



# REPORT

## Audit Committee Meeting

**Wednesday 13 November 2019**

commencing at 1.57pm

Strathpine Chambers  
220 Gympie Road, Strathpine

**ENDORSED GM20191119**

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### **CHAIRPERSON'S REPORT**

The recommendations contained within this report of the Audit Committee meeting held 13 November 2019 are recommended to the Council for adoption.

COUNCILLOR MATT CONSTANCE  
CHAIRPERSON  
AUDIT COMMITTEE

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**Membership = 4**

Councillor Matt Constance (Chairperson)  
Cr Mike Charlton (Deputy Mayor)

**Quorum = 2**

*(Chairperson and one external member)*

Mr Patrick McCallum  
Mr Stephen Coates

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4. B) ADOPTION OF COMMITTEE MEETING REPORT & RECOMMENDATION

**RESOLUTION**

**Moved by Cr Matt Constance**

**Seconded by Cr Adam Hain**

**CARRIED 12/0**

**That the report and recommendations of the Audit Committee Meeting held 13 November 2019, be adopted.**

## SCHEDULE OF ITEMS

### 1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

#### CLOSED SESSION

#### RESUME IN OPEN SESSION

### 2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

**ITEM 2.1** 2345  
ACTING CHIEF EXECUTIVE OFFICER UPDATE - GRASSROOTS CONNECTIONS  
AUSTRALIA

**ITEM 2.2** 2346  
ANNUAL LEAVE ENTITLEMENTS

### 3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

**ITEM 3.1** 2347  
CORPORATE SYSTEMS REVIEW

**ITEM 3.2** 2348  
THIRD-PARTY VERIFICATION OF TECHONE PROJECT

**ITEM 3.3** 2349  
BRIEFING ON INFRASTRUCTURE CHARGES

**ITEM 3.4** 2350  
FRAUD RISK CONTROL GROUP

### 4 FINANCIAL REPORTING

**ITEM 4.1** 2351  
MONTHLY FINANCIAL REPORT

### 5 EXTERNAL AUDITOR REPORT

**ITEM 5.1** 2352  
QUEENSLAND AUDIT OFFICE UPDATE

### 6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

**ITEM 6.1** 2353  
CONFLICT OF INTEREST POLICY & DIRECTIVE - REGIONAL

### 7 GENERAL BUSINESS

**ITEM 7.1** 2353  
MORETON BAY REGIONAL COUNCIL ANNUAL REPORT 2018-19

### 8 NEXT AUDIT COMMITTEE MEETING

#### CLOSURE

## ATTENDANCE & APOLOGIES

### **Attendance:**

#### Committee Members:

Cr Matt Constance (Chairperson)  
Cr Mike Charlton (Deputy Mayor)  
Mr Patrick McCallum  
Mr Stephen Coates

#### Invited External Representatives:

Mr Michael Keane (Queensland Audit Office)  
Ms Carolyn Dougherty (Queensland Audit Office)

#### Officers:

Acting Chief Executive Officer  
Director Finance & Corporate Services  
Principal Internal Auditor/ A/Manager Human Resources  
Accounting Services Manager  
Manager Executive Services

Graeme Kanofski  
Donna Gregory  
Shara Reid  
Denis Crowe  
Darren Dallinger

Meeting Support

Hayley Kenzler

### **Apologies:**

## 1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

Nil.

### CLOSED SESSION

#### COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Steve Coates

CARRIED

That the meeting be closed pursuant to s275 (1) of the Local Government Regulation 2012, clause (h) as the matter involves other business for which a public discussion would be likely to prejudice the interests of the Council or someone else, or enable a person to gain a financial advantage.

The closed session commenced at 2.00pm.

#### ATTENDANCE

External Representatives attended for:

**2.00pm - 2.48pm (Change Facilitator - Bruce Davidson)**

Item 2.1 Acting Chief Executive Officer Update - Grassroots Connections Australia

**2.48pm - 3.04pm (Director Planning - Mike Pickering and Manager Development Services - Dan Staley)**

Item 3.3 Briefing on Infrastructure Charges

**3.16pm - 3.32pm (Project Manager - Loretta Libke)**

Item 3.1 Enterprise Risk Management Activities Update

**3.33pm - 3.50pm (Manager Executive Services - Darren Dallinger)**

Item 3.4 Fraud Risk Control Group

Item 6.1 Conflict of Interest Policy & Directive

### RESUME IN OPEN SESSION

#### COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Mike Charlton (Deputy Mayor)

CARRIED

That Committee resume in open session and the following recommendations be made.

The open session resumed at 4.28pm.

## 2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

### ITEM 2.1

#### ACTING CHIEF EXECUTIVE OFFICER UPDATE - GRASSROOTS CONNECTIONS AUSTRALIA

*Meeting / Session:* AUDIT COMMITTEE Refer **Confidential** Supporting Information A19332600  
*Responsible Officer:* GK, Acting Chief Executive Officer

The Acting Chief Executive Officer will provide an update on the Grassroots Connections Australia review.

#### COMMITTEE RECOMMENDATION

1. That the Acting Chief Executive Officer update in relation to the Grassroots Connections Australia review be noted.
2. That an update in relation to the Grassroots Connections Australia review be provided to each Audit Committee meeting.

**ITEM 2.2**  
**ANNUAL LEAVE ENTITLEMENTS**

*Meeting / Session:* AUDIT COMMITTEE Refer **Confidential** Supporting Information A19338058  
*Responsible Officer:* SR, Acting HR Manager

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At the Audit Committee meeting of 19 November 2014, and in line with the external auditor's recommendation, and further at the Audit Committee meeting of 16 November 2016, Committee requested that a current status report on excess annual leave be provided to the Audit Committee on an annual basis.

**COMMITTEE RECOMMENDATION**

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**That the status report detailing annual leave balances be received and noted.**

### 3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

#### ITEM 3.1 CORPORATE SYSTEMS REVIEW

*Meeting / Session:* AUDIT COMMITTEE  
*Responsible Officer:* LL, Project Manager

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Project Manager - Loretta Libke attended Audit Committee to provide an update on the TechOne project.

#### COMMITTEE RECOMMENDATION

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**That the update provided in relation to the TechOne project be noted.**

**ITEM 3.2**  
**THIRD-PARTY VERIFICATION OF TECHONE PROJECT**

*Meeting / Session:*        *AUDIT COMMITTEE*  
*Responsible Officer:*    *GK, Acting Chief Executive Officer*

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The Acting Chief Executive Officer discussed a third-party verification of the TechOne project.

**COMMITTEE RECOMMENDATION**

**That the briefing provided by the Acting Chief Executive Officer in relation to a third-party verification of the TechOne project be noted.**

**ITEM 3.3**  
**BRIEFING ON INFRASTRUCTURE CHARGES**

*Meeting / Session:*        *AUDIT COMMITTEE*  
*Responsible Officer:*    *MP, Director Planning*

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Director Planning, Mr Mike Pickering and Manager Development Services, Mr Dan Staley attended Audit Committee to provide a briefing on Infrastructure Charges.

**COMMITTEE RECOMMENDATION**

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**That the briefing provided in relation to Infrastructure Charges be noted.**

**ITEM 3.4  
FRAUD RISK CONTROL GROUP**

*Meeting / Session:*        **AUDIT COMMITTEE Refer *Confidential* Supporting Information A18937661, A19178888 & A19320586**  
*Responsible Officer:*    **DD, Manager Executive Services**

As requested at the Audit Committee Meeting held 29 May 2019, the Fraud Risk Control Group Minutes are provided for committee's information.

The Fraud Risk Control Group Minutes of 7 August, 9 October and 5 November 2019 appear in the supporting information.

The Manager Executive Services was appointed as Chairperson of the Fraud Risk Control Group at the meeting held 9 October 2019.

**COMMITTEE RECOMMENDATION**

1.    **That the Fraud Risk Control Group Minutes of 7 August, 9 October and 5 November 2019, be received and noted.**
2.    **That the appointment of Manager Executive Services as Chairperson of the Fraud Risk Control Group be noted.**

## 4 FINANCIAL REPORTING

### ITEM 4.1 MONTHLY FINANCIAL REPORT

*Meeting / Session:* **AUDIT Refer Supporting Information (Extract of Actual Reports to General Meeting) A19184109 & A19247569**  
*Reference:* **COPY FROM ACTUAL REPORTS TO COUNCIL**  
*Responsible Officer:* **DW, Coordinator Accounting Services (CEO Accounting Services)**

In accordance with the adopted Audit Plan a copy of the most recent financial reporting documents are provided as follows:

- a) Monthly Financial Report for September 2019, as adopted by Council at its meeting of 22 October 2019; and
- b) Quarter 1 Operational Plan Review for 2019/20, as adopted by Council at its meeting of 29 October 2019

It is noted that the attachment is as an extract of the report and supporting information from that meeting.

### COMMITTEE RECOMMENDATION

**That the Financial Reports be received and noted, as tabled.**

## 5 EXTERNAL AUDITOR REPORT

### ITEM 5.1 QUEENSLAND AUDIT OFFICE UPDATE

Meeting / Session: *AUDIT COMMITTEE*  
Reference: *Refer **Confidential** Supporting Information A19318107*

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Queensland Audit Office provided an update to the Audit Committee.

### COMMITTEE RECOMMENDATION

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**That the Queensland Audit Office update be received and noted.**

## 6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

### ITEM 6.1

#### CONFLICT OF INTEREST POLICY & DIRECTIVE - REGIONAL

*Meeting / Session:* AUDIT  
*Reference:* A19318051 : 7 November 2019 - **Refer Supporting Information A16452725**  
*Responsible Officer:* DD, Manager Executive Services (CORP Executive Services)

#### Executive Summary

The purpose of this report is to present a revised Conflict of Interest Policy (2150-011) and Policy Directive (2160-020) for Audit Committee's consideration.

#### COMMITTEE RECOMMENDATION

**That the revised Conflict of Interest Policy and associated directive be noted.**

## 7 GENERAL BUSINESS

### ITEM 7.1

#### MORETON BAY REGIONAL COUNCIL ANNUAL REPORT 2018-19

Cr Matt Constance advised that Council recently adopted its 2018-19 Annual Report.

## 8 NEXT AUDIT COMMITTEE MEETING

19 February 2020.

#### CLOSURE

There being no further business the Chairperson closed the meeting at 4.29pm.