

# Minutes

## Audit Committee

**Monday, 28 May 2018**

**Council Chambers, Corner Currie and Bury Streets, Nambour**

### **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 9.07am.

**2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE****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

**BOARD OF MANAGEMENT**

Chief Executive Officer  
Group Executive Built Infrastructure  
Group Executive Business Performance  
Group Executive Customer Engagement and Planning Services  
Group Executive Economic and Community Development  
Group Executive Liveability and Natural Assets  
Chief Strategy Officer

**APOLOGIES**

Nil

**ATTENDEES**

Current Engagement Leader	Queensland Audit Office
New Engagement Leader	Queensland Audit Office
Team Leader	Queensland Audit Office

**COUNCIL OFFICERS**

Chief Finance Officer  
Coordinator Financial Accounting  
Manager Audit and Assurance  
Manager People & Culture  
Manager Corporate Governance  
Manager Digital Information Systems

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**3 RECEIPT AND CONFIRMATION OF MINUTES****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.

Len Scanlan declared that he was resigning his position from the Gold Coast City Council Audit Committee.

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

**File No:** Council Meetings  
**Author:** Chief Executive Officer  
Office of the CEO

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**AUDIT COMMITTEE DISCUSSION POINTS**

- Financial Performance
- Project Priority Framework
- Sunshine Coast Solar Farm
- Sunshine Coast Airport Expansion
- International Broadband Submarine Cable
- Piccabeen Green Town Square, Palmwoods
- Queens Baton Relay
- Commonwealth Games
- Community Nature Conservation
- Verge Gardens
- Draft Street Tree Master Plan

**Committee Recommendation** (AC18/16)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

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

**Carried unanimously.**

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## 5.1.2 REGIONAL DEMOGRAPHIC RISK PROFILE

<b>File No:</b>	<b>Council Meeting</b>
<b>Author:</b>	<b>Group Executive Liveability &amp; Natural Assets Group</b>
<b>Appendices:</b>	<b>App A - Population growth snapshot</b>

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### EXECUTIVE SUMMARY

A number of observations on the future demographic profile of the Sunshine Coast are provided in this report: Population Growth Snapshot. The snapshot focuses on forecast changes between 2016 and 2041 (i.e. 25 years).

Over the next 25 years, population growth is forecast to remain relatively constant, with approximately 8,400 new residents settling on the Sunshine Coast each year, and a total of over 210,000 additional residents between 2016 and 2041. The great majority of population is forecast to be provided through net migration – forecast to provide over 97% of all population growth every year to 2041. The three highest migration sources are forecast to be Brisbane and surrounds (41%), Sydney and surrounds (24%) and ‘overseas’ (12%).

All age groups are forecast to increase over the next 25 years. In terms of total numbers, the largest increase is anticipated to be those aged 75 years and over, who are anticipated to more than double in number. This increase may place pressure on disposable incomes, the ability to pay rates for some, and require changes to the types and methods of service delivery.

In 2041, the largest proportion of people are forecast to be between 40 and 49 years, and 5-14 years, which generally aligns with households in the younger and intermediate family formation stage of life, and those in full time employment.

Between 2016 and 2041, the Sunshine Coast is forecast to need to accommodate an additional 20,117 primary school students, and 15,742 secondary school students. The largest increase is anticipated to be primary school students between 2026 and 2041 – an additional 4,100 students in each 5 year period.

Between 2016 and 2041, it is forecast there will be an increase of approximately 89,400 dwellings, and 84,500 households. This is equivalent to over 3,580 dwellings and 3,380 households per year. Growth is anticipated to be relatively constant over the next 25 years. The majority of these dwellings will contribute to the rates base for the Sunshine Coast Council.

### AUDIT COMMITTEE DISCUSSION POINTS

- Funding of infrastructure growth
- Risk Register reflects challenges e.g. around health and education



**Committee Recommendation** (AC18/17)**Moved:** L Scanlan**Seconded:** Councillor C Dickson*That the Audit Committee*

- (a) *receive and note the report titled "**Regional Demographic Risk Profile**" and*
- (b) *that the information contained in this report and the resultant impacts of growth and how it is to be managed on the Sunshine Coast be presented to Councillors by the August of 2018.*

**Carried unanimously.**

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**5.1.3 CONTRIBUTED ASSETS - QUALITY CONTROL FRAMEWORK**

**File No:** Council Meetings  
**Author:** Manager Civil Asset Management  
Built Infrastructure Group  
**Attachments:** Att 1 - Status Update for Contributed Assets Report

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**EXECUTIVE SUMMARY**

The audit titled “Contributed Assets – Quality Control Framework” – September 2017, made six high and eight medium risk recommendations. This audit identified that there was “...considerable scope for increased collaboration between various departments and branches to improve the overall quality control framework and asset owner satisfaction.”

A collaborative approach is being taken to address the recommendations with good progress made to date. Seven recommendations have been completed of which four were identified as high risk. The outstanding seven recommendations are all being actioned and none are overdue.

Further to this, consideration has been given to the establishment of a new Asset Management Branch within Built Infrastructure to coordinate asset matters (including those identified in the Audit) across the region and to manage the implementation of the Confirm program throughout the organisation.

**AUDIT COMMITTEE DISCUSSION POINTS**

- New Asset Team to be created within Civil Asset Management

**Committee Recommendation** (AC18/18)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee receive and note the report titled “**Contributed Assets - Quality Control Framework**”.*

**Carried unanimously.**

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#### 5.1.4 EDRMS SYSTEM (EDDIE) REVIEW

**File No:** Council Meetings  
**Author:** Chief Information Officer  
Business Performance Group

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#### EXECUTIVE SUMMARY

A report was provided to the Audit Committee on 29 January 2018 in related to a health check review of the current eDRMS system of Council, internally called EDDIE. This external health check was conducted by company, Kapish, who were selected through a competitive procurement process. The results of the health check report for the EDDIE System revealed that the system was in poor health. This was due to a number of serious issues and areas of concern being identified during the review. If left untreated, these issues could leave the system in an unusable state. In order to ensure our system remains stable and in Good Health a number of recommendations were made. Of the 18 recommendations 5 were rated High priority, 8 Medium, and 5 Low. Having now completed 11 of the recommendation there are 5 Medium, and 2 Low priorities items remaining to be actioned.

Following the organisation wide 'Next Steps' review of Council in 2017, a recommendation was made to undertake a deep dive review of Digital and Information Services (DIS). This review was to be undertaken by an external party, and the scope of the review included Service and Engagement Model, Services, Influence, Strategy alignment, Governance, Structure & Staffing. It was envisaged that the review would be likely to review aspects of the Eddie system from a Match-fit 2020 point of view. With knowledge of this review, an action from the January 2018 Audit Committee meeting was as to report back to the May meeting on the impacts of this review on the Health Check recommendations.

BDO Consulting were selected to undertake the DIS review, with the key business sponsor being the Group Executive Business Performance. The work by the consultants utilised their methodology, including a key components of match fit analysis – strategic, structure and roles, delivery. It involved desktop analysis of relevant SCC documentation (over 60, including key EDRMS document), and engagement of major stakeholders.

BDO Consulting handed down the report by the end of March 2018, with some supplementary information provided recently. The Group Executive Business Performance is currently assessing the report, and developing an implementation plan, with impact and risk analysis, for consideration by the Board of Management (BoM), CEO, and a report to the Next Steps Steering Group, which includes the CEO, Mayor and Deputy Mayor, by mid June 2018.

Specifically in relation to the eDRMS system and business records management a recommendation has been made (and accepted by the GE Business Performance), however the relevant implementation plan is yet to go through BOM for approval. The recommendation reads as follows:

*'10. Undertake a business requirements gap analysis of the records management system "EDDIE" and business case to implement business change improvements'*

The commentary in the report relating to this recommendation notes concerns about issues of limited change management, possible structural improvements in terms of ownership of records management, and challenges in relation to records management culture of staff, and the important of support by senior management.

It is intended to recommend to BoM that this independent analysis be undertaken, with an agreed scope. In light of the breadth of this DIS Review recommendation, and the intention for it to be progressed by the relevant business owner of records management (to be clarified as part of the other recommendations of the DIS review), it has been recommended that only normal system and customer support be undertaken, including improving retention and disposal applications, a reduction in record types as to improve performance, and an ongoing education program continues to better inform staff on the capabilities and functions of the system. In addition, it is also intended to complete the investigation (and possible implementation) of the planned integration of Eddie with our Sharepoint Online environments to further improve usability and compliance for those staff who predominantly utilise the upgraded Intranet, and the Project Management Solution. This would only occur if it is within current budgets, and does not create significant changes to relevant existing systems.

We believe that given the extent of the above noted EDDIE review, a further report on its finding to the Audit Committee once it is completed.

#### **AUDIT COMMITTEE DISCUSSION POINTS**

- Ensuring systems are fit for purpose
- Benchmarking Information Technology Expenditure to Operating Expenditure

#### **Committee Recommendation** (AC18/19)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee receive and note the report titled "**eDRMS System (Eddie) Review**".*

**Carried unanimously.**

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## 5.2 EXTERNAL AUDIT

### 5.2.1 ANNUAL FINANCIAL STATEMENT RISK AND PLANNING ASSESSMENT

<b>File No:</b>	<b>Council Meetings</b>
<b>Author:</b>	<b>Coordinator Financial Accounting Business Performance Group</b>
<b>Attachments:</b>	<b>Att 1 - Queensland Audit Office Briefing Note (<i>Under Separate Cover</i>)</b> <b>Att 2 - Queensland Audit Office Interim Management Report for 2017/18 (<i>Under Separate Cover</i>)</b> <b>Att 3 - Draft Proforma Financial Statements 2017/18</b> <b>Att 4 - Asset Revaluation Summary and Progress Status 2017/18</b> <b>Att 5 - Management Review of Asset Valuations</b> <b>Att 6 - Queensland Audit Office 2018 External Audit Plan</b>

Councillor T Dwyer noted his membership on the board and as Chair of the Sunshine Coast Events Centre.

### 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.

Refer to timeline below.

Legend: *Blue shading = complete*  
 \*\* Measurable milestone

Milestone	Documentation/Details	Proposed Date
<b>PLANNING</b>		
2017/18 Planning Audit	As per Client Strategy	21 November 2017 - 30 November 2017
Audit Committee Meeting	<ul style="list-style-type: none"> <li>• QAO Final Management Report 2017</li> <li>• 2016/17 Financial statements for Council's controlled entities SunCentral Maroochydore Pty Ltd and Sunshine Coast Events Centre Pty Ltd</li> <li>• QAO 2018 External Audit Plan (Draft)</li> <li>• Update on new accounting standards</li> </ul>	29 January 2018
<b>INTERIM</b>		
Interim Audit Visit		26 March 2018
**Resolve known accounting issues	Nil	26 March 2018
Audit review of known accounting issues	N/A	13 April 2018
Interim Management Report	<ul style="list-style-type: none"> <li>• Provided by QAO following Interim Audit</li> </ul>	27 April 2018

Milestone	Documentation/Details	Proposed Date
Audit Committee Meeting	<ul style="list-style-type: none"> <li>• QAO Briefing Note</li> <li>• QAO Interim Management Report for 2017/18</li> <li>• Annual Financial Statement Risk and Planning Assessment</li> <li>• Draft Proforma Financial Statements 2017/18</li> <li>• Asset Revaluation Summary and Progress Status</li> <li>• Briefing Paper – Management Review of Asset Valuations</li> <li>• QAO 2018 External Audit Plan (final)</li> </ul>	28 May 2018
**Draft Proforma Financial Statements	<ul style="list-style-type: none"> <li>• Draft Proforma Financial Statements incorporating Audit Committee feedback</li> </ul>	30 May 2018
Audit review of Draft Proforma Financial Statements		6 June 2018
**Finalise non-current asset valuations	Supporting work papers available to Audit	30 June 2018
Audit review of valuations		10 July 2018
<b>FINAL</b>		
Audit Committee Meeting	<ul style="list-style-type: none"> <li>• QAO Interim Audit Report</li> <li>• QAO Briefing Note</li> <li>• Draft Financial Statements 2017/18</li> </ul>	10 September 2018
**Final draft financial statements and work papers available for audit	Final draft financial statements and current year financial sustainability statement	12 September 2018
Final Audit Visit	Year-end visit	17 September 2018
Audit Committee Meeting	Audit Committee/management clearance of financial statements and current year financial sustainability statement	8 October 2018
Council certification of financial statements and current year financial sustainability statement	Signed financial statements including management certificate	12 October 2018
Auditor's report issued		15 October 2018
Audit final management report provided		22 October 2018
Review of annual report		2 November 2018

In conjunction with Queensland Audit Office, Council endeavours each year to strengthen the quality control surrounding this process.

Major milestones in the process identified this year with Queensland Audit Office are detailed in the table above, with some timeframes reduced compared to the prior year.

**AUDIT COMMITTEE DISCUSSION POINTS**

- Note to the airport transaction
- Potential for earlier financial close and signing of the financial statements
- Feedback was provided to the Proforma Financial Statements

**Committee Recommendation** (AC18/20)**Moved:** L Scanlan**Seconded:** Councillor C Dickson*That the Audit Committee*

- receive and note the report titled “**Annual Financial Statement Risk and Planning Assessment**”*
- request the internal control issues raised by the Queensland Audit Office be addressed as soon as possible and*
- note that Queensland Audit Office and Sunshine Coast Council will engage in discussions regarding an earlier timeframe regarding signing of financial statements 2018/2019.*

**Carried unanimously.**

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## 5.3 AUDIT AND ASSURANCE

### 5.3.1 INFRASTRUCTURE CHARGES

**File No:** Council meeting  
**Author:** Manager Audit and Assurance  
 Office of the CEO

## EXECUTIVE SUMMARY

### Internal Control and Performance Assessment

Impact / Criticality of Operation to Council	<b>Critical</b>	Significant	Low
Recommendations by Risk Ratings Risk Management Standard ISO 31000	Extreme 0	High 0	Medium/Low 2M / 1L
Audit Opinion	<b>Strong</b>	Moderate	Weak

### Key Issues Identified

Sound control environment identified with some opportunities to:

- Review analysis of management reports around use commenced and obsolete records
- Specify minimum requirements around the calculation process and when to make charges payable.

### Comments by Group Executive Built Infrastructure, Tom Jamieson

The report on Infrastructure Charges is timely and captures all the relevant issues. The report and its recommendations are supported.

### Comments by Group Executive Customer Engagement and Planning Services, James Ruprai

I acknowledge and thank the auditor for highlighting these issues surrounding infrastructure charges. I am comfortable with the issues identified and recommendations suggested.

### AUDIT COMMITTEE DISCUSSION POINTS

- recommendations being actioned

### Committee Recommendation (AC18/21)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee receive and note the report titled “Infrastructure Charges”.*

**Carried unanimously.**



**5.3.2 ASSET MANAGEMENT - PUBLIC LIGHTING**

**File No:** Council Meeting  
**Author:** Manager Audit and Assurance  
 Office of the CEO

**EXECUTIVE SUMMARY**

**Internal Control and Performance Assessment**

Impact / Criticality of Operation to Council	<b>Critical</b>	Significant	Low
Recommendations by Risk Ratings Risk Management Standard ISO 31000	Extreme 0	High 4	Medium/Low 5M / 1L
Audit Opinion	Strong	Adequate	<b>Weak</b>

**Key Issues Identified**

The weak opinion reflects on the opportunities to coordinate asset management activities across multiple areas of the organization and the need to develop asset management capability across public lighting installations. In particular, the following improvements were identified:

- Review and refine strategies and policy
- Develop asset management plans including; systems, inventories, service levels and review adequacy of resources and responsibilities
- Consider monitoring the performance of Energy Queensland and investigate the potential to negotiate a higher level of service including LED and smart upgrades
- Develop asset recognition and handover procedures and recognise missing assets
- Establish a validation process to ensure integrity of Energy Queensland invoices, continue negotiations with Energy Queensland and remove all erroneous street lights from billing data
- Develop a compliance monitoring or quality assurance program over design and installation of public lighting schedules from capital works and developments
- Establish a risk based inspection and testing regime to meet the requirements of the safety standards
- Develop mapping functionality for open space lighting and check for missing electrical installations and as constructed drawings to improve integrity of the Dial Before You Dig response
- Reinforce project delivery procedures to ensure all electrical installation documentation is retained and handed over to key stakeholders

**Comments by Acting Group Executive Built Infrastructure, Nick Cooney**

The Report is timely and captures the issues and actions relating to a determined change to the management of public lighting that officers and Councillors recognise as relevant and due. The report and its recommendations are supported.

- The asset management responsibilities attached to the Council owned assets carry with them the recognition of safety, level of service to community and financial accountability. These have been lacking and this report's actions will commence to address the gap. Appropriate allocation of resources is essential to realise the issues identified.
- The other aspect of public lighting delivered by an external provider will involve long term negotiations with Energy Queensland to achieve improved service delivery aligning with Council's vision. With Council's house in order, Council will be better positioned to negotiate successfully.

**Comments by Group Executive Customer Engagement and Planning Services, James Ruprai**

I acknowledge and thank the auditor for highlighting these issues surrounding public lighting. I acknowledge the management responses identified and look forward to working with the relevant staff, including the Branch Manager Development Services, to ensure that recommendations 4 and 6 are attended to through the CONFIRM system for recognition and de-recognition of assets, as well as the development of a quality control framework. Staff from Development Services will work closely with the other identified areas to address these two recommendations allocated to the Group, and I am confident that Council will ensure risk minimisation for these public assets.

**Comments by Group Executive Liveability and Natural Assets, Warren Bunker**

This audit report and recommendations recognise that there are opportunities to improve the coordination of public lighting asset management activities across the organisation. In making this determination, the relevant areas of Liveability and Natural Assets Group were consulted and have provided input during the audit process, resulting in support and endorsement for recommendations (6 and 9) that involve functions carried out within the Group.

**Comments by Group Executive Business Performance, Jeanette Allom-Hill**

This audit report recognises that there are opportunities for improvement regarding the asset recognition, asset handover and asset register information across the organisation. Internal Audit have consulted with the relevant areas of Business Performance Group and given opportunities to discuss the issues. Business Performance Group supports and provides endorsement for the relevant recommendations.

**AUDIT COMMITTEE DISCUSSION POINTS**

- recommendations being actioned
- management of the electrical assets will be transferred to the new Asset Team within Civil Asset Management

**Committee Recommendation (AC18/22)**

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee receive and note the report titled "**Asset Management - Public Lighting**".*

**Carried unanimously.**

### 5.3.3 DEVELOPMENT SERVICES - PLUMBING FEES

File No: Council Meetings  
 Author: Manager Audit and Assurance  
 Office of the CEO

#### EXECUTIVE SUMMARY

##### Internal Control and Performance Assessment

Impact / Criticality of Operation to Council	Critical	<b>Significant</b>	Low
Recommendations by Risk Ratings Risk Management Standard ISO 31000	Extreme 0	High 0	Medium/Low 0M / 1L
Audit Opinion	<b>Strong</b>	Moderate	Weak

##### Key Issues Identified

Sound control environment established around plumbing fees with opportunity to improve the backflow register charge process as follows:

- Implement automated reconciliation reporting on backflow meter rate charges to the backflow register by application/property numbers which would identify exceptions.

##### Comments by Group Executive Customer Engagement and Planning Services, James Ruprai

I acknowledge and thank the auditor for highlighting these issues within the Customer Engagement and Planning Services Group. I am comfortable with the audit recommendation and timeframe set, and look forward to working with the relevant branch managers to ensure that effective responses are implemented within the given timeframes to mitigate the identified risks.

##### AUDIT COMMITTEE DISCUSSION POINTS

- recommendation being actioned

##### Committee Recommendation (AC18/23)

Moved: L Scanlan  
 Seconded: Councillor C Dickson

*That the Audit Committee receive and note the report titled "Development Services - Plumbing Fees".*

**Carried unanimously.**

### 5.3.4 ANIMAL REGISTRATION

**File No:** Council Meeting  
**Author:** Manager Audit and Assurance  
 Office of the CEO

#### EXECUTIVE SUMMARY

##### Internal Control and Performance Assessment

Impact / Criticality of Operation to Council	Critical	Significant	<b>Low</b>
Recommendations by Risk Ratings Risk Management Standard ISO 31000	Extreme 0	High 0	Medium/Low 1M / 3L
Audit Opinion	Strong	<b>Adequate</b>	Weak

##### Key Issues Identified

The animal registration system and processes provide an adequate control framework which is continually being strengthened. The review identified improvement opportunities relating to;

- Review the discount fee structure with consideration to applying discounts based on appropriate supporting evidence that can be captured in an efficient and cost effective manner
- Implement additional monitoring controls to improve system data integrity

##### Comments by Group Executive Customer Engagement and Planning Services, James Ruprai

I acknowledge and thank the auditor for highlighting these issues within the Customer Response Branch. I am comfortable with the audit recommendations and timeframes, and look forward to working with the relevant branch manager to ensure that effective responses are implemented within the given timeframes to mitigate the identified risks, noting that these are minor control issues. It is pleasing to note that this significant administrative task has had only four minor recommendations for improvement. I am confident that we can ensure the balance between accurate fee implementation and continued provision of high level customer service is achieved.

##### AUDIT COMMITTEE DISCUSSION POINTS

- recommendations being actioned
- the cost of service and discounts will be reviewed

##### Committee Recommendation (AC18/24)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee receive and note the report titled "Animal Registration".*

**Carried unanimously.**

**5.3.5 AUDIT AND ASSURANCE STATUS REPORT**

<b>File No:</b>	<b>Council Meetings</b>
<b>Author:</b>	<b>Manager Audit and Assurance Office of the CEO</b>
<b>Attachments:</b>	<b>Att 1 - Audit Committee Annual Work Plan with Standing Agenda Items Att 2 - Total Audit Recommendations Att 3 - Overdue Audit Recommendations</b>

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**EXECUTIVE SUMMARY**

The report provides the Audit Committee with an update on the 2017/18 Audit Plan progress and the status on Audit Recommendations. As at May 2018, the Internal Audit Work Plan is progressing on schedule and there are 76 audit recommendations in total to be actioned including 15 which have exceeded expected completion dates.

**AUDIT COMMITTEE DISCUSSION POINTS**

- the status of recommendations to include management's re-assessment of the risk in light of the action taken by management to mitigate the risk

**Committee Recommendation** (AC18/25)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

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

**Carried unanimously.**

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**5.3.6 2018 - 2019 INTERNAL AUDIT WORK PLAN**

**File No:** Council meetings  
**Author:** Manager Audit and Assurance  
Office of the CEO

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**EXECUTIVE SUMMARY**

The proposed 2018 – 2019 Internal Audit Work Plan is presented to the Audit Committee and is subject to final endorsement by Council.

The audit work plan methodology ensures that audit resources are effectively utilised and that appropriate coverage is achieved in accordance with risk based auditing standards.

**AUDIT COMMITTEE DISCUSSION POINTS**

- The plan is supported

**Committee Recommendation** (AC18/26)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

*That the Audit Committee:*

- receive and note the report titled “**2018 - 2019 Internal Audit Work Plan**” and*
- recommend to Council that the 2018 – 2019 Internal Audit Work Plan be endorsed.*

**Carried unanimously.**

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## 5.4 GOVERNANCE REPORTING

### 5.4.1 WORK HEALTH AND SAFETY REPORT

**File No:** Council Meetings  
**Author:** Manager People & Culture  
Business Performance Group

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#### EXECUTIVE SUMMARY

Council continues to maintain a focus on transitioning the focus of work health and safety from compliance to one of demonstrated safety leadership in 2018.

The Corporate Health and Safety Steering Committee was held on the 10 April 2018.

The meeting focused on establishing the Organisational values of operation within the new Charter, endorsement of the Health and Safety Policy and Annual Health and Safety Management Plan 2018. The Policy and the Plan outline the strategic initiatives and operational projects for improving Health and Safety planned for delivery in 2018.

The Committee also undertook a statistical analysis of incident and injury data for the Customer Response Branch identifying the significant impacts of dealing with aggressive members of the public. The Committee discussed strategic initiatives to support frontline staff and improve safety performance.

The annual Flu Vaccination program was rolled out during the month of April 2018. 654 employees participated in the voluntary program. This was an increase of 139 participants from the previous year. The Influenza awareness and Vaccination program aims to actively support employee health and wellbeing and increase productivity by reducing the total amount of days lost due to sick leave.

There were five (5) notifiable incidents for the reporting period. These related to:

- Two contract cleaners receiving electrical shocks from an electrical powered BBQ;
- A Tree Management contractor while operating an elevated work platform making contact with a low voltage power lines;
- The closure of the Woombye Netball clubhouse due to the detection of unsafe levels of methane gas;
- A Turtle Care volunteer slipping and fracturing their ankle while preparing sandbags for turtle nest protection; and
- A Council worker having two of his fingers crushed while trying to repair a retractable bitumen hose at the Image Flat Quarry.

These incidents were fully investigated using the ICAM methodology and corrective actions have been implemented to prevent reoccurrence. The electric BBQs have been serviced by an electrical contractor and made intrinsically safe. The Tree Management contractors have been issued with a Safety Improvement Notice and have responded by modifying their operational procedures for working around live electrical equipment and all staff have attended electrical awareness training with Energex.

The Netball clubhouse remains closed until the Department of Environment and Science conditions have been met. EBIS Engineering and Biogas Systems have been contracted to develop suitable controls to address their concerns. The Turtle Care volunteer is recovering from her injury and was able to participate as a torch bearer for the recent Commonwealth

Games. Council employee from the Image Flat Quarry remains off work awaiting further surgery on his injured fingers.

**AUDIT COMMITTEE DISCUSSION POINTS**

- Noted that the graphs indicate an overall downward trend

**Committee Recommendation** (AC18/27)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

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

**Carried unanimously.**

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## 5.4.2 GOVERNANCE AND RISK REPORT

<b>File No:</b>	<b>Council Meetings</b>
<b>Author:</b>	<b>Manager Corporate Governance Office of the CEO</b>
<b>Attachments:</b>	<b>Att 1 - DILG&amp;P Planning, Financial Management &amp; Accountability Statutory Requirements Checklist Att 2 - DILG&amp;P Keeping Registers and Records Statutory Requirements Checklist Att 3 - DILG&amp;P Annual Report Compliance Checklist Att 4 - Strategic Risks as at the end of March 2018</b>

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### EXECUTIVE SUMMARY

The Governance in Action program continues to focus on raising awareness in all areas of governance to ensure that Council continues to achieve the Corporate Plan goal of being 'an outstanding organisation'. Emphasis has been placed on building awareness and developing proactive strategies and governance tools to assist the organisation in their everyday tasks, activities and obligations. The Corporate Governance Branch is committed to building a strong positive attitude towards compliance across the organisation through the investment of ongoing active training for staff.

Strategic and Operational Risks continued to be monitored and this report provides information on the 251 risks rated from 'low to extreme'. Strategic risks were revised to align with the Corporate Plan 2018-2022.

As part of our Integrity Management Program, complaint matters elevated to the Corporate Governance Branch continue to be managed within time frames. Analysis is done to assess the cause of each complaint and what management or system improvements can be implemented to ensure continuous improvement growth.

### AUDIT COMMITTEE DISCUSSION POINTS

- Expectations around a Local Government Audit Committee's role in light of the recent findings of the Crime and Corruption Commission
- Seeking further information on substantiation of complaints or otherwise

#### **Committee Recommendation** (AC18/28)

**Moved:** L Scanlan  
**Seconded:** Councillor C Dickson

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

**Carried unanimously.**

**6 GENERAL BUSINESS**

**7 NEXT MEETING**

The next Audit Committee Meeting will be held on 10 September 2018 in the Council Chambers, 1 Omrah Avenue, Caloundra.

**8 MEETING CLOSURE**

The meeting closed at 11.06 am.

Confirmed 19 July 2018.

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CHAIR

  

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