
Komiti mō te Tātari me te Mātai Tūraru / 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, 19 February 2024 at 2.03pm. 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	Paul Connell	
Deputy Chairperson	Cr Lotu Fuli	
Members	Cr Angela Dalton	
	Cr Christine Fletcher, QSO	Via electronic link
	Cr Shane Henderson	
	Martin Matthews	
Ex-officio	IMSB Member Tony Kake, MNZM	Via electronic link until 2.16pm – Item 11

TE HUNGA KĀORE I TAE MAI | ABSENT

Members	Cassandra Crowley
Ex-officio	Mayor Wayne Brown Deputy Mayor Cr Desley Simpson

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
Rene van Zyl, Audit Director, Audit New Zealand
Penica Cortez, Audit Manager, Audit New Zealand

Chairperson Paul Connell lead the opening of the meeting with a karakia.

1 Ngā Tamōtanga | Apologies

Resolution number ARCCC/2024/1

MOVED by Member P Connell, seconded by Deputy Chairperson Cr L Fuli:

That the Audit and Risk Committee:

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

Absence

Cassandra Crowley

Mayor Wayne Brown - on council business

Deputy Mayor Cr Desley Simpson - on council business

CARRIED

2 Te Whakapuaki i te Whai Pānga | Declaration of Interest

Member Martin Matthews declared that he was a Director and the Chair of the Audit and Risk Assurance Committee of MetService.

3 Te Whakaū i ngā Āmiki | Confirmation of Minutes

Resolution number ARCCC/2024/2

MOVED by Cr A Dalton, seconded by Cr S Henderson:

That the Audit and Risk Committee:

a) **whakaū / confirm the ordinary minutes of its meeting, held on [Tuesday, 5 December 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 2023-2024

Resolution number ARCCC/2024/3

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) **an update from Auckland Emergency Management will be presented at this committee meeting**
 - ii) **an update on the Auckland International Airport Limited shares sale process will be presented at the May 2024 meeting of this committee**
 - iii) **the Water Reform update that was planned for this agenda will now be reported in the May 2024 meeting of this committee**
 - iv) **three workshop items, 'Long-term Plan 2024-2034', 'Cyber security' and 'Data management' will take place prior to the February, May and August meetings of this committee, respectively.**

CARRIED

9 Long-term Plan 2024-2034 (LTP): approach to risk and assurance and the preparation of the consultation material

Staff spoke to the report and answered questions from members.

The recommendations were resolved at the conclusion of the confidential section of the meeting.

10 IMSB Treaty Audit monitoring update

Resolution number ARCCC/2024/4

MOVED by Deputy Chairperson Cr L Fuli, seconded by Cr A Dalton:

That the Audit and Risk Committee:

- a) **whiwhi / receive the update on the monitoring and progress of the Treaty Audit Response Programme 2021-2024**
- 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 2021-2024 (Attachment A) to this committee.**

CARRIED

IMSB member Tony Kake retired from the meeting at 2.16pm.

11 Storm Recovery - risk and quality assurance

Resolution number ARCCC/2024/5

MOVED by Member M Matthews, seconded by Deputy Chairperson Cr L Fuli:

That the Audit and Risk Committee:

- a) **tuhi ā-taipitopito / note the Recovery Office update.**

CARRIED

Note: The chairperson accorded precedence to Item 13 – Health Safety and Wellbeing Performance Report, at this time.

13 Health Safety and Wellbeing Performance Report

Resolution number ARCCC/2024/6

MOVED by Member P Connell, seconded by Cr A Dalton:

That the Audit and Risk Committee:

- a) **tuhi a-taipitopito / note the information in this report and the 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

12 Auckland Emergency Management Prioritised Plan update

Resolution number ARCCC/2024/7

MOVED by Deputy Chairperson Cr L Fuli, seconded by Member M Matthews:

That the Audit and Risk Committee:

- a) **whiwhi / receive an update on the Auckland Emergency Management Prioritised Plan.**

CARRIED

Note: Item 13 - Health Safety and Wellbeing Performance Report was considered prior to Item 12 - Auckland Emergency Management Prioritised Plan update.

14 Approval of the draft Audit New Zealand audit plan for the year ended 30 June 2024

Resolution number ARCCC/2024/8

MOVED by Cr A Dalton, seconded by Cr S Henderson:

That the Audit and Risk Committee:

- a) arotake / review and whakaae / approve the draft audit plan for the audit of the 30 June 2024 annual report (Attachment A)
- b) tono / request Audit New Zealand to issue the final audit plan.

CARRIED

15 31 December 2023 half year results announcement for the NZX and Interim Report

Resolution number ARCCC/2024/9

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

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

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

There was no consideration of extraordinary items.

17 Te Mōtini ā-Tukanga hei Kaupare i te Marea | Procedural motion to exclude the public

Resolution number ARCCC/2024/10

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

That the Audit and Risk Committee:

- a) whakaae / agree to 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, Karen MacKenzie, Audit Director, Audit New Zealand, Rene van Zyl, Audit Director, Audit New Zealand and Penica Cortez, 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 - February 2024

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 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: Port of Auckland Risk Update - February 2024

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 risks confidential to Port of Auckland Limited's board or Audit and Risk Committee. They have provided their risk report 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>

C3 CONFIDENTIAL: Insurance renewal update 2024-2025

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
<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>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.</p> <p>In particular, the report contains information which if released would jeopardise the effective delivery of the Internal Audit 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: 31 December 2023 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.	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 interim report and financial results of Auckland Council Group as at 31 December 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.

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 31 December 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

3.14pm 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.

5.15pm The public was re-admitted.

RESTATEMENTS

It was resolved while the public was excluded:

C1 CONFIDENTIAL: Substantive Council-Controlled Organisations' Quarterly Risk Update - February 2024

Resolution number ARCCC/2024/11

MOVED by Deputy Chairperson Cr L Fuli, 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 Development, Tātaki Auckland Unlimited and Watercare Services Limited
- c) tautohu / refer the Substantial Council-Controlled Organisations' Quarterly Risk Update – February 2024 to the Council Controlled Organisation Direction and Oversight Committee, including the attachments relating to Eke Panuku Development, Tātaki Auckland Unlimited and Watercare Services Limited
- d) tautohu / refer the Substantial Council-Controlled Organisations' Quarterly Risk Update – February 2024 to the Transport and Infrastructure Committee, including the attachments relating to Auckland Transport only

Restatement

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

C2 CONFIDENTIAL: Port of Auckland Risk Update - February 2024

Resolution number ARCCC/2024/12

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the written and verbal risk updates provided by Port of Auckland Limited
- b) tautohu / refer the Port of Auckland Limited Risk Update February 2024 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 renewal update 2024-2025

Resolution number ARCCC/2024/11

MOVED by Member M Matthews, seconded by Cr A Dalton:

That the Audit and Risk Committee:

- a) tuhi a-taipitopito / note the progress update on the 2024-2025 insurance renewal, Auckland Anniversary and Cyclone Gabrielle weather event claims, the cumulative loss modelling study, and the self-insurance fund

Restatement

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

C4 CONFIDENTIAL: Internal audit and integrity update

Resolution number ARCCC/2024/12

MOVED by Member M Matthews, seconded by Cr A Dalton:

That the Audit and Risk Committee:

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

Restatement

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

C5 CONFIDENTIAL: 31 December 2023 half year results announcement for the NZX and Interim Report

Resolution number ARCCC/2024/13

MOVED by Member M Matthews, seconded by Cr C Fletcher:

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 Group Interim Report 31 December 2023 be notified to the Audit and Risk committee members prior to finalisation of the report
- c) tautapa / delegate approval of any significant changes to the Audit and Risk Committee chair and the group chief financial officer
- d) whakaae / agree to recommend that the deputy mayor, under delegation, approves the half year NZX release for the six months ended 31 December 2023, and authorises the mayor and the chief executive to approve and release the half year NZX release on 27 February 2024
- e) whakaae / approve the updated fraud representation questionnaires, subject to any final changes, for release to Audit New Zealand

Restatement:

- f) whakaae / agree that the report and attachment 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/2024/14

MOVED by Cr A Dalton, seconded by Deputy Chairperson Cr L Fuli:

That the Audit and Risk Committee:

- a) 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

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

9 Long-term Plan 2024-2034 (LTP): approach to risk and assurance and the preparation of the consultation material

Note: This item was considered earlier in the open meeting but the recommendations were only resolved at the conclusion of the confidential section of the meeting.

Resolution number ARCCC/2024/18

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

That the Audit and Risk Committee:

- a) **whiwhi / receive the report on key controls and risks relating to the preparation of the consultation material for the Long-term Plan 2024-2034**
- b) **whakaae / agree to advise the Governing Body that effective controls and risk management processes have been followed during the preparation of consultation material for the Long-term Plan 2024-2034.**

CARRIED

5.17pm

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:.....