

---

## 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 Room 1, Level 26, 135 Albert Street, Auckland on Tuesday, 9 May 2023 at 2.00pm. 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

<b>Chairperson</b>	Bruce Robertson	
<b>Deputy Chairperson</b>	Cr Lotu Fuli	Via electronic link
<b>Members</b>	Member Paul Connell	
	Member Cassandra Crowley	
	Cr Julie Fairey	Via electronic link
	Cr Christine Fletcher, QSO	
	Member Martin Matthews	

#### TE HUNGA KĀORE I TAE MAI | ABSENT

<b>Member</b>	Cr Shane Henderson
<b>Ex-officio</b>	Mayor Wayne Brown
	IMSB Member Tony Kake, MNZM
	Deputy Mayor Desley Simpson, JP

#### HE HUNGA ATU ANŌ I TAE MAI | IN ATTENDANCE

Andrew McConnell, Deputy Controller and Auditor-General  
David Taylor, Sector Manager - Auckland  
Athol Graham, Audit Director, Audit New Zealand  
Karen MacKenzie, Audit Director, Audit New Zealand

---



Chairperson Bruce Robertson lead the opening of the meeting with a karakia.

## 1 Ngā Tamōtanga | Apologies

Resolution number ARCCC/2023/22

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

**That the Audit and Risk Committee:**

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

**Absence**

**Mayor W Brown, on council business**

**Cr Shane Henderson**

**IMSB member T Kake, MNZM**

**Deputy Mayor Cr D Simpson, JP, on council business**

**CARRIED**

## 2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

Member Martin Matthews declared that he had a history of involvement with the City Rail Link project in previous years.

Member Cassandra Crowley declared that she was a board member of Waka Kotahi NZ Transport Agency.

Cr Julie Fairey declared that her husband was the Minister of Transport.

## 3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Resolution number ARCCC/2023/23

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

**That the Audit and Risk Committee:**

a) **confirm the ordinary minutes of its meeting, held on Monday, [20 February 2023](#), including the confidential section, as a true and correct record.**

**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 May 2023

Note: Member Paul Connell requested more deep dives into risks be included in the Forward Work Programme.

Resolution number ARCCC/2023/24

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

**That the Audit and Risk Committee:**

- a) **whakaae / approve the Audit and Risk Committee forward work programme, noting that:**
- i) **the Enterprise Risk Update has both an open and confidential update to this committee. The confidential section includes the detail on Auckland Council's strategic risks**
  - ii) **the Audit New Zealand Audit Proposal letter for 2023, 2024 and 2025 will be presented at this meeting**
  - iii) **the Three Waters Reform update and the LTP Project update were scheduled to take place at this meeting will now take place at the 21 August 2023 meeting of this committee**
  - iv) **the additional insurance update has been delivered in the pre-meeting workshop to this meeting**
  - v) **an update on the Auckland Flood Response report has been added as a pre-meeting workshop to this meeting**
  - vi) **the Group Risk Kōrero that was scheduled to take place as a workshop item prior to this meeting will now take place ahead of the Audit and Risk Committee meeting on 21 August 2023**
  - vii) **an Enterprise Portfolio Management Office (EPMO) update has been added to the agenda as a workshop item to take place prior to the Audit and Risk Committee meeting on 5 December 2023.**

**CARRIED**

## 9 City Rail Link risk update

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/2023/25

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the City Rail Link project risk and assurance update.**

**CARRIED**

### Attachments

- A 9 May 2023, Audit and Risk Committee, Item 9 - City Rail Link risk update - presentation

**10 Health, Safety, and Wellbeing Performance Report**

Resolution number ARCCC/2023/26

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

**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 Enterprise Risk Update May 2023**

Resolution number ARCCC/2023/27

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the Enterprise Risk Update – May 2023 report and strategic risks attachment**
- b) **whakaae / approve the risk management policy and the risk management framework**
- c) **tuhi ā-taipitopito / note the risk work programme**
- d) **whakaae / agree to refer the Enterprise Risk Update – May 2023 report to the Governing Body for information.**

**CARRIED**

**12 The Auditor-General's report to council on the review engagement for the six months ended 31 December 2022**

Resolution number ARCCC/2023/28

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the matters identified in the Deputy Auditor-General's review engagement report to management, for the six months ended 31 December 2022, and management's responses.**

**CARRIED**

**13 Endorsement of the Audit New Zealand Audit Proposal Letter 2023 - 2025**

Resolution number ARCCC/2023/29

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

**That the Audit and Risk Committee:**

- a) **arotake / review and ohia / endorse Audit New Zealand's audit proposal letter**
- b) **tono / request Audit New Zealand issue the final letter**
- c) **tūtohungia / recommend the mayor and chief executive sign the finalised letter.**

**CARRIED**

**14 Assurance Process for the 2023 Green Bond Annual Report**

Resolution number ARCCC/2023/30

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

**That the Audit and Risk Committee:**

- a) tuhi ā-taipitopito / note that EY has been appointed independent assurer for Auckland Council's 2023 Green Bond Annual Report
- b) tuhi ā-taipitopito / note the assurance process that EY will follow
- c) tuhi ā-taipitopito / note that the draft 2023 Green Bond Annual Report will be presented to the Audit and Risk Committee for approval in September 2023, before it is published.

**CARRIED**

**15 Auckland Council Group's 30 June 2023 year-end reporting and audit considerations**

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

Resolution number ARCCC/2023/31

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

**That the Audit and Risk Committee:**

- a) tuhi ā-taipitopito / note the year-end financial reporting process and other information in this report and use it to supplement the information in the confidential item "CONFIDENTIAL: Auckland Council Group's 30 June 2023 year-end reporting and audit considerations"
- b) pōwhiri / invite officers to provide a discussion paper on ways to improve the accessibility and relevance of council's external reporting.

**CARRIED**

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

There was no consideration of extraordinary items.

**17 Procedural motion to exclude the public**

Resolution number ARCCC/2023/32

MOVED by Member P Connell, 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 Andrew McConnell, Deputy Controller and 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: Substantive Council-Controlled Organisations' Quarterly Risk Update - May 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
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 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: Legal Risk 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)(g) - The withholding of the information is necessary to maintain legal professional privilege.</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>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>

	<p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p> <p>In particular, the report contains legally privileged and commercially sensitive information.</p>	
--	---	--

**C3 CONFIDENTIAL: Enterprise Risk Update supplement**

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 detail information on the mitigation activities of the strategic risks that could be detrimental to risk management objectives if in the public domain.</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 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
<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 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: Auckland Council Group's 30 June 2023 year-end reporting and audit considerations**

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 and attachments contain information regarding the annual report and financial results of Auckland Council Group and Auckland Council Group as at 30 June 2023 which cannot be released to the public before it is released on 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.

**C6 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 financial results of the Auckland Council Group and Auckland Council for 30 June 2023 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**

3.25pm 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.

5.55pm The public was re-admitted.

## **RESTATEMENTS**

It was resolved while the public was excluded:

### **C1 CONFIDENTIAL: Substantive Council-Controlled Organisations' Quarterly Risk Update - May 2023**

Resolution number ARCCC/2023/33

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the written and verbal updates provided by Eke Panuku Development
- b) tuhi ā-taipitopito / note the written updates provided by Auckland Transport, Tātaki Auckland Unlimited and Watercare Services Limited
- c) whakaae / agree to refer the Substantial Council-Controlled Organisations' Quarterly Risk Update – May 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: Legal Risk update**

Resolution number ARCCC/2023/34

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the Legal Risk report

#### **Restatement**

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

### **C3 CONFIDENTIAL: Enterprise Risk Update supplement**

Resolution number ARCCC/2023/35

MOVED by Member P Connell, seconded by Cr C Fletcher:

That the Audit and Risk Committee:

- a) whiwhi / receive the contents of this confidential supplement to the Enterprise Risk Update – May 2023 report
- b) tuhi ā-taipitopito / note that the risk sponsors and risk leads intend to critically review strategic risks for Auckland Council in the next six months which may lead to a re-articulation of some and potentially all current strategic risks
- c) whakaae / agree to refer the CONFIDENTIAL: Enterprise Risk Update supplement report to the Governing Body for information and agree that the chairperson seeks the opportunity to meet with the Mayor to discuss this report as soon as possible

#### **Restatement**

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

**C4 CONFIDENTIAL: Internal Audit Update**

Resolution number ARCCC/2023/36

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the update on assurance activities performed by the Risk and Assurance department
- b) whakaae / approve the full year Internal Audit plan for FY24 (July 2023 to June 2024)
- c) whakaae / approve the Internal Audit Charter

Restatement

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

**C5 CONFIDENTIAL: Auckland Council Group's 30 June 2023 year-end reporting and audit considerations**

Resolution number ARCCC/2023/37

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the Auckland Council Group's 30 June 2023 year end reporting matters and audit requirements, including key judgements and assumptions
- b) ohia / endorse the relevant accounting policies, key financial statements, judgements and assumptions for the Auckland Council Group for 30 June 2023, subject to any required changes identified by management and Audit New Zealand during the year end close and auditor review
- c) ohia / endorse the 30 June 2023 pro forma financial statements (volume 3) and accounting policies, pro forma overview and service performance (volume 1) and pro forma climate statement (volume 4) subject to updates for any changes identified during the 30 June 2023 year end close process
- d) whakarite / provide any further feedback on these pro forma documents to the group financial controller by 23 June 2023
- e) tautapa / delegate the chair of the committee authority to approve any significant amendments that occur during the 30 June 2023 year end close process

Restatement

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

**C6 CONFIDENTIAL: Office of the Auditor-General and Audit New Zealand briefing**

Resolution number ARCCC/2023/38

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

That the Audit and Risk Committee:

- a) whakamihi / congratulate the Deputy Controller and Auditor-General Andrew McConnell on his appointment
- b) whiwhi / receive the information provided by the Auditor-General’s representatives, Deputy Controller and Auditor-General Andrew McConnell, Sector Manager – Auckland David Taylor and Audit Directors Athol Graham and Karen MacKenzie and thank them for their attendance

Restatement:

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

Chairperson Bruce Robertson lead the closing of the meeting with a karakia.

5.55pm

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:**.....