



Minutes

Audit Committee

Wednesday, 5 October 2016

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

AUDIT COMMITTEE MINUTES

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

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1 DECLARATION OF OPENING

The Chair declared the meeting open at 9.00am.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

AUDIT COMMITTEE MEMBERS

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

EXECUTIVE LEADERSHIP TEAM

Director Corporate Services

APOLOGIES

Councillor T Dwyer Division 2
Councillor C Dickson Division 6
Chief Executive Officer
Director Community Services
Director Corporate Strategy and Delivery
Director Infrastructure Services
Director Regional Strategy and Planning

ATTENDEES

Director Audit Queensland Audit Office
Audit Manager Queensland Audit Office

COUNCIL OFFICERS

Coordinator Financial Accounting
Manager Audit and Assurance
Principal Internal Auditor

3 RECEIPT AND CONFIRMATION OF MINUTES

Nil.

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4 OBLIGATIONS OF MEMBERS

4.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS

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

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5 REPORTS

5.1 EXTERNAL AUDIT

5.1.1 DRAFT 2015/16 FINANCIAL STATEMENTS AND CURRENT YEAR FINANCIAL SUSTAINABILITY STATEMENT

File No: Financial Management
Author: Coordinator Financial Accounting
 Corporate Services Department
Attachments: Att 1 - Draft 2015/16 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 2016

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.

Milestone	Documentation/Details	Date
Audit Committee Meeting	<ul style="list-style-type: none"> Queensland Audit Office (QAO) closing Report to the Audit Committee for the financial year ended 30 June 2015 QAO Management Certificate for the year ended 30 June 2015 QAO 2016 Draft External Audit Plan 	25 January 2016
Interim Audit	As per Client Strategy	18 April 2016 to 6 May 2016
Position Paper – AASB 124 <i>Related Party Disclosures</i>	Draft Policy	30 April 2016
Audit Committee Meeting	<ul style="list-style-type: none"> Shell Financial Report Statements Asset Revaluation Summary and Progress Update QAO Briefing Paper Draft Policy – AASB 124 <i>Related Party Disclosures</i> 	23 May 2016
Asset Valuation	Supporting work papers available to audit	30 June 2016
Audit Committee Meeting	<ul style="list-style-type: none"> QAO Interim Audit Report QAO Briefing Note 	5 September 2016

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Milestone	Documentation/Details	Date
	<ul style="list-style-type: none"> Draft Financial Statements 2015/16 	
Final draft financial statements and current year financial sustainability statement available for audit	Final draft financial statements and current year financial sustainability statement	12 September 2016
Audit clearance of financial statements and current year financial sustainability statement	QAO closing report/management representation letter.	5 October 2016
Audit Committee Meeting (teleconference)	Audit Committee clearance (via teleconference) of financial statements and current year financial sustainability statement	5 October 2016
Council certification of financial statements and current year financial sustainability statement	Management Certificate	11 October 2016
Audit certification of financial statements and current year financial sustainability statement	QAO final management report	14 October 2016

Discussion points

- Queensland Audit Office addressed their Closing report to the Audit Committee and the expectation of an unmodified opinion.
- Queensland Audit Office have not raised any additional internal control or financial reporting issues.
- The assessment of Council's financial statement preparation and the assessment of Council's internal control elements are considered effective.
- Queensland Audit Office assessment of Financial Sustainability is considered lower risk.
- Note 13 Investments in associates, Queensland Audit Office provided assistance with Council's disclosure of Unity Water's restated balances.
- Note 16 Property Plant and Equipment, Queensland Audit Office suggested the use of the term prior year adjustment in lieu of the term prior year error.
- SunCentral (Council's controlled entity) has been provided an unmodified audit opinion
- SunCentral Audit Committee teleconference with Queensland Audit Office regarding finalisation of the controlled entity's Financial Statements.
- Certified Financial Statements associated with SunCentral to be included in Council's next Audit Committee meeting agenda (30 January 2017).
- Next year's Queensland Audit Office audit planning to address, related parties disclosure implementation, shell accounts to contain proposed disclosures, impacts of new accounting standards associated with revenue and leases.
- As future options regarding the Sunshine Coast Airport expansion are under consideration, it is difficult to add any meaningful disclosure regarding subsequent events.

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- A specific agenda item for 30 January 2017 meeting to address status of control issues raised in the Queensland Audit Office's interim audit.
- The increased current inventory value relates to the recognition of Maroochydore City Centre land holdings that are expected to be available for sale in 2016/17.
- The 2015/16 Queensland Audit Office audit fee is \$220,000.
- Queensland Audit Office acknowledged Council's support and professionalism in the conduct of the final audit.
- Queensland Audit Office's assistance and professional approach to the audit was acknowledged.
- Audit Committee expressed that Council and Management be complimented on the solid financial result and the excellent audit result.

Committee Recommendation (AC16/33)

Moved: P Dowling

Seconded: L Scanlan

That the Audit Committee

- note the report titled "Draft 2015/16 Financial Statements and Current Year Financial Sustainability Statement" and*
- endorse the results of the audit and recommend Management sign-off.*

Carried unanimously.

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6 NEXT MEETING

The next Ordinary Meeting will be held on 30 January 2017 in the Council Chambers, 1 Omrah Avenue, Caloundra.

7 MEETING CLOSURE

The meeting closed at 9:17am.

Confirmed 30 January 2017.

MAYOR
