

Minutes

Audit Committee

Monday, 6 September 2021

Council Chambers, 1 Omrah Avenue, Caloundra

AUDIT COMMITTEE MEMBERS

Councillor J Natoli	Division 4
Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair)
Mr P McCallum	External Member

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

1 DECLARATION OF OPENING

The Chair declared the meeting open at 1:00pm.

Councillor E Hungerford acknowledged the Traditional Custodians of the land on which the meeting took place.

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

Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair)
Mr P McCallum	External Member

APOLOGIES

Councillor J Natoli	Division 4
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Chief Executive Officer

ATTENDEES

Councillor M Suarez	Division 9
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Senior Director Queensland Audit Office

COUNCIL OFFICERS

Acting Chief Executive Officer / Group Executive Economic and Community Development
Group Executive Customer Engagement and Planning Services
Group Executive Built Infrastructure
Group Executive Business Performance
Chief Strategy Officer
Customer Service & IT Delivery Manager
Manager Asset Management
Coordinator Financial Accounting
Manager Audit and Assurance
Coordinator Commercial Analysis
Acting Manager Corporate Governance
Head of People & Culture
Manager Business and Innovation
Executive Manager
Coordinator Corporate Risk and Insurance

3 INFORMING OF CONFLICTS OF INTEREST**3.1 PRESCRIBED CONFLICTS OF INTEREST**

Pursuant to Section 150EL of the *Local Government Act 2009*, no declarations of prescribed conflicts of interest were made during this meeting.

3.2 DECLARABLE CONFLICTS OF INTEREST

Pursuant to Section 150EQ of the *Local Government Act 2009*, no declarations of declarable conflicts of interest were made during this meeting.

4 REPORTS**4.1 OFFICE OF THE CEO****4.1.1 CHIEF EXECUTIVE OFFICER'S UPDATE****File No: D2021/829142****Author: Acting Coordinator - Corporate Planning and Performance
Office of the CEO**

EXECUTIVE SUMMARY

In the period since the last report to the Audit Committee, Council has progressed a number of projects to advance our vision for the Sunshine Coast: Australia's most sustainable region. Healthy. Smart. Creative.

At the end of Quarter 4, 2020/21, Council delivered 84% of the Operational Plan 2020/21. This is despite the continued presence of the COVID-19 pandemic and an increased demand on many of our services.

Looking forward, our Operational Plan 2021/22 was adopted in June 2021 to advance the strategic priorities from our Corporate Plan 2021-2025. It identifies 70 activities and 31 service outputs that will be the basis of our quarterly reporting to keep our community informed of our progress and our Council accountable for our performance.

Committee Recommendation (AC21/22)**Moved: Councillor E Hungerford****Seconded: P McCallum**

*That the Audit Committee receive and note the report titled "**Chief Executive Officer's Update**".*

Carried unanimously.

4.1.2 CYBER SECURITY PROGRAM UPDATE

File No: D2021/829143
Author: Customer Service & IT Delivery Manager
Business Performance Group

EXECUTIVE SUMMARY

Sunshine Coast Council (Council) has significantly improved its cyber security controls (the “risk posture”) over the course of the last two years. This is a result of Council investing in a Cyber Security Program to help improve security awareness, maturity levels and mitigate risks.

The program continues to significantly improve cyber security in the organisation through its deliverables. Unfortunately, the cyber criminal community is equally productive and will continue to devise ways to threaten that security.

Committee Recommendation (AC21/23)

Moved: Councillor E Hungerford
Seconded: P McCallum

*That the Audit Committee receive and note the report titled “**Cyber Security Program update**”.*

Carried unanimously.

4.1.3 ASSET MANAGEMENT UPDATE

File No: D2021/829144
Author: Manager Asset Management
Built Infrastructure Group

EXECUTIVE SUMMARY

In September 2019, an update report was provided to the Audit Committee on the status of actions from an internal audit undertaken on Council's Asset Management Plans and Systems in January 2017.

The Audit Committee has been progressively updated in relation to Council's asset management activities, as well as the implementation of the Confirm Asset Information System Project.

This report will provide an update on Council's asset management activities.

Committee Recommendation (AC21/24)

Moved: Councillor E Hungerford
Seconded: P McCallum

That the Audit Committee:

- (a) *receive and note the report titled "**Asset Management Update**" and*
- (b) *note that a further progress report on the ongoing asset management activities will be provided at the January 2022 Audit Committee Meeting.*

Carried unanimously.

4.2 EXTERNAL AUDIT**4.2.1 DRAFT 2020/21 FINANCIAL STATEMENTS****File No: D2021/829148****Author: Coordinator Financial Accounting
Business Performance Group**

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare general purpose financial statements on an annual basis, culminating in audit certification in late October, before publication in Council's Annual Report.

Committee Recommendation (AC21/25)**Moved: Councillor E Hungerford****Seconded: P McCallum**

*That the Audit Committee receive and note the report titled "**Draft 2020/21 Financial Statements**".*

Carried unanimously.

4.3 AUDIT AND ASSURANCE**4.3.1 SOLAR FARM ENERGY MANAGEMENT – REVENUE AND CONSUMPTION CONTROL FRAMEWORK**

File No: D2021/829154
Author: Manager Audit and Assurance
Office of the CEO

EXECUTIVE SUMMARY

The financial and contract management activities associated with the supply of electricity to Council sites and electricity generated by the solar farm were found to be sound.

Committee Recommendation (AC21/26)

Moved: Councillor E Hungerford
Seconded: P McCallum

*That the Audit Committee receive and note the report titled “**Solar Farm Energy Management – Revenue and Consumption Control Framework**”.*

Carried unanimously.

4.3.2 CONFLICTS OF INTEREST - MANAGEMENT OF STAFF DECLARATIONS

File No: D2021/829158
Author: Manager Audit and Assurance
Office of the CEO

EXECUTIVE SUMMARY

The management of conflicts of interests relating to staff declarations was found to be sound when measured against the Crime and Corruption Commission's points of best practice.

Committee Recommendation (AC21/27)

Moved: Councillor E Hungerford
Seconded: P McCallum

*That the Audit Committee receive and note the report titled "**Conflicts of Interest - Management of Staff Declarations**".*

Carried unanimously.

4.3.3 AUDIT AND ASSURANCE STATUS REPORT

File No: D2021/829161
Author: Manager Audit and Assurance
Office of the CEO

EXECUTIVE SUMMARY

As at September, the 2020/21 Internal Audit Work Plan has been completed except for the planned Quarry Operations review which was deferred at the request of Management.

Committee Recommendation (AC21/28)

Moved: Councillor E Hungerford
Seconded: P McCallum

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

Carried unanimously.

4.4 GOVERNANCE REPORTING

4.4.1 WORK HEALTH AND SAFETY REPORT

File No: D2021/829159
Author: Head of People & Culture
Business Performance Group

EXECUTIVE SUMMARY

The reporting period, 1 April 2021 to 30 June 2021, has seen the continuation of COVID-19 controls implementation. There have been no cases of COVID-19 reported by Council employees. Ongoing consultation has occurred to ensure safety controls remain relevant.

WHSQ Notifiable Incidents

There were 2 notifiable incidents within the reporting period, both occurring on Principal Contractor Sites:

1. A contractor compressed their finger between two pieces of timber and was taken to hospital resulting in medical treatment.
2. A contractor haulage truck delivering gravel lost stability and collapsed onto its side. No injuries as a result.

Safety Performance

Injury and illnesses were declining at the start of the reporting period however rose in the month of June. June 2021 demonstrates the lowest number of high potential risk consequences over the last 12 months. A 95% decrease has been achieved since March 2021 in closing out overdue actions.

Committee Recommendation (AC21/29)

Moved: Councillor E Hungerford
Seconded: P McCallum

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

Carried unanimously.

4.4.2 GOVERNANCE AND RISK REPORT

File No: D2021/829152
Author: Manager Corporate Governance
Office of the CEO

EXECUTIVE SUMMARY

As Council progresses through the uncertainties presented from the ongoing COVID19 pandemic, opportunities to maintain sustainability, achieve accountability, transparency, responsiveness, and inclusiveness in decision making and Council's overall approaches to organisational governance and risk management have been pursued. Implementation of several awareness strategies and mitigation techniques have allowed Council to continue to achieve positive results across the broad spectrum of activities delivered.

The Governance in Action Program assists this approach by building employee awareness on the importance of good governance processes and practices. There has been a steady rise in the number of requests to the Branch for further information and training on a variety of topics due to an increase in concern and a willingness to manage identified risks within tolerance range. These requests highlight an alert organisation that is willing to ensure safe and appropriate processes and practices are followed.

Strategic and operational risks continue to be monitored and managed effectively. The recent review of Council's operational risk registers has highlighted an increase in understanding and awareness of risk knowledge across the organisation.

Complaint matters elevated to the Corporate Governance Branch continue to be actioned and analysed to assess the cause of each complaint and to identify systemic concerns and relevant management action.

Committee Recommendation (AC21/30)

Moved: Councillor E Hungerford
Seconded: P McCallum

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

Carried unanimously.

5 NEXT MEETING

The next Audit Committee Meeting will be held on 6 October 2021 via Teleconference.

6 MEETING CLOSURE

The meeting closed at 3:10pm.

Confirmed 6 October 2021.

CHAIR
