



REPORT

Audit Committee Meeting

Thursday 11 February 2021
commencing at 12.30pm

Strathpine Chambers
220 Gympie Road, Strathpine

ENDORSED GM20210303

CHAIRPERSON'S REPORT

The recommendations contained within this report of the Audit Committee meeting held 11 February 2021 are recommended to the Council for adoption.

STEPHEN COATES
CHAIRPERSON
AUDIT COMMITTEE

Membership = 5

(two Councillors and three external members plus one alternate member (Councillor))

Quorum = 3

Councillors

Cr Matt Constance

Cr Cath Tonks

Cr Jodie Shipway (alternate member)

External Committee Members

Mr Stephen Coates (Chairperson)

Ms Helen Moore

Mr Peter Scott

Audit Committee Meeting - 11 February 2021 (Pages 21/74 - 21/85)

RESOLUTION

Moved by Cr Cath Tonks

Seconded by Cr Sandra Ruck

CARRIED 12/0

That the report and recommendations of the Audit Committee Meeting held 11 February 2021, be adopted.

SCHEDULE OF ITEMS

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ATTENDANCE & APOLOGIES

Attendance:

Committee Members:

Mr Stephen Coates (Chairperson)
Cr Matt Constance
Cr Cath Tonks
Ms Helen Moore
Mr Peter Scott

Invited External Representatives:

Mr Michael Keane (Queensland Audit Office)
Mr Charles Strickland (Queensland Audit Office)

Officers:

Chief Executive Officer	Greg Chemello
Director Finance & Corporate Services	Donna Gregory
Principal Internal Auditor	Jill Tavares
Accounting Services Manager	Denis Crowe
Manager Governance & Executive Services	Darren Dallinger
Meeting Support	Hayley Kenzler

Apologies:

External Representatives attended for:

Item 3.1 - Corporate Systems Review
Project Manager Loretta Libke - 12.52pm - 1.14pm

Item 3.2 - Item 3.4
Governance Manager, Megan Praeger - 1.20pm - 1.53pm

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

Committee members are required to provide written declarations declaring any potential or actual conflicts of interest they may have in relation to their responsibilities.

As they arise between meetings, or at the beginning of each Committee meeting, members are required to declare any new or changed potential or actual conflicts of interest that may apply to specific matters on the meeting agenda.

Record of advice - Helen Moore

Helen Moore advised that although not a conflict of interest, wished to place on record that she was recently appointed to another Audit & Risk Committee being the Indigenous Land and Sea Corporation (a Federal Government Agency).

The Audit Committee noted the record of advice provided by Helen Moore in respect of her appointment to the Indigenous Land and Sea Corporation.

1.7. Special thanks to Cr Matt Constance - former Audit Committee Interim Chairperson

Stephen Coates, Audit Committee Chairperson provided special thanks to Cr Matt Constance for his contribution as former Interim Chairperson of the Audit Committee, noting that Cr Constance has always been very responsive to the committee and external members.

CONDUCT AND RECORD OF MEETING

Conduct in closed session

Council is obligated under Chapter 8, Part 2 Division 1A of the Local Government Regulation 2012 (Regulation) for its meetings to be open.

s254A(2) of the Regulation states that Division 1A does not apply to Audit Committee meetings.

In accordance with Council's Decision-making Framework, Audit Committee meetings are not open to the public and are conducted in closed session.

Record

The Audit Committee is a non-decision-making meeting.

S211 of the Regulation states:

- (1)(c) *as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.*
- (1)(4) *the Chief Executive Officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.*

The report and recommendations from this meeting will be submitted to Council's next General Meeting for adoption in accordance with s211 of the Regulation.

2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

ITEM 2.1

SIGNIFICANT ORGANISATION & SYSTEM MATTERS

Meeting / Session: *AUDIT*

Responsible Officer: *GC, Chief Executive Officer (CEO, CEO's Office)*

The Chief Executive Officer provided an update to the Audit Committee on relevant organisational matters, as outlined below:

- Status update on Council's Governance reform, noting that a number of Governance policies had been adopted by Council on 9 December 2020, (being the Complaint Management Policy, Enterprise Risk Management Policy and the Fraud and Corruption Control Policy).
- Policy Framework Implementation - converting a number of Policies to Operational Directives was also endorsed by Council on 9 December 2020
- Risk Management discussions were continuing with staff, and Director Finance & Corporate Services noted that some of this work was delivered to Councillors during the Australian Institute of Company Directors Course undertaken
- TechOne Go-live on commencement of new-year - and that staff who delivered the system to the whole of Council have done a fantastic job
- Staffing - the quality of candidates applying for positions is amazing and that recruitment is on-target

COMMITTEE RECOMMENDATION

Moved by Cath Tonks

Seconded by Helen Moore

CARRIED

That the update provided by the Chief Executive Officer be noted.

ITEM 2.2 ORGANISATIONAL REVIEW IMPLEMENTATION

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information 61576229
Responsible Officer: DG, Director Finance & Corporate Services (CEO, Finance & Corporate Services)

COMMITTEE RECOMMENDATION

Moved by Matt Constance

Seconded by Peter Scott

CARRIED

That the update provided in relation to the organisational review implementation be noted.

3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

ITEM 3.1 CORPORATE SYSTEMS REVIEW

Meeting / Session: AUDIT COMMITTEE
Responsible Officer: LL, Project Manager (FCS Project Services)

Project Manager - Loretta Libke provided an update on the TechOne project.

COMMITTEE RECOMMENDATION

Moved by Helen Moore

Seconded by Cath Tonks

CARRIED

1. That the update provided in relation to the TechOne project be noted.
2. That the status report of the TechOne Project team be provided to the Audit Committee.

ITEM 3.2 FRAUD RISK & CORRUPTION CONTROL GROUP

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information 61564465 & 61568123
Responsible Officer: MP, Governance Manager (FCS, 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 following documents are provided in the supporting information:

1. Fraud Risk and Corruption Control Group Minutes of 28 January 2021
2. Fraud and Corruption Trend Data 2020/21 (Q1 and Q2)

COMMITTEE RECOMMENDATION

Moved by Cath Tonks

Seconded by Matt Constance

CARRIED

That the Fraud Risk and Corruption Control Group Minutes of 28 January 2021 and Fraud and Corruption Trend Data 2020/21 (Q1 and Q2) be received and noted.

ITEM 3.3 REPORTABLE LOSSES

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information 61552834
Responsible Officer: MP, Governance Manager (FCS, Executive Services)

Governance Manager will attend to talk to Council's Register of Reportable Loss - Council Assets, provided for the Audit Committee's information.

The Register will be provided to the Audit Committee on a quarterly basis.

COMMITTEE RECOMMENDATION

Moved by Peter Scott

Seconded by Stephen Coates

CARRIED

That the update provided in relation to Council's Register of Reportable Loss - Council Assets be noted.

ITEM 3.4 GOVERNANCE UPDATE

Meeting / Session: AUDIT
Reference: 61577725 : **Refer Confidential Supporting Information 61576346**
Responsible Officer: DC, Accounting Services Manager (CEO Accounting Services)

The purpose of this item is to provide a progress update on the implementation of the governance and integrity frameworks endorsed by the Audit Committee at its last meeting, specifically Enterprise Risk Management, Fraud and Corruption Control and Complaint Management. The update will include a high-level workplan with key milestones for the current year.

COMMITTEE RECOMMENDATION

Moved by Helen Moore

Seconded by Cath Tonks

CARRIED

That the update on the implementation of the Enterprise Risk Management, Fraud and Corruption Control and Complaint Management frameworks, be received and noted.

4 FINANCIAL REPORTING

ITEM 4.1 FINANCIAL REPORTS

Meeting / Session: AUDIT
Reference: **Refer Supporting Information 61482694 & 61494727 (Extract of Actual Report to General Meeting)**
Responsible Officer: DC, Accounting Services Manager (CEO Accounting Services)

In accordance with the adopted Audit Plan the following financial reports are attached for Committee's information (refer supporting information #1).

- a) Monthly Financial Report for December 2020, as adopted by Council at its meeting of Wednesday 3 February 2021; and
- b) Quarter 2 Operational Plan Review for 2020/21, as adopted by Council at its meeting of Wednesday 3 February 2021.

It is noted that the attachments are an extract of the report and supporting information from that meeting.

COMMITTEE RECOMMENDATION

Moved by Matt Constance

Seconded by Cath Tonks

CARRIED

That the Monthly Financial Report for December 2020 and the Quarter 2 Operational Plan Review for 2020/21, as adopted by Council on Wednesday 3 February 2021, be received and noted.

5 EXTERNAL AUDITOR REPORT

ITEM 5.1 QUEENSLAND AUDIT OFFICE UPDATE

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information 61565766

Queensland Audit Office provided an update to the Audit Committee.

COMMITTEE RECOMMENDATION

Moved by Stephen Coates

Seconded by Peter Scott

CARRIED

That the Queensland Audit Office update be received and noted.

6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

ITEM 6.1 INTERNAL AUDIT OVERVIEW

Meeting / Session: AUDIT
Reference: 61572775 : 5 February 2021 - Refer **Confidential** Supporting 61573006
Responsible Officer: JT, Principal Internal Auditor (CEO's Office)

Basis of Confidentiality

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.

Executive Summary

This report provides information to the Audit Committee on the activities of the Internal Audit function for the period from 7 November 2020 to 5 February 2021.

COMMITTEE RECOMMENDATION

Moved by Helen Moore

Seconded by Peter Scott

CARRIED

1. That the Audit Committee notes and endorses this report and associated supporting information.
2. That the draft scoping documents be circulated to the Audit Committee for comment, as they become available.

7 GENERAL BUSINESS

Nil

8 NEXT AUDIT COMMITTEE MEETING

20 May 2021

CLOSURE

There being no further business the Chairperson closed the meeting at 2.41pm.