

Minutes

Audit Committee Meeting

Monday 10 September 2012

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

AUDIT COMMITTEE MEMBERS

Councillor C Thompson	Division 4
Councillor T Dwyer	Division 2
Mr P Dowling AM	Independent Member (Chair)
Mr L Scanlan	Independent Member

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1 DECLARATION OF OPENING

The Chair declared the meeting open at 9.05 am.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

AUDIT COMMITTEE MEMBERS

Mr P Dowling AM	Independent Member (Chair)
Councillor T Dwyer	Division 2
Mr L Scanlan	Independent Member

EXECUTIVE LEADERSHIP TEAM

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

APOLOGIES

Councillor C Thompson	Division 4
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ATTENDEES

Ms J Richards	External Auditor (KPMG)
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COUNCIL OFFICERS

Financial Accounting Manager
Corporate Planning and Reporting Manager
Health and Safety Manager
Manager Audit and Assurance

3 RECEIPT AND CONFIRMATION OF MINUTES

3.1 CONFIRMATION OF MINUTES

AUDIT COMMITTEE RECOMMENDATION

That the minutes of the Audit Committee held on 8 June 2012, be received and confirmed.
[\(AC Att Pg 3\)](#)

4 OBLIGATIONS OF MEMBERS

4.1 DECLARATION OF MATERIAL PERSONAL INTEREST ON ANY ITEM OF BUSINESS

Pursuant to Section 172 (3) 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*, Peter Dowling declared his appointment to the Moreton Bay Regional Council Audit Committee.

Pursuant to Section 173 of the *Local Government Act 2009*, Len Scanlan declared his appointment to the Toowoomba Regional Council Audit Committee.

5 REPORTS

5.1 CHIEF EXECUTIVE OFFICER'S UPDATE

5.1.1 UPDATE – CHIEF EXECUTIVE OFFICER

File No: ECM 10 September 2012

Presenter: Chief Executive Officer

AUDIT COMMITTEE DISCUSSION POINTS

- Council announced the next phase of the Value and Success process with a review of efficiencies within the organisation by an external firm;
- Submission by the Noosa Independent Alliance to re-establish the Noosa Council; and
- Discussions have continued with the new State Government regarding the impacts of Caloundra South Urban Development Area.

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/28)

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

AUDIT COMMITTEE RECOMMENDATION

Moved: Peter Dowling
Seconded: Len Scanlan

That the Audit Committee acknowledge the support and valuable contribution by Councillor T Dwyer as a member of the Audit Committee.

Carried unanimously.

5.2 EXTERNAL AUDIT

5.2.1 KPMG INTERIM AUDIT RESULTS

File No: ECM – 10 September 2012

Author: Financial Accounting Manager, Mark Taylor
Finance and Business

Appendix: [App A - KPMG Interim Audit Results](#) (Att Pg 21)

AUDIT COMMITTEE DISCUSSION POINTS

- Items 2.1 to 2.6 are Moderate Risks;
- Items 2.7 and 2.8 are Low Risks; and
- Follow-up progress on IT and EFT control weaknesses in year end review.

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/29)

That the Audit Committee receive and note the report "KPMG Interim Audit Report".

5.2.2 DRAFT FINANCIAL STATEMENT REVIEW 2012

File No: ECM

Author: Financial Accounting Manager Mark Taylor
Finance and Business

Appendix: [App A - 2011 2012 Draft Financial Statements](#) (Att Pg 43)

Attachments: [Att 1 - Aurecon Australia Pty Ltd Road and Bridge Unit Rate Review Report](#) (Att Pg 81)

AUDIT COMMITTEE DISCUSSION POINTS

- Notes to the Financial Statements to be finalised regarding Caloundra South, Clean Energy Legislation, Noosa De-amalgamation and further information regarding Controlled Entities; and
- Note 5 Contract Services to be expanded to provide further information relating to Waste Management.

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/30)

That the Audit Committee receive and note the report titled "Draft Financial Statement Review 2012".

5.3 GOVERNANCE REPORTING

5.3.1 GOVERNANCE AND RISK REPORT

File No: ECM 10/09/2012

Author: Manager, Corporate Governance - Kim Driver

Attachments: [Att 1 - Risk Matrix Summary](#) (Att Pg 239)
[Att 2 – Risk Report](#) (Att Pg 240)
[Att 3 - Payroll Draft BCP](#) (Att Pg 247)

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/31)

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

5.3.2 SEPTEMBER 2012 WORK HEALTH AND SAFETY REPORT

File No: ECM 100912

Author: Health and Safety Manager, Troy Mitchell

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM 12/32)

That Council receive and note the report titled "September 2012 Work Health and Safety Report".

5.3.3 PROGRESS ON IMPLEMENTING THE RECOMMENDATIONS OF THE QUEENSLAND FLOODS COMMISSION

File No: ECM

Author: Local Disaster Coordinator, Alan (Fox) Rogers
Executive Office

Appendices: [App A – Interim Report Recommendations](#) (Att Pg 265)
[App B – Actions on Final Recommendations](#) (Att Pg 275)

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/33)

That the Audit Committee note the report titled “Progress on implementing the recommendations of the Queensland Floods Commission” and Appendices A and B to the report which outline actions taken and proposed in response to the Commission’s recommendations.

5.3.4 INFRASTRUCTURE SERVICES PURCHASING AND PANELS - PROGRESS UPDATE

File No: ECM

Authors: Executive Director Finance and Business, Greg Laverty
Executive Director Infrastructure Services, Andrew Ryan

Attachments: [Att 1 - IS Procurement Reporting](#) (Att Pg 287)

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM 12/34)

That the Audit Committee receive and note the report titled "Infrastructure Services Purchasing and Panels - Progress Update".

5.4 INTERNAL AUDIT

5.4.1 AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS

File No: ECM

Author: Manager, Audit and Assurance

Appendices: [App A - 2012 Audit Committee Charter](#) (Att Pg 301)
[App B - 2012 Internal Audit Charter](#) (Att Pg 305)

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/35)

That the Audit Committee:

- (a) *receive and note the “Audit Committee and Internal Audit Charters” report; and*
 - (b) *recommend to Council that the attached Audit Committee Charter (Appendix A) and the Internal Audit Charter (Appendix B) be endorsed.*
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5.4.2 REGIONAL STRATEGY AND PLANNING - PURCHASING AND PANELS

File No: ECM July 2012

Author: Manager, Audit and Assurance

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/36)

That the Audit Committee receive and note the report titled "Regional Strategy and Planning – Purchasing and Panels".

5.4.3 TURF MAINTENANCE CONTRACT - INFRASTRUCTURE SERVICES, PARKS AND GARDENS

File No: ECM

Author: Principal Auditor, Audit and Assurance

AUDIT COMMITTEE DISCUSSION POINTS

- The Committee noted the positive results of this review which had been achieved through synergies of the council amalgamations.

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/37)

That the Audit Committee receive and note the report titled "Turf Maintenance Contract – Infrastructure Services, Parks and Gardens".

5.4.4 AUDIT AND ASSURANCE STATUS REPORT

File No: ECM

Author: Manager, Audit and Assurance

Attachment: [Att 1 – Outstanding Management Actions](#) (Att Pg 309)

OFFICER/AUDIT COMMITTEE RECOMMENDATION (ACM12/38)

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

AUDIT COMMITTEE RECOMMENDATION (ACM 12/39)

Moved: Peter Dowling
Seconded: Len Scanlan

That the Audit Committee adopt the recommendations of the Audit Committee Meeting of 10 September 2012 and submit the recommendations to Council.

Carried unanimously.

6 GENERAL BUSINESS

Nil.

7 NEXT MEETING

The next meeting of the Audit Committee will be held on Friday, 1 February 2013, in the Council Chambers, corner Currie and Bury Streets, Nambour, commencing at 9.00 am.

8 MEETING CLOSURE

The meeting closed at 10.47 am.