



REPORT

Audit Committee Meeting

Thursday 10 February 2022

commencing at 12.32pm

held via TEAMS

ENDORSED GM20220302

CHAIRMAN'S REPORT:

The recommendations contained within this report of the Audit Committee meeting dated 10 February 2022 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

Adoption Extract from General Meeting – 2 March 2022 (Page 22/388)

Audit Committee Meeting - 10 February 2022 (Pages 22/69 - 22/79)

RESOLUTION

Moved by Cr Matt Constance

Seconded by Cr Jodie Shipway (Deputy Mayor)

CARRIED 13/0

That the report and recommendations of the Audit Committee Meeting held 10 February 2022, be adopted.

SCHEDULE OF ITEMS

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

CONDUCT AND RECORD OF MEETING

IN CAMERA SESSION - 12.30PM TO 12.45PM

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7 GENERAL BUSINESS

8 NEXT AUDIT COMMITTEE MEETING

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 Stephen Tarling, Partner, Deloitte Touche Tohmatsu
Mr Justin Tait, Senior Manager, Deloitte Touche Tohmatsu
Mr Michael Keane, Contract Manager, 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
Governance Manager	Megan Praeger

Meeting Support	Larissa Kerrisk
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External Representatives:

The following officers attended for Item 6.1 - Audit Actions Update
Director Planning - David Corkill
Manager Development Services - Dan Staley
Coordinator Specialist Assessment - Carly Quin

Apologies:

Nil

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.

There were no declarations made.

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.

IN CAMERA SESSION - 12.30PM TO 12.45PM

Pursuant to the Audit Committee Terms of Reference, the Audit Committee to meet in-camera with Jill Tavares, Internal Audit Manager, (closed session to Committee Members only).

The in camera session commenced at 12.33pm with only Committee members and Jill Tavares, Internal Audit Manager in attendance.

The meeting reconvened in closed session at 12.45pm.

ATTENDANCE

Mr Greg Chemello arrived to the meeting at 12.55pm.

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.

People Culture and Safety:

- The MBRC Internal Audit function is operating very effectively
- There will be impact to the level of January 2022 leave due to the latest wave of COVID-19
- COVID-19 has impacted response times to maintenance requests
- The EBA5 negotiations to commence soon
- Performance planning/remuneration reviews are underway

Work processes:

- TechOne issues resolution continues; much of this was the result of our initial business processes that have been incorporated into the software are no longer considered appropriate
- Strategic and Corporate Planning - six core strategies are underway

Financial:

- Performance against operating budget is on track, whilst capital spend is lagging due to supply change issues in construction materials

Community outcomes:

- Range of current hot topics in the community were discussed
- Milloovate - site development is proceeding well

COMMITTEE RECOMMENDATION

Moved by Cr Cath Tonks

Seconded by Helen Moore

CARRIED

That the update provided by the Chief Executive Officer to the Audit Committee be noted.

3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

ITEM 3.1 REPORTABLE LOSSES

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information 63711741
Responsible Officer: DG, Director Finance & Corporate Services (FCS Directorate)

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 Helen Moore
Seconded by Cr Cath Tonks

CARRIED

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

ITEM 3.2
RISK MANAGEMENT QUARTERLY UPDATE

Meeting / Session: AUDIT COMMITTEE
Reference: 63707117: 10 February 2022 - Refer **Confidential** Supporting Information
63707149
Responsible Officer: DG, Director Finance and Corporate Services (FCS, Executive Services)

Executive Summary

The purpose of this report is to provide an update on the implementation of Council's Enterprise Risk Management Framework and Corporate Risk Register for Q2 2021/22 (October-December), with a specific focus on Council's approach to managing the health and safety risks to our team members and communities associated with the current COVID-19 omicron outbreak.

COMMITTEE RECOMMENDATION

Moved by Cr Matt Constance

Seconded by Peter Scott

CARRIED

That this report be received and noted.

ITEM 3.3
FRAUD AND CORRUPTION RISK CONTROL INCIDENT UPDATE

Meeting / Session: AUDIT COMMITTEE
Reference: 63698482: 10 February 2022 - Refer **Confidential** Supporting Information
63698367
Responsible Officer: MP, Governance Manager (FCS, Executive Services)

Executive Summary

The purpose of this report is to provide an update on fraud and corruption control incidents and trends for the reporting period being Q2 2021/22 (October to December).

COMMITTEE RECOMMENDATION

Moved by Cr Cath Tonks

Seconded by Cr Matt Constance

CARRIED

That the Fraud and Corruption Risk Control Group Incident and Trend Report as at 31 December 2021 be received and noted.

**ITEM 3.4
FINANCIAL COMPLIANCE REGISTER**

Meeting / Session: **AUDIT**
Reference: **63712634 : 28 January 2022 - Refer Supporting Information 63248738**
Responsible Officer: **DG, Director Finance & Corporate Services (FCS Directorate)**

Executive Summary

The Director Finance and Corporate Services will talk to Council's Financial Compliance Register 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 on Council's Financial Compliance Register be noted.

4 FINANCIAL REPORTING

ITEM 4.1 MONTHLY FINANCIAL REPORT

Meeting / Session: AUDIT
Reference: **Refer Supporting Information 63645026 and 63644504 (Extract of Actual Report to General Meeting)**
Responsible Officer: DC, Accounting Services Manager (CEO Accounting Services)

In accordance with the adopted Audit Plan a copy of the most recent Monthly Financial Report for 31 December 2021 as adopted by Council at its meeting of 2 February 2022 is attached for Committee's information (refer supporting information #1).

- Monthly Financial Report for 31 December 2021, as adopted by Council at its meeting of 2 February 2022

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

COMMITTEE RECOMMENDATION

Moved by Peter Scott

Seconded by Cr Cath Tonks

CARRIED

That the Monthly Financial Report for 31 December 2021, as adopted by Council on Wednesday 2 February 2022, be received and noted.

5 EXTERNAL AUDITOR REPORT

ITEM 5.1

QUEENSLAND AUDIT OFFICE 2022 EXTERNAL AUDIT PLAN

Meeting / Session: *AUDIT COMMITTEE*

Reference: *28 January 2022 - Refer **Confidential** Supporting Information 63728836*

Deloitte Touche Tohmatsu will attend to discuss the 2022 External Audit Plan with the Audit Committee.

COMMITTEE RECOMMENDATION

Moved by Cr Matt Constance

Seconded by Peter Scott

CARRIED

That the Queensland Audit Office 2022 External Audit Plan be received and noted.

ATTENDANCE

Mr David Corkill, Mr Dan Staley and Ms Carly Quin attended the meeting at 2.02pm for discussion on Item 6.1 - Audit Actions Update.

6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

ITEM 6.1 INTERNAL AUDIT UPDATE

Meeting / Session: AUDIT
Reference: 63742345 : 5 November 2021 - 1 February 2022 **Refer Confidential Supporting Information 63737247, 63483472, 63483772, 63715407, 63719178, 62767498, 63742537, 63742436, 63742661**
Responsible Officer: JT, Internal Audit Manager (CEOs Office)

Executive Summary

This report provides information to the Audit Committee on the activities of the Internal Audit function for the period from 5 November 2021 to 1 February 2022

COMMITTEE RECOMMENDATION

Moved by Helen Moore

Seconded by Cr Cath Tonks

CARRIED

1. That the Audit Committee notes and endorses this report and associated supporting information.
2. Financial management aspects to be included in the Audit Committee Charter.
3. That the 21.3 Revenue Recognition of Infrastructure Charges and Contributed Assets audit be extended to 31 March 2022.

ATTENDANCE

Mr Dan Staley and Ms Carly Quin left the meeting at 2.11pm following discussion on Item 6.1 - Audit Actions Update.

Mr David Corkill left the meeting at 2.19pm following discussion on Item 6.1 - Audit Plan FY2021-2022.

7 GENERAL BUSINESS

ANY OTHER BUSINESS AS PERMITTED BY THE MEETING CHAIRPERSON.

8 NEXT AUDIT COMMITTEE MEETING

19 May 2022

CLOSURE

There being no further business the Chairperson closed the meeting at 2.32pm.