

# Minutes

## Audit Committee

**Monday, 8 October 2018**

**Teleconference**

**AUDIT COMMITTEE MEMBERS**

Councillor T Dwyer	Division 2
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 Audit Committee.

**1 DECLARATION OF OPENING**

The Chair declared the meeting open at 9.02am.

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

Mr P Dowling AM Independent Member (Chair)  
Mr L Scanlan Independent Member

**BOARD OF MANAGEMENT**

Chief Executive Officer  
Group Executive Built Infrastructure  
Group Executive Liveability and Natural Assets

**APOLOGIES**

Councillor T Dwyer  
Councillor C Dickson  
Group Executive Business Performance  
Group Executive Economic & Community Development  
Group Executive Customer Engagement & Planning Services

**ATTENDEES**

Audit Engagement Leader Queensland Audit Office  
Audit Team Leader Queensland Audit Office

**COUNCIL OFFICERS**

Chief Financial Officer  
Manager Audit & Assurance  
Coordinator Financial Accounting  
Senior Asset Accountant  
Senior Financial Accountant

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**3 RECEIPT AND CONFIRMATION OF MINUTES****4 INFORMING OF PERSONAL INTERESTS****4.1 MATERIAL PERSONAL INTEREST**

Pursuant to Section 175C of the *Local Government Act 2009*, no declarations of material personal interest were made during this meeting.

**4.2 CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST**

Pursuant to Section 175E 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**

Nil

**5.2 EXTERNAL AUDIT****5.2.1 DRAFT 2017/18 FINANCIAL STATEMENTS AND CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT**

**File No:** Financial Management

**Author:** Coordinator Financial Accounting  
Business Performance Group

**Attachments:** Att 1 - Draft 2017/18 Financial Statements and Current Year Financial Sustainability Statement  
Att 2 - Queensland Audit Office Closing report to the Audit Committee for the financial year ended 30 June 2018  
Att 3 - Audit Committee Key Milestones - 2017/18 Financial Statements

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**EXECUTIVE SUMMARY**

Council has a statutory obligation to prepare "General Purpose" Financial Statements on an annual basis, culminating in audit certification later in October, before publication in Council's Annual Report.

The general purpose financial statements and current year financial sustainability statement for 2017/18 have been audited by our external auditors, the Queensland Audit Office (QAO) to ensure accounting and legislative compliance.

A summary of the final audit is contained in the Queensland Audit Office Closing Report to the Audit Committee for the financial year ended 30 June 2018.

**AUDIT COMMITTEE DISCUSSION POINTS**

- The Draft Financial Statements remain unchanged following the audit
  - QAO work is ongoing with quality review to be completed
  - Confirmed that audits of Council's controlled entities have been completed and that there are no issues impacting on Council's financial statements
  - CEO confirmed the organisational structure regarding Office of Mayor and Office of CEO are accurately reflected in the Note 2(a), Analysis of Results by Function
  - Request for further breakdown of the \$11 million Other Revenue component contained within Rent and sales from contracts and recoverable works value of \$16 million, Note 3(c). Detail to be distributed separately.
  - Significant testing undertaken by QAO
  - Management sign off due 12 October
  - Strategies to be developed to address timely recording of contributed assets
  - QAO reviewing opportunities for bringing work forward in the next year's audit plan
  - Review of the airport disclosure considering the impact of the new revenue accounting standard to be provided at the May 2019 Audit Committee meeting
  - Financial impacts of the Region Making Projects will become visible in future financial sustainability ratios and as such, open, transparent and early communication strategies to be implemented over forward years including the Annual Report.
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**Committee Recommendation** (AC18/38)

**Moved:** L Scanlan  
**Seconded:** P Dowling

*That the Audit Committee*

- a) note the report titled "Draft 2017/18 Financial Statements and Current Year Financial Sustainability Statement" and*
- b) endorse the results of the audit and recommend Management sign-off and*
- c) acknowledge the efforts of Council's Finance Team and the Queensland Audit Office Team.*

**Carried unanimously.**

**Councillor T Dwyer and Councillor C Dickson were absent for the discussion and vote on this item.**

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**5.3 AUDIT AND ASSURANCE**

Nil

**5.4 GOVERNANCE REPORTING**

Nil

**6 GENERAL BUSINESS**

Nil

**7 NEXT MEETING**

The next Ordinary Meeting will be held on 29 January 2019 in the Council Chambers, 1 Omrah Avenue, Caloundra.

**8 MEETING CLOSURE**

The meeting closed at 9:38am.

Confirmed 29 January 2019.

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CHAIR

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