
Kōmiti Tātari me te Mātai Raru Tūpono / Audit and Risk Committee

OPEN MINUTES

Minutes of a meeting of the Audit and Risk Committee held in the Council Chamber, Auckland Town Hall, 301-305 Queen Street, Auckland on Monday, 20 February 2023 at 2.18pm. A recording of the open meeting is available on: <https://www.aucklandcouncil.govt.nz/about-auckland-council/how-auckland-council-works/meetings-council-bodies/Pages/webcasts-council-meetings.aspx>

TE HUNGA KUA TAE MAI | PRESENT

Chairperson	Bruce Robertson	
Deputy Chairperson	Cr Lotu Fuli	Via electronic link until 4.13pm, Item C1
Members	Member Paul Connell Member Cassandra Crowley Cr Julie Fairey Cr Christine Fletcher, QSO Cr Shane Henderson	Via electronic link
Ex-officio	Member Martin Matthews IMSB Member Tony Kake, MNZM	Via electronic link until 4.14pm, Item C1

TE HUNGA KĀORE I TAE MAI | ABSENT

Mayor Wayne Brown
Cr Desley Simpson, JP

TE HUNGA ĀPITI KUA TAE MAI | ALSO PRESENT

Cr Angela Dalton

HE HUNGA ATU ANŌ I TAE MAI | IN ATTENDANCE

Greg Schollum, Deputy Auditor-General
David Taylor, Sector Manager, Auckland
Athol Graham, Audit Director, Audit New Zealand
Karen MacKenzie, Audit Director, Audit New Zealand

Note: In accordance with resolution number [GB/2023/3](#) passed by the Governing Body on 10 February 2023, the in-person quorum for this meeting was two (2). All other members were entitled to attend the meeting via electronic link.

Member Cassandra Crowley opened the meeting with a karakia.

1 Ngā Tamōtanga | Apologies

Resolution number ARCCC/2023/5

MOVED by Chairperson B Robertson, seconded by Member P Connell:

That the Audit and Risk Committee:

a) **whakaae / accept the apologies from:**

Absence

Mayor W Brown, on council business

Deputy Mayor Cr D Simpson, JP, on council business

Early departure

Cr L Fuli

IMSB member T Kake, MNZM

CARRIED

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

Member Cassandra Crowley declared that she was a board member of Waka Kotahi NZ Transport Agency and a trustee of Skills Consulting Group.

3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Resolution number ARCCC/2023/6

MOVED by Chairperson B Robertson, seconded by Member M Matthews:

That the Audit and Risk Committee:

a) **whakaū / confirm the ordinary minutes of its meeting, held on Monday, [12 December 2022](#) and the extraordinary minutes of its meeting, held on Tuesday, [14 February 2023](#), including the confidential sections, as true and correct records.**

CARRIED

4 Ngā Petihana | Petitions

There were no petitions.

5 Ngā Kōrero a te Marea | Public Input

There was no public input.

6 Ngā Kōrero a te Poari ā-Rohe Pātata | Local Board Input

There was no local board input.

7 Ngā Pakihi Autaia | Extraordinary Business

There was no extraordinary business.

8 Forward Work Programme February 2023

Resolution number ARCCC/2023/7

MOVED by Chairperson B Robertson, seconded by Cr C Fletcher:

That the Audit and Risk Committee:

- a) **whakaae / approve the Audit and Risk Committee forward work programme, noting that:**
 - i) **the Audit New Zealand Audit Engagement and Audit Proposal letters for 2023, 2024 and 2025, originally planned for December 2022 will be presented at this meeting**
 - ii) **the 30 June 2023 Arrangements (Audit New Zealand audit plan), originally planned for December 2022 will be presented at this meeting**
 - iii) **the workshop item called 'Māori principles' taking place prior to this meeting is now called 'Māori outcomes overview'**
 - iv) **the LTP Project Update scheduled for this meeting has been delayed and moved to the May 2023 meeting of this committee**
 - v) **the Indicative insurance renewal report scheduled for May 2023 will now take place in the August 2023 meeting of this committee**
 - vi) **an additional insurance activities update has been added for May 2023 meeting in light of the recent flood event**
 - vii) **a Group Risk Kōrero will take place in the workshop prior to the May 2023 meeting of this committee.**

CARRIED

9 Treaty Audit monitoring update

Resolution number ARCCC/2023/8

MOVED by Member C Crowley, seconded by IMSB Member T Kake:

That the Audit and Risk Committee:

- a) **whiwhi / receive the update on the monitoring and progress of the Treaty Audit Response Programme 2021-24**
- b) **tuhi ā-taipitopito / note that the Risk and Assurance department will continue to report on a six-monthly basis on progress against the Treaty Audit Response Programme 2021-24 to this committee.**

CARRIED

10 Health, Safety, and Wellbeing Performance Report

Resolution number ARCCC/2023/9

MOVED by Member P Connell, seconded by Member C Crowley:

That the Audit and Risk Committee:

- a) **tuhi ā-taipitopito / note the information in this reporting and associated health, safety, and wellbeing indicators**
- b) **whakaae / agree to refer this report to the Governing Body and recommend that the Governing Body forwards this report to local boards for their information.**

CARRIED

11 Approval of the draft Audit New Zealand audit plan for the year ended 30 June 2023

Resolution number ARCCC/2023/10

MOVED by Chairperson B Robertson, seconded by Cr C Fletcher:

That the Audit and Risk Committee:

- a) **arotake / review and whakaae / approve the draft audit plan for the audit of the 30 June 2023 annual report (Attachment A)**
- b) **tono / request Audit New Zealand to issue the final audit plan.**

CARRIED

12 Endorsement of draft Audit New Zealand Audit Engagement letter for 2023, 2024 and 2025 and audit fees

Note: changes to the original motion, amending clauses a), b) and c) and adding new clause d), were made with the agreement of the meeting.

Resolution number ARCCC/2023/11

MOVED by Member C Crowley, seconded by Member M Matthews:

That the Audit and Risk Committee:

- a) **arotake / review and ohia / endorse Audit New Zealand's draft audit engagement letter**
- b) **tono / request Audit New Zealand issue the final audit engagement letter**
- c) **whakaae / agree to recommend the mayor and chief executive sign the finalised audit engagement letter**
- d) **tuhi ā-taipitopito / note that management will bring the agreed draft audit fee proposal letter to the May meeting for review and endorsement by the committee.**

CARRIED

13 31 December 2022 half year results announcement for the NZX and Interim Report

Resolution number ARCCC/2023/12

MOVED by Chairperson B Robertson, seconded by Member P Connell:

That the Audit and Risk Committee:

- a) **tuhi ā-taipitopito / note the processes and controls to ensure the validity, accuracy and completeness of the interim report.**

CARRIED

14 Update on climate risk reporting work programme

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

Resolution number ARCCC/2023/13

MOVED by Cr S Henderson, seconded by Chairperson B Robertson:

That the Audit and Risk Committee:

- a) **whiwhi / receive the high-level summary of the 2022 climate risk work programme.**

CARRIED

Attachments

- A 20 February 2023, Audit and Risk Committee, Item 14 - Update on climate risk reporting work programme - presentation

15 Te Whakaaro ki ngā Take Pūtea e Autaia ana | Consideration of Extraordinary Items

There was no consideration of extraordinary items.

16 Procedural motion to exclude the public

Resolution number ARCCC/2023/14

MOVED by Chairperson B Robertson, seconded by Cr C Fletcher:

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, David Taylor, Sector Manager, Auckland, Athol Graham, Audit Director, Audit New Zealand, and Karen MacKenzie, Audit Manager, Audit New Zealand be permitted to remain for the confidential part of the meeting 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 CONFIDENTIAL: Council-Controlled Organisations' Quarterly Risk Update - February 2023

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>In particular, the report contains risk reporting and detailed top risks confidential to the substantive council-controlled organisations' boards or Audit and Risk Committees. The substantive council-controlled organisations have provided their risk reports 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>

C2 CONFIDENTIAL: Ports of Auckland Limited Risk Update - February 2023

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>In particular, the report contains risk reporting and detailed top risks confidential to Ports of Auckland Limited's board or Audit and Risk Committee. Ports of Auckland Limited have provided their risk reports for the 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>

C3 CONFIDENTIAL: Insurance Activity Update 2023/24

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 programme for which terms and costs are being sought 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>

C4 CONFIDENTIAL: Internal Audit and Integrity Update

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)(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>In particular, the report contains information which if released would jeopardise the effective delivery of the Assurance Services work programme.</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 CONFIDENTIAL: Update on climate risk reporting work programme

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 contains information about climate risks that could materially impact the Auckland Council Group's financial position in the future, and have not yet been reported to the public.</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>

C6 CONFIDENTIAL: 31 December 2022 half year results announcement for the NZX 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.	<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 and attachments contain information regarding the interim report and financial results of Auckland Council Group as at 31 December 2022 which cannot be made public until released to the NZX.</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>

C7 CONFIDENTIAL: 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)(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 from the Office of the Auditor-General and Audit New Zealand contains information regarding the interim report and financial results of the Auckland Council Group and Auckland Council for 31 December 2022 which cannot be made public until released to the NZX.	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

3.38pm 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.

6.34pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 CONFIDENTIAL: Council-Controlled Organisations' Quarterly Risk Update - February 2023

Resolution number ARCCC/2023/15

MOVED by Chairperson B Robertson, seconded by Member M Matthews:

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the written and verbal updates provided by Auckland Transport
- b) tuhi ā-taipitopito / note the written updates provided by Eke Panuku, Tātaki Auckland Unlimited and Watercare Services Limited
- c) whakaae / agree to refer the council-controlled organisations' quarterly risk update – February 2023 to the Council Controlled Organisations Direction and Oversight Committee for information

Restatement

- d) whakaae / agree that the decisions be released in the open minutes, but this report and its attachments remain confidential.

C2 CONFIDENTIAL: Ports of Auckland Limited Risk Update - February 2023

Resolution number ARCCC/2023/16

MOVED by Member P Connell, seconded by Member C Crowley:

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the written and verbal risk updates provided by Ports of Auckland Limited
- b) whakaae / agree to refer the Ports of Auckland Limited Risk Update February 2023 to the Council Controlled Organisation Direction and Oversight Committee for information

Restatement

- c) whakaae / agree that the decisions be released in the open minutes, but this report and its attachments remain confidential.

C3 CONFIDENTIAL: Insurance Activity Update 2023/24

Resolution number ARCCC/2023/17

MOVED by Chairperson B Robertson, seconded by Member M Matthews:

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the progress update on the 2023/2024 insurance renewal, cumulative loss modelling study and the self-insurance investment fund

Restatement

- b) whakaae / agree that the decision be transferred to the open minutes, but the report and attachments remain confidential.

C4 CONFIDENTIAL: Internal Audit and Integrity Update

Resolution number ARCCC/2023/18

MOVED by Chairperson B Robertson, seconded by Cr S Henderson:

That the Audit and Risk Committee:

- a) whiwhi / receive and tuhi ā-taipitopito / note the update on assurance activities performed by the Risk and Assurance department

Restatement

- b) whakaae / agree that the decision be transferred to the open minutes but the report and attachments remain confidential.

C5 CONFIDENTIAL: Update on climate risk reporting work programme

Resolution number ARCCC/2023/19

MOVED by Member M Matthews, seconded by Member C Crowley:

That the Audit and Risk Committee:

- a) whiwhi / receive the findings and recommendations of the 2022 climate risk work programme
- b) ohia / endorse the 2023 climate risk work programme

Restatement:

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

C6 CONFIDENTIAL: 31 December 2022 half year results announcement for the NZX and Interim Report

Resolution number ARCCC/2023/20

MOVED by Member P Connell, seconded by Member M Matthews:

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note that there are no significant outstanding matters in relation to the draft half year NZX release noting that the interim report is still subject to finalisation of disclosure items, final management review and receipt of the Independent Auditor's Review Report
- b) whakaae / agree that any significant changes to the draft NZX release, including the draft Auckland Council Interim Report 2022/2023 be notified to the Audit and Risk committee members prior to finalisation of the report
- c) tautapa / delegates approval of any significant changes to the Audit and Risk Committee chair and the group chief financial officer
- d) whakaae / agrees to recommend that the deputy mayor, under delegation, approves the half year NZX release for the six months ended 31 December 2022, and authorises the mayor and the chief executive to approve and release the half year NZX release on 28 February 2023
- e) whakaae / approve the updated fraud representation document for release to Audit New Zealand

Restatement:

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

C7 CONFIDENTIAL: Office of the Auditor-General and Audit New Zealand briefing

Resolution number ARCCC/2023/21

MOVED by Chairperson B Robertson, seconded by Member C Crowley:

That the Audit and Risk Committee:

- a) whiwhi / receive the information provided by the Auditor-General's representatives, Deputy Auditor-General Greg Schollum, Sector Manager – Auckland David Taylor and Audit Directors Athol Graham and Karen MacKenzie, and thank them for their attendance

Restatement:

- b) whakaae / agree that the report and attachment will remain confidential, but the decisions be restated in the open minutes.

Member Cassandra Crowley closed the meeting with a karakia.

6.34pm

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:.....