consultant. Claudia Wyss, Director Customer and Community Services provided advice regarding the proposed recommendations.

Note: Changes to the original motion, adding new clauses b) to d), were made with the agreement of the meeting.

Resolution number AUD/2020/43

MOVED by Deputy Chair Cr D Newman, seconded by Cr S Henderson:

That the Audit and Risk Committee:

a) agree to extend Ms Deborah Manning's speaking time by 5 minutes to complete her presentation.

CARRIED ON VOICES

Resolution number AUD/2020/44

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

That the Audit and Risk Committee:

a) thank Deborah Manning and Mark Roberts for their presentation
b) request officers prepare a report outlining:
   i) the industry standards available for tree risk assessment
   ii) the current tree risk assessment practice across Community Facilities with respect to these industry standards
   iii) potential recommendations for change, including for greater consistency across Community Facilities

c) recommend that the report referred to in b) above be provided to the Parks, Arts, Community and Events Committee for them to review current practice and make any recommendations, if needed, to ensure a consistent approach across Community Facilities

d) request an update on the above be provided in the Risk report in September 2020.

CARRIED ON VOICES

6 Local Board Input

There was no local board input.

7 Extraordinary Business

There was no extraordinary business.

Note: Item 8 – Audit and Risk Committee Forward Work Programme was considered prior to Item 5 – Public Input.
9  Enterprise Risk Update - August 2020

Emma Mosely, Chief Risk Officer spoke to the agenda report and answered questions from members. In addition Kevin Ramsay, Acting Group Chief Financial Officer provided a verbal update on council’s financial management and recovery risks and Andre Lubbe, Head of Employment Relations provided a verbal update on council’s health, safety and wellbeing current status.

Resolution number AUD/2020/45

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

That the Audit and Risk Committee:

a)  note the risk activities and enterprise top risk update
b)  refer the Enterprise Risk Update to the Governing Body for information.

CARRIED ON VOICES

10  30 June 2020 annual report progress

Francis Caetano, Group Financial Controller spoke to the agenda report noting that it was supplemented by a confidential report on the agenda.

Resolution number AUD/2020/46

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

That the Audit and Risk Committee:

a)  note the revised timeline for finalisation of the annual report
b)  note the year end reporting matters information in this report and use it to supplement the information in the confidential item “Confidential report on the 30 June 2020 annual report”.

CARRIED ON VOICES

11  Interim audit management report for the year ending 30 June 2020

Francis Caetano, Group Financial Controller spoke to the agenda report and answered questions from members.

Resolution number AUD/2020/47

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

That the Audit and Risk Committee:

a)  note the matters identified by the Office of the Auditor-General during its 30 June 2020 interim audit and Auckland Council’s responses to those matters.

CARRIED ON VOICES

Note: The meeting adjourned at 1.07pm and reconvened at 1.25pm.

Tania Winslade, General Manager, Ngā Mātārae Māori Outcomes introduced the agenda report and referred to the Kia Ora Tāmaki Makaurau Māori outcomes performance measurement framework which had been adopted by the Parks, Arts, Community and Events Committee on 20 August 2020 and answered questions from members. Chelsea Natana, Senior Advisor Māori Outcomes Ngā Mātārae spoke to the presentation provided in support of the item.

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

In addition, staff tabled a document titled “Kia Ora Tāmaki Makaurau – Māori outcomes performance framework” which had recently been approved by the Parks, Arts, Community and Events Committee. 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 motion, adding new clause c), were made with the agreement of the meeting.

Resolution number AUD/2020/48

MOVED by Chairperson S Sheldon, seconded by IMSB Chair D Taipari:

That the Audit and Risk Committee:

a) receive the update from Ngā Mātārae on the Māori outcomes performance measurement framework.

b) note the approach for the implementation and reporting of Māori Responsiveness Plans across the Council Group

c) request that one name be agreed for the Framework and that name be used consistently.

CARRIED ON VOICES

Attachments


13 Treaty Audit Monitoring Update

Mark Maloney, Head of Assurance Services spoke to the agenda report and answered questions from members.

Note: Changes to the original motion, adding new clause d), were made with the agreement of the meeting.

Resolution number AUD/2020/49

MOVED by Chairperson S Sheldon, seconded by IMSB Chair D Taipari:

That the Audit and Risk Committee:

a) receive the update on the monitoring and progress of the Treaty Audit Response Programme and assessment of risks and controls with Māori Responsiveness Planning.

b) note the oversight and monitoring that has been performed by the Assurance Services department in relation to the Treaty Audit Response Programme and Māori Responsiveness Planning Implementation and Reporting.

c) note that the Assurance Services department will continue to report on a six-monthly basis on progress against the Treaty Audit Response Programme to this committee.

d) request the Assurance Services department to provide a risk assessment report to the committee about the implementation of the Māori Outcomes Framework in February 2021.

CARRIED ON VOICES

14 Risk management and assurance approach for the Long-term Plan 2021-2031

Ross Tucker, General Manager, Financial Strategy and Planning spoke to the agenda report and answered questions from members.

Resolution number AUD/2020/50

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

That the Audit and Risk Committee:

a) note the Emergency Budget 2020/2021 process update.

b) endorse the risk management and assurance approach for Long-term Plan 2021-2031.

CARRIED ON VOICES
15 Audit engagement letter for the Long-term Plan 2021-2031

Ross Tucker, General Manager, Financial Strategy and Planning spoke to the agenda report and answered questions from members.

Resolution number AUD/2020/51

MOVED by Deputy Chair Cr D Newman, seconded by Cr S Henderson:

That the Audit and Risk Committee:

a) review and endorse the draft audit engagement letter for the Long-term Plan 2021-2031.

b) request the Office of the Auditor General issue the final audit engagement letter for the Long-term Plan 2021-2031.

c) recommend the Mayor and Chief Executive sign the final audit engagement letter for the Long-term Plan 2021-2031.

CARRIED ON VOICES

16 Resource and Building Consents performance and improvement activities update

Pete Laurenson, Manager Project Assessment South, Building Consents spoke to the agenda report and answered questions from members supported by Ian Smallburn, General Manager, Resource Consents.

Resolution number AUD/2020/52

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.

CARRIED ON VOICES

17 Building and Resource Consents Assurance Plan Update

Mark Maloney, Head of Assurance Services spoke to the agenda report and answered questions from members.

Resolution number AUD/2020/53

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 ON VOICES

18 Consideration of Extraordinary Items

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

Resolution number AUD/2020/54

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, Athol Graham, Audit Director, Audit New Zealand, Andrea Reeves, Assistant Auditor-General, Local Government and Karen Mackenzie, 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>C1</th>
<th>Council-controlled Organisations’ Quarterly Risk Updates - August 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reason for passing this resolution in relation to each matter</td>
<td>Particular interest(s) protected (where applicable)</td>
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| 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 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 confidential to the council controlled organisations’ Board 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. | 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 America’s Cup programme risk management 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 risk reporting and detailed top risks confidential to the America’s Cup programme.</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 Council Group Insurance Placement 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 specific details of the insurance programme, including loss limits and final premium figures.</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>
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## C4 Confidential report on the 30 June 2020 annual report progress

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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 information that may not be disclosed to the public until released to the NZX on 30 October 2020.</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 Covid-19 Refocussed Assurance Plan 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)(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. In particular, the report contains information which if released would jeopardise the effective delivery of the Assurance Services work programme.</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 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 2020.</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>
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</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 ON VOICES**

2.45pm 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.

4.47pm The public was re-admitted.
RESTATEMENTS

It was resolved while the public was excluded:

C1  Council-controlled Organisations' Quarterly Risk Updates - August 2020
Resolution number AUD/2020/55
MOVED by Chairperson S Sheldon, seconded by Deputy Mayor Cr BC Cashmore:
  a) note the written and verbal risk updates provided by Regional Facilities Auckland and Watercare Services Limited and thank them for their attendance
  b) note the written risk updates provided by Auckland Tourism, Events and Economic Development Limited, Auckland Transport and Panuku Development Limited
  c) agree that decisions be restated in the open minutes, but that this report and attachments remain confidential.

C2  America's Cup programme risk management update
Resolution number AUD/2020/56
MOVED by Chairperson S Sheldon, seconded by Deputy Chair Cr D Newman:
  a) receive the update on the 36th America's Cup risk management activities
  b) agree that the decisions be transferred to the open minutes, but the report and attachments remain confidential.

C3  Council Group Insurance Placement Update
Resolution number AUD/2020/57
MOVED by Deputy Mayor Cr BC Cashmore, seconded by Deputy Chair Cr D Newman:
  a) note the confirmation of the group’s insurance placement for 2020/2021.
  b) agree that the decisions be transferred to the open minutes, but the report remain confidential.

C4  Confidential report on the 30 June 2020 annual report progress
Resolution number AUD/2020/58
MOVED by Chairperson S Sheldon, seconded by Deputy Mayor Cr BC Cashmore:
  a) note and approve the updates on the significant risks, judgements and assumptions that are being disclosed in the annual report
  b) agree that the report will remain confidential, but the decisions be restated in the open minutes.
C5  Covid-19 Refocussed Assurance Plan Update
Resolution number AUD/2020/59
MOVED by Chairperson S Sheldon, seconded by Member B Robertson:
   a) receive and note the update on the COVID-19 Assurance programme performed by the Assurance Services department
   b) agree that the decisions be restated in the open minutes but that the Covid-19 Refocussed Assurance Plan Update report and attachments remain confidential.

C6  Office of the Auditor-General and Audit New Zealand briefing
Resolution number AUD/2020/60
MOVED by Chairperson S Sheldon, seconded by Member P Conder:
   a) receive the information provided by the Auditor-General's representatives Deputy Auditor-General Greg Schollum, Assistant Auditor-General – Local Government Andrea Reeves, Audit New Zealand Audit Director Athol Graham and Audit New Zealand Audit Director Karen MacKenzie and thank them for their attendance
   b) agree that the report and attachments will remain confidential, but the decisions be restated in the open minutes.

4.47pm
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:......................................................