

---

# 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 Tuesday, 14 May 2024 at 2.11pm. 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>	Paul Connell	
<b>Deputy Chairperson</b>	Cr Lotu Fuli	
<b>Members</b>	Cassandra Crowley	
	Cr Angela Dalton	
	Cr Shane Henderson	From 2.26pm, Item 9
	Martin Matthews	Via electronic link
<b>Ex-officio</b>	Mayor Wayne Brown	Until 4.00pm, Item C3
	Houkura Member Tony Kake, MNZM	Via electronic link until 3.00pm, Item 13

### TE HUNGA KĀORE I TAE MAI | ABSENT

<b>Member</b>	Cr Christine Fletcher, QSO
<b>Ex-officio</b>	Deputy Mayor Cr 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  
Wikus Jansen van Rensburg, Audit Director, Audit New Zealand  
Rene van Zyl, Audit Director, Audit New Zealand  
Penica Cortez, Audit Manager, Audit New Zealand  
Leanna McAviney, Assistant Auditor-General, Sector Performance  
Jason Hewett, Manager, Performance Audits  
Clara Pau, Senior Performance Auditor

---



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

## 1 Ngā Tamōtanga | Apologies

Resolution number ARCCC/2024/19

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

**That the Audit and Risk Committee:**

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

**Absence**

**Cr Christine Fletcher, QSO**

**Deputy Mayor Cr Desley Simpson, JP - on council business**

**Lateness**

**Cr Shane Henderson**

**Early departure**

**Houkura Member Tony Kake, MNZM**

**Mayor Wayne Brown - 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 and in addition that he had a history of involvement with the City Rail Link project in previous years.

Member Cassandra Crowley declared that she was the Deputy Chair of Waka Kotahi NZ Transport Agency.

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

Resolution number ARCCC/2024/20

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

**That the Audit and Risk Committee:**

a) **whakaū / confirm the ordinary minutes of its meeting, held on **Monday, 19 February 2024**, 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/2024/21

MOVED by Deputy Chairperson Cr L Fuli, seconded by Member C Crowley:

**That the Audit and Risk Committee:**

- a) **whakaae / approve the Audit and Risk Committee forward work programme, noting that:**
  - i) **a summary of Audit and Risk Committee information memoranda, workshops and briefings will be a regular report to this committee meeting going forward**
  - ii) **a report on the Auckland International Airport Limited shares sale process will be presented at this committee meeting**
  - iii) **an additional update on Local Water Done Well will be presented at the December 2024 committee meeting**
  - iv) **an Auckland Emergency Management workshop item will be presented prior to the December 2024 meeting of this committee**
  - v) **a Long-term Plan 2024-2034 workshop item will be presented prior to this committee meeting**
  - vi) **a data and privacy management workshop item will be presented prior to this committee meeting**
  - vii) **the cyber security workshop item has been deferred from this committee meeting to August 2024.**

**CARRIED**

## 9 Long-term Plan 2024-2034 (LTP): approach to risk and assurance to support final decision-making

*Cr S Henderson joined the meeting at 2.16pm.*

Resolution number ARCCC/2024/22

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

**That the Audit and Risk Committee:**

- a) **whiwhi / receive the report on key controls and risks relating to the final phase and decision-making for the Long-term Plan 2024-2034**
- b) **tuhi ā-taipitopito / note that the controls and risk management processes to support final decision-making for the Long-term Plan 2024-2034 are ongoing and have been working effectively to date.**

**CARRIED**

## 10 City Rail Link risk update

Note: changes to the original motion were incorporated with the agreement of the meeting.

Resolution number ARCCC/2024/23

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the City Rail Link Project risk and assurance update noting that this is a major risk and the sum of smaller risks can add up incrementally.**

**CARRIED**

## 11 Health Safety and Wellbeing Performance Report

Resolution number ARCCC/2024/24

MOVED by Cr S Henderson, seconded by Chairperson P Connell:

**That the Audit and Risk Committee:**

- a) **tuhi ā-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 International Airport Limited share sale process

Resolution number ARCCC/2024/25

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

**That the Audit and Risk Committee:**

- a) **note the process Auckland Council followed to execute the partial sale of its shareholding in Auckland International Airport Limited (AIAL) equivalent to 7 per cent of AIAL shares on issue on 31 August 2023**
- b) **note the independent assessment by council's Internal Audit team of the process undertaken to complete the partial sale of Auckland Council's shareholding (Attachment A).**

**CARRIED**

Note: The chairperson accorded precedence to Item 14 – Process for Annual Green Bond Report 30 June 2024, at this time.

#### 14 Process for Annual Green Bond Report 30 June 2024

Resolution number ARCCC/2024/26

MOVED by Member C Crowley, seconded by Cr A Dalton:

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note that Sustainalytics Corporate Solutions has been appointed as independent assurer for Auckland Council's 2024 Green Bond Annual Report**
- b) **tuhi ā-taipitopito / note the assurance process to be followed by Sustainalytics Corporate Solutions**
- c) **tuhi ā-taipitopito / note that the draft 2024 Green Bond Annual Report will be presented to the Audit and Risk Committee for approval in September 2024, before it is published.**

**CARRIED**

#### 13 Enterprise Risk Update - May 2024

*Houkura Member Tony Kake, MNZM retired from the meeting at 3.00pm.*

Resolution number ARCCC/2024/27

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the Enterprise Risk Update – May 2024 report and updated strategic risks**
- b) **whakaae / approve the Risk Appetite Statement of Auckland Council**
- c) **tuhi ā-taipitopito / note the risk workplan for 2024/2025**
- d) **tūtuhungia / recommend referring the Enterprise Risk Update – May 2024 report to the GB for information.**

**CARRIED**

Note: Item 14 – Process for Annual Green Bond Report 30 June 2024 was considered prior to Item 13 – Enterprise Risk Update – May 2024.

#### 15 Climate Disclosure Work Programme update May 2024

Resolution number ARCCC/2024/28

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

**That the Audit and Risk Committee:**

- a) **tuhi ā-taipitopito / note the Auckland Council Group's progress towards compliance with climate disclosure standards and associated legislation which comes into effect from 30 June 2024.**

**CARRIED**

**16 The Auditor-General's report to council on the review engagement for the six months ended 31 December 2023**

Resolution number ARCCC/2024/29

MOVED by Deputy Chairperson Cr L Fuli, seconded by Member C Crowley:

**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 2023, and management's responses.**

**CARRIED**

**17 Auckland Council Group's 30 June 2024 year-end reporting and audit considerations**

Resolution number ARCCC/2024/30

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

**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 2024 year-end reporting and audit considerations" as part of executing their responsibility to review and monitor the integrity of the Auckland Council Group's annual report.**

**CARRIED**

**18 Summary of Audit and Risk Committee information memoranda, workshops and briefings - 14 May 2024**

Resolution number ARCCC/2024/31

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

**That the Audit and Risk Committee:**

- a) **whiwhi / receive the Summary of Audit and Risk Committee information memoranda, workshops and briefings – 14 May 2024.**

**CARRIED**

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

There was no consideration of extraordinary items.

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

Resolution number ARCCC/2024/32

MOVED by Deputy Chairperson Cr L Fuli, seconded by Member C Crowley:

**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, Wikus Jansen van Rensburg, Audit Director, Audit New Zealand, Penica Cortez, Audit Manager, Audit New Zealand, Leanne McAviney, Assistant Auditor-General, Sector Performance, Jason Hewett, Manager, Performance Audits and Clara Pau, Senior Performance Auditor 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 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: Local Water Done Well**

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)(g) - The withholding of the information is necessary to maintain legal professional privilege.</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 information regarding the ongoing negotiations on Local Water Done Well.</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: Legal Risk 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
<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)(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>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>	<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: Enterprise Risk Update - May 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 detailed information on the mitigation activities of the strategic risks that could be detrimental to risk management objectives if in the public arena.</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: 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>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>

**C6 CONFIDENTIAL: Auckland Council Group's 30 June 2024 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 and Auckland Council Group as at 30 June 2024 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.

**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 financial results of the Auckland Council Group and Auckland Council for 30 June 2024 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**

3.29pm 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.

5.56pm The public was re-admitted.

## RESTATEMENTS

It was resolved while the public was excluded:

### **C1 CONFIDENTIAL: Substantive Council-Controlled Organisations' Quarterly Risk Update - May 2024**

Resolution number ARCCC/2024/33

MOVED by Chairperson P Connell, seconded by Cr S Henderson:

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the written and verbal updates provided by Eke Panuku Development Auckland
- b) tuhi ā-taipitopito / note the written updates provided by Auckland Transport Limited, Tātaki Auckland Unlimited and Watercare Services Limited
- c) tautohu / refer the Substantial Council-Controlled Organisations' Quarterly Risk Update – May 2024 to the Council Controlled Organisation Direction and Oversight Committee, including the attachments relating to Eke Panuku Development Auckland, Tātaki Auckland Unlimited and Watercare Services Limited
- d) tautohu / refer the Substantial Council-Controlled Organisations' Quarterly Risk Update – May 2024 to the Transport and Infrastructure Committee, including the attachments relating to Auckland Transport Limited only

#### Restatement

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

### **C2 CONFIDENTIAL: Local Water Done Well**

Resolution number ARCCC/2024/34

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

That the Audit and Risk Committee:

- a) whiwhi / receive the update on the solution for Auckland in the Government's Local Water Done Well policy

#### Restatement

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

### **C3 CONFIDENTIAL: Legal Risk Report**

Resolution number ARCCC/2024/35

MOVED by Member C Crowley, seconded by Cr S Henderson:

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.

**C4 CONFIDENTIAL: Enterprise Risk Update - May 2024**

Resolution number ARCCC/2024/36

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

That the Audit and Risk Committee:

- a) whiwhi / receive the contents of this confidential Enterprise Risk Update - May 2024 report

Restatement

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

**C5 CONFIDENTIAL: Internal Audit Update**

Resolution number ARCCC/2024/37

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the update on assurance activities performed by the Internal Audit team
- b) whakaae / approve the full year Internal Audit plan for FY25 (July 2024 to June 2025)
- 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.

**C6 CONFIDENTIAL: Auckland Council Group's 30 June 2024 year-end reporting and audit considerations**

Resolution number ARCCC/2024/38

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

That the Audit and Risk Committee:

- a) tuhi ā-taipitopito / note the Auckland Council Group's 30 June 2024 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 the year ending 30 June 2024, 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 2024 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 2024 year end close process
- d) whakarite / provide any further feedback on these pro forma documents to the group financial controller by 24 June 2024
- e) tautapa / delegate the chair of the committee authority to approve any significant amendments that occur during the 30 June 2024 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.

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

Resolution number ARCCC/2024/39

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

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, Karen MacKenzie, Wikus Jansen van Rensburg and René van Zyl, colleagues from the Office of the Auditor-General Leanne McAviney, Jason Hewett and Clara Pau 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.

5.56pm

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:**.....