

Minutes

Audit Committee

Monday, 13 May 2013

Council Chambers, cnr Currie and Bury Streets, Nambour

AUDIT COMMITTEE MEMBERS

Councillor C Thompson	Division 4
Councillor C Dickson	Division 6
Mr P Dowling AM	Independent Member (Chair)
Mr L Scanlan	Independent Member

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Please Note: The resolutions as shown in italics throughout these minutes are the resolutions carried by the Council.

1 DECLARATION OF OPENING

The Chair declared the meeting open at 9.02 am.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE**AUDIT COMMITTEE MEMBERS**

Mr P Dowling AM	Independent Member (Chair)
Councillor C Thompson	Division 4
Councillor C Dickson	Division 6
Mr L Scanlan	Independent member

EXECUTIVE LEADERSHIP TEAM

Chief Executive Officer
Acting Executive Director Finance and Business
Acting Executive Director Infrastructure Services
Executive Director Community Services
Executive Director Regional Strategy and Planning

APOLOGIES

Executive Director Executive Office

ATTENDEES

Mr P Fleming	(Queensland Audit Office)
Mr A Flynn	(Queensland Audit Office)

COUNCIL OFFICERS

Acting Manager Audit and Assurance

3 RECEIPT AND CONFIRMATION OF MINUTES

That the minutes of the Audit Committee Meeting held 1 February 2013, be received and confirmed.

4 OBLIGATIONS OF COUNCILLORS**4.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS**

Pursuant to Section 172 of the *Local Government Act 2009*, no declarations of material personal interest were made during this meeting.

4.2 DECLARATION OF CONFLICT OF INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 173 of the *Local Government Act 2009*, no declarations of conflict of interest were made during this meeting.

5 REPORTS**5.1 CHIEF EXECUTIVE OFFICER'S UPDATE****5.1.1 UPDATE - CHIEF EXECUTIVE OFFICER**

File No: Council Meetings
Author: Chief Executive Officer
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- De-amalgamation
- Organisational Review and
- Caloundra South

Committee Recommendation (AC13/17))

*That the Audit Committee receive and note the report titled "**Update - Chief Executive Officer**" and the discussions held by the Committee.*

Carried unanimously.

5.2 EXTERNAL AUDIT**5.2.1 QUEENSLAND AUDIT OFFICE**

File No: Council Meetings
Author: Manager Audit and Assurance
Executive Office
Attachments: Att 1 - Briefing Paper

AUDIT COMMITTEE DISCUSSION POINTS

- Interim audit progressing well. Some potential significant Information Systems issues under discussion with management.

Committee Recommendation (AC13/18)

That the Audit Committee note the information provided by the Queensland Audit Office.

Carried unanimously.

5.2.2 FINANCIAL STATEMENT RISK ASSESSMENT

File No: ECM
Author: Financial Accounting Manager
Finance & Business Department
Attachments: Att 1 - Asset Revaluations Summary 2012/2013

AUDIT COMMITTEE DISCUSSION POINTS

- Disclosures around Caloundra South, De-amalgamation, sustainability, risk of loss of key staff, asset valuations and carbon tax.
- Process established for the capture and monitoring of costs associated with De-amalgamation.
- Financial Standards around discontinued entities and notes to the financial statements

Committee Recommendation (AC13/19)

*That the Audit Committee receive and note the report titled "**Financial Statement Risk Assessment**".*

Carried unanimously.

5.2.3 MARCH 2013 FINANCIAL PERFORMANCE REPORT

File No: Financial Reports
Author: Acting Financial Services Manager
Finance & Business Department
Attachments: Att 1 - March 2013 Financial Performance Report

AUDIT COMMITTEE DISCUSSION POINTS

- Treatment of rates in advance and financial assistance grants in accordance with standards

Committee Recommendation (AC13/20)

*That the Audit Committee receive and note the report titled "**March 2013 Financial Performance Report**".*

Carried unanimously.

5.3 GOVERNANCE REPORTING**5.3.1 WORK HEALTH AND SAFETY REPORT STATUS TO DATE**

File No: Audit Reports
Author: Manager Human Resources
Community Services Department

AUDIT COMMITTEE DISCUSSION POINTS

- Work-cover premium costs for last two years to be reported

Committee Recommendation (AC13/21)

*That the Audit Committee receive and note the report titled “**Work Health and Safety Report status to date**”.*

Carried unanimously.

5.3.2 GOVERNANCE AND RISK REPORT MAY 2013

File No: 37.2.1
Author: Corporate Planning & Reporting Manager
Finance & Business Department
Attachments: Att 1 - Risk Matrix Summary
Att 2 - Corporate Risk Register

AUDIT COMMITTEE DISCUSSION POINTS

- Break down of risks and De-amalgamation issues
- A review of strategic risks to be undertaken at the request of the CEO

Committee Recommendation (AC13/22)

*That the Audit Committee receive and note the report titled "**Governance and Risk Report May 2013**".*

Carried unanimously.

5.4 INTERNAL AUDIT

5.4.1 PAYROLL PROCESSES – REGIONAL STRATEGY AND PLANNING AND EXECUTIVE OFFICE

File No: ECM 13 May 2013
Author: Manager Audit and Assurance
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- No further discussion points

Committee Recommendation (AC13/23)

That the Audit Committee receive and note the report titled “Payroll Processes – Regional Strategy and Planning and Executive Office”.

Carried unanimously.

5.4.2 PERFORMANCE VENUES - NAMBOUR CIVIC CENTRE - COMMUNITY SERVICES

File No: ECM 13 May 2013
Author: Manager Audit and Assurance
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- No further discussion points

Committee Recommendation (AC13/24)

*That the Audit Committee receive and note the report titled "**Performance Venues - Nambour Civic Centre - Community Services**".*

Carried unanimously.

5.4.3 COMMUNITY SERVICES - PURCHASING

File No: ECM
Author: Manager Audit and Assurance
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- Exception reporting around invoices where orders raised late
- Actions taken to date were noted including executive officer oversight, routine reporting, training and a review of delegations

Committee Recommendation (AC13/25)

*That the Audit Committee receive and note the report titled "**Community Services - Purchasing**".*

Carried unanimously.

5.4.4 COMMERCIAL PROPERTY LEASES

File No: ECM1
Author: Manager Audit and Assurance
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- No further discussion points

Committee Recommendation (AC13/26)

*That the Audit Committee receive and note the report titled “**Commercial Property Leases**”.*

Carried unanimously.

5.4.5 CONTRIBUTED ASSETS

File No: ECM
Author: Manager Audit and Assurance
Executive Office

AUDIT COMMITTEE DISCUSSION POINTS

- No further discussion points

Committee Recommendation (AC13/27)

*That Council receive and note the report titled “**Contributed Assets**”.*

Carried unanimously.

5.4.6 AUDIT AND ASSURANCE STATUS REPORT

File No: ECM
Author: Manager Audit and Assurance
Executive Office
Attachments: Att 1 - Audit Work Plan Methodology
Att 2 - Outstanding Audit Recommendations

AUDIT COMMITTEE DISCUSSION POINTS

- De-amalgamation impacts recognised in the audit plan
- Opportunity for internal audit to look forward at preparedness, due diligence and oversight
- Coverage of critical systems considered good practice

Committee Recommendation (AC13/28)

*That the Audit Committee receive and note the report titled “**Audit and Assurance Status Report**”.*

Carried unanimously.

Committee Recommendation (AC13/29)

That the Audit Committee adopt the recommendations of the Audit Committee Meeting of 13 May 2013 and submit the recommendations to Council.

Carried unanimously.

6 CONFIDENTIAL SESSION

Nil

7 NEXT MEETING

The next Audit Committee Meeting will be held on 9 September 2013 in the Council Chambers, cnr Currie and Bury Streets, Nambour.

8 MEETING CLOSURE

The meeting closed at 10.49 am.

