



Minutes

Audit Committee

Tuesday, 28 January 2020

Council Chambers, 1 Omrah Avenue, Caloundra

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

28 JANUARY 2020

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING	5
2	RECORD OF ATTENDANCE AND LEAVE OF ABSENCE	5
3	RECEIPT AND CONFIRMATION OF MINUTES	6
4	INFORMING OF PERSONAL INTERESTS	6
4.1	MATERIAL PERSONAL INTEREST	6
4.2	CONFLICT OF INTEREST / PERCEIVED CONFLICT OF INTEREST	6
5	REPORTS	7
5.1	CHIEF EXECUTIVE OFFICER'S UPDATE	7
5.1.1	CHIEF EXECUTIVE UPDATE	7
5.1.2	CRIME AND CORRUPTION COMMISSION REPORT "PROBITY IN COUNCILLORS' USE OF COUNCILLOR DISCRETIONARY FUNDS: AN AUDIT OF COUNCILS AND THE LOCAL GOVERNMENT DEPARTMENT"	10
5.1.3	SUNSHINE COAST INTERNATIONAL BROADBAND NETWORK PROJECT	11
5.1.4	CONTRACT MANAGEMENT REVIEW	13
5.2	EXTERNAL AUDIT	14
5.2.1	FINALISATION OF COUNCIL'S 2018/19 FINANCIAL STATEMENTS AUDIT PROCESS	14
5.2.2	PLANNING FOR THE 2019/20 FINANCIAL STATEMENTS	15
5.2.3	UPDATE ON 2018/19 AUDIT ISSUES AND 2019/20 AUDIT PROCESS	16
5.3	AUDIT AND ASSURANCE	17
5.3.1	GENERAL RATES AND SEPARATE LEVIES	17
5.3.2	PAID PARKING	18
5.3.3	TRANSPORT LEVY EXPENDITURE / POLICY COMPLIANCE (BDO REVIEW)	19

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3.4	AUDIT AND ASSURANCE STATUS REPORT	20
5.3.5	AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS	21
5.4	GOVERNANCE REPORTING	22
5.4.1	WORK HEALTH AND SAFETY REPORT	22
5.4.2	UPDATE ON NEW PAYROLL SYSTEM	23
5.4.3	GOVERNANCE AND RISK REPORT	24
5.4.4	2020 LOCAL GOVERNMENT ELECTION PREPARATION AND LOCAL GOVERNMENT ELECTION LEGISLATION UPDATE.....	25
5.4.5	SUNSHINE COAST COUNCIL GOVERNANCE AUDIT / STOCKTAKE	27
6	GENERAL BUSINESS	28
7	NEXT MEETING.....	28
8	MEETING CLOSURE.....	28

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

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

1 DECLARATION OF OPENING

The Chair declared the meeting open at 2:03pm.

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

COUNCIL OFFICERS

Chief Executive Officer
Group Executive Built Infrastructure
Acting Group Executive Business Performance
Group Executive Customer Engagement and Planning Services
Group Executive Economic and Community Development
Acting Group Executive Liveability and Natural Assets
Chief Strategy Officer
Team Leader Community Connections
Acting Manager Business and Innovation
Coordinator Financial Accounting
Chief Financial Officer
Manager Audit and Assurance
Manager Corporate Governance
Coordinator Councillor Governance

APOLOGIES

Group Executive Liveability and Natural Assets
Group Executive Business Performance

ATTENDEES

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

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

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.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5 REPORTS

5.1 CHIEF EXECUTIVE OFFICER'S UPDATE

5.1.1 CHIEF EXECUTIVE UPDATE

File No: Audit Committee
Author: Chief Executive Officer
Office of the CEO

The recent adoption of our Sunshine Coast Community Strategy 2019-2041 and our decision to proceed with a nomination for our region to be recognised by UNESCO as an international biosphere reserve, are two of the most significant decisions that Council has taken in the past 12 months.

In November 2019, Council adopted the Sunshine Coast Community Strategy 2019-2041. This is our new 20-year framework for growing a connected, healthy and vibrant community, with more opportunities for all.

The Sunshine Coast is experiencing a transformation from a regional centre to a regional city. This growth brings exciting opportunities, however, we also need to plan and support our communities well to ensure we remain strong, continue to thrive and can adapt well to change. It is vital that Council has a clear framework for the future so that people and places remain connected, inclusive and cohesive.

The purpose of the Community Strategy is to achieve five outcomes:

- Empower our community to live healthy and active lifestyles
- Focus on ensuring community places and spaces are vibrant, inclusive, accessible, adaptable and meet the needs of people of all ages, abilities and backgrounds
- Strengthen connection, inclusion and opportunity for all people in our community
- Build capacity in our communities to be connected, resilient and to respond to local issues
- Nurture creative and innovative approaches to building a strong community.

Over the last 18 months, the Community Planning and Development Branch has worked with a wide range of stakeholders, both within and outside Council, and engaged with approximately 1600 people over two phases of engagement, through a range of methods, including pop-up stalls at community events, focus groups, surveys and stakeholder forums.

The new Community Strategy now joins the Environment and Liveability Strategy and the Regional Economic Development Strategy as Council's long-term regional strategies, which provide a balance between social, environmental and economic outcomes as we continue to grow and change.

In October 2019, Council unanimously endorsed a nomination for the local government area to become a UNESCO Biosphere. The biosphere nomination positions our region as an international site of excellence—where responsible development and people living sustainably sit along-side active conservation.

A UNESCO Biosphere credential can bring many benefits. It is a commitment for the future and supports our vision to be Australia's most sustainable region—healthy, smart, creative. The nomination recognises our focus on protecting and enhancing the region's liveability, economy, built environment and natural assets for both current and future generations.

Sunshine Coast Regional Council

AC Minutes Page 7 of 28

This is not an official copy of Council's Minutes

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

Through an extensive consultation process, the Environment and Sustainability Policy Branch, who led the development of the nomination, attended 89 external engagement activities, connected with 3045 people face-to-face and received feedback from 609 surveys.

They also worked hand in hand with the community through the Community Reference Group, which was instrumental in helping develop the 300-page nomination document and included representatives from the youth, business, tourism, agriculture, development, environment and recreation sectors.

The nomination has been lodged with the Queensland Government as part of the journey through to Australian Government, for submission to UNESCO in September 2020.

In early December, Mayor Mark Jamieson delivered his annual State of our Region address.

Speaking to an audience of community representatives from across the Sunshine Coast at the Nambour RSL, Mayor Jamieson said the address was a great opportunity to reflect on this Council's achievements, and on how we remained focused on maintaining a lifestyle that is so highly valued by our community.

Highlights for 2019 include:

- Continue to be one of only three Councils, out of the 77 Councils across Queensland, to receive a strong financial sustainability rating from the Queensland Treasury Corporation
- \$6.85 million redevelopment of Events Centre Caloundra
- \$4.8 million in community grants awarded
- Sunshine Coast Arts Plan 2018-2038 being implemented
- 8800 hectares of private land now managed for conservation under Council's Land for Wildlife Program
- 6909 hectares in Council's conservation estate
- Council spent \$244 million of its procurement locally
- Sunshine Coast recognised as one of the world's Top7 Intelligent Communities of 2019 by global Intelligent Community Forum
- Hosted our first-ever NRL fixture match in April as part of a three-year partnership with South Sydney Rabbitohs to stage NRL games at Sunshine Coast Stadium from 2019-2021
- Airport Expansion Project on track for completion by end of 2020
- The Sunshine Coast International Broadband Network on track for completion by mid-2020, with the undersea cable manufactured and work commenced on the cable landing station
- Unmodified audit opinion to Council for 11th consecutive year
- 109 per cent of Council electricity consumption offset by Sunshine Coast Solar Farm
- More than 1.4 million visitors to Council's libraries and 30th anniversary of the Read and Write for Life Program.

AUDIT COMMITTEE DISCUSSION POINTS

- Noted recent award received by Mr Gary Mears, Events Centre General Manager
- Consider a partnership approach to the CEO Awards to include workers at council owned facilities

Sunshine Coast Regional Council

AC Minutes Page 8 of 28

This is not an official copy of Council's Minutes

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

Committee Recommendation (AC20/1)

Moved: L Scanlan

Seconded: Councillor T Dwyer

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

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.1.2 CRIME AND CORRUPTION COMMISSION REPORT "PROBITY IN COUNCILLORS' USE OF COUNCILLOR DISCRETIONARY FUNDS: AN AUDIT OF COUNCILS AND THE LOCAL GOVERNMENT DEPARTMENT"

File No: Council Meetings
Author: Team Leader Community Connections
Economic & Community Development Group

During 2019, the Crime and Corruption Commission undertook an audit examining the conduct of Councils and Councillors in the use of discretionary funds, with a particular focus on the management of risk and probity.

Sunshine Coast Regional Council was one of the five Councils that were selected to participate in the audit in relation to the first objective.

The key observations of the audit and recommended improvements to policies, procedures and practices are outlined in the Crime and Corruption Commission Report - *Probity in Councillors' use of Councillor discretionary funds: An audit of Councils and the local government department*.

Sunshine Coast Council was found to be in a very positive position with minor improvement opportunities:

- Update policies, procedures and assessment forms to include all types of conflicts of interest.
- Update acquittal procedures and finalise three outstanding acquittals.
- Enhance policies and procedures to align with Crime and Corruption Commission guidance notes.

AUDIT COMMITTEE DISCUSSION POINTS

- Grant recipient compliance for the submission of funding acquittals to be monitored and where necessary, Councillors to be updated on outstanding acquittals
- Grant funding controls includes heat mapping across Divisions and education programs as determined to be beneficial to community groups

Committee Recommendation (AC20/2)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee:

- receive and note the report titled "Crime and Corruption Commission Report "Probity in Councillors' use of Councillor discretionary Funds: An Audit of Councils and the Local Government Department" and*
- report be provided back to the Audit Committee at the September 2020 Meeting.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.1.3 SUNSHINE COAST INTERNATIONAL BROADBAND NETWORK PROJECT

File No: Audit Committee
Author: Group Executive
Economic & Community Development Group

The Sunshine Coast International Broadband Network Project (the project) is driven by the economic benefits that it will deliver for the Sunshine Coast region. The 2017 GQI Project Feasibility Study estimated that the project will help retain jobs that might otherwise have been lost to the region, and stimulate new investment and jobs growth. In total, the project can contribute up to 864 jobs and \$453 million in economic value-add.

The project will result in:

- the fastest data connection from the east coast of Australia to Asia
- the only landing point in Australia for an international cable outside a capital city
- the first cable to land at a point outside Sydney on the east coast of Australia
- a significant point of difference for the Sunshine Coast and provision of a major boost to other Council projects such as SunCentral Maroochydore and
- the only such initiative to be led by a local government.

Council has entered into a number of agreements with RTI Connectivity Pty Ltd (RTI) for a branch to be connected into the Japan-Guam-Australia-South cable system (JGA-S). The manufacture and installation is being undertaken by Alcatel Submarine Networks (ASN).

Key progress on the project includes the following:

- Statutory approvals from the Queensland and Commonwealth Governments granted
- Vertiv completed construction of the Cable Landing Station (CLS) located in Maud Street, Maroochydore
- Coe Drilling completed the Horizontal Directional Drilling (HDD) required to facilitate the landing of the cable and completed the installation of the Beach Manhole (BMH)
- Local company Auscom completed the \$1 million contract for the terrestrial connection between the Cable Landing Station and the Beach Manhole
- The cable was pulled ashore on 23 December 2019, and the final splice occurred on 6 January 2020. Testing is continuing with the system expected to be ready for provisional acceptance on 14 February 2020.

With the major components of the installation of the cable now complete, it is an appropriate time to review the risks associated with the project.

AUDIT COMMITTEE DISCUSSION POINTS

- Project driven by regional economic benefits
- Noted project progress and risk matrix including uncertainty in the estimation of future sales

Sunshine Coast Regional Council

AC Minutes Page 11 of 28

This is not an official copy of Council's Minutes

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

Committee Recommendation (AC20/3)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee:

- (a) *receive and note the report titled “**Sunshine Coast International Broadband Network Project**” and*
- (b) *note the current status of and management of risks associated with the Sunshine Coast International Broadband Network Project.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.1.4 CONTRACT MANAGEMENT REVIEW

File No: Audit Committee
Author: Coordinator Contract and Supply Services
Business Performance Group

In May 2019 Council engaged external consultants (PricewaterhouseCoopers) to assist with a Contract Management Review (Review) which conducted from May 2019 through to August 2019.

The Review examined Council's framework for the management of its Contracts, assessed the contract management of a sample of Contracts and assessed Council's Contract Management maturity.

The Review Report made 13 recommendations across the following 5 categories:

- Management and Performance Reporting on Contracting
- Quality and Risk Management
- Communication and stakeholder management
- Contract Management Capability
- Systems and Procedures.

The recommendations were rated by the impact of their implementation, either high, medium or moderate.

Council is now consulting with internal stakeholders to develop an implementation plan that considers the impact of implementation of each recommendation, the benefit of its implementation and the sustainability of implementing the recommendation.

AUDIT COMMITTEE DISCUSSION POINTS

- Noted sound established practices and improvement opportunities including risk management of the ongoing viability of contractors
- Draft implementation plan progressing with key stakeholders
- Overall quality assurance of project deliverables is monitored and the strengthening asset management processes providing further levels of confidence.

Committee Recommendation (AC20/4)

Moved: L Scanlan
Seconded: Councillor T Dwyer

*That the Audit Committee receive and note the report titled "**Contract Management Review**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.2 EXTERNAL AUDIT

5.2.1 FINALISATION OF COUNCIL'S 2018/19 FINANCIAL STATEMENTS
AUDIT PROCESS

File No: Council Meetings
Author: Coordinator Financial Accounting
Business Performance Group

The Queensland Audit Office (QAO) has carried out its audit of Council's financial statements including its controlled entities for the year ended 30 June 2019, and has issued an unmodified audit opinion.

AUDIT COMMITTEE DISCUSSION POINTS

- The Event Centre audit was completed with satisfactory findings
- QAO to apply a consistent rating across all councils with regard to contributed asset process deficiencies in the report to Parliament
- Due to the delays in contributed assets, estimation processes to be considered.

Committee Recommendation (AC20/5)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "Finalisation of Council's 2018/19 Financial Statements audit process".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.2.2 PLANNING FOR THE 2019/20 FINANCIAL STATEMENTS

File No: Council Meetings
Author: Coordinator Financial Accounting
Business Performance Group

Queensland Audit Office (QAO) were on site during November/December 2019 for their 2019/20 Planning Audit and have issued their External Audit Plan for Audit Committee review.

AUDIT COMMITTEE DISCUSSION POINTS

- QAOs traffic light system is being replaced with a new matrix system currently being trialled within State Government. The new system will be introduced to Local Government next financial year.

Committee Recommendation (AC20/6)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "Planning for the 2019/20 Financial Statements".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.2.3 UPDATE ON 2018/19 AUDIT ISSUES AND 2019/20 AUDIT PROCESS

File No: Council Meetings
Author: Coordinator Financial Accounting
Business Performance Group

Queensland Audit Office (QAO) were on site during November/December 2019 for the 2019/20 Planning Audit and have issued their External Audit Plan which contains a summary of audit issues identified during the 2018/19 audit.

QAO delivered a presentation to the Audit Committee outlining their methodology with respect to the annual audit of Council's financial statements. A copy of the presentation will be provided following the Audit Committee meeting.

AUDIT COMMITTEE DISCUSSION POINTS

- Noted update on status of QAO recommendations provided during the 2018/19 audit process with QAO to confirm implementation status during the 2019/20 interim audit
- QAO presentation around the audit methodology including use of data analytics and approach to related parties. Audit testing of the new Payroll system was presented with examples provided of the data analytics being used.

Committee Recommendation (AC20/7)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "Update on 2018/19 Audit Issues and 2019/20 Audit Process".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3 AUDIT AND ASSURANCE

5.3.1 GENERAL RATES AND SEPARATE LEVIES

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

The review of general rate and separate levy processes confirmed that sound controls are established and operating effectively. No improvement recommendations provided.

AUDIT COMMITTEE DISCUSSION POINTS

- Noted the sound result.

Committee Recommendation (AC20/8)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "General Rates and Separate Levies".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3.2 PAID PARKING

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

The Paid Parking review focussed on financial operations and the efficient and effective implementation of planned paid parking initiatives as outlined in the approved Parking Management Plan. Whilst the new parking unit is making progress with the implementation of the Parking Management Plan, the plan is unlikely to be achieved in full without adequate resources and forward planning.

AUDIT COMMITTEE DISCUSSION POINTS

- Audit recommendation estimated completion dates were ambitious and need to be reconsidered
- Future opportunity for industry experts to present to Board of Management and Councillors regarding future technologies and associated upgrade strategies.

Committee Recommendation (AC20/9)

Moved: L Scanlan
Seconded: Councillor T Dwyer

*That the Audit Committee receive and note the report titled "**Paid Parking**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3.3 TRANSPORT LEVY EXPENDITURE / POLICY COMPLIANCE (BDO REVIEW)

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

The 2019/20 Transport Levy of \$44 per property (\$22 per half yearly rate notice) is a separate levy charged to rateable properties to fund services and infrastructure. Annually, \$6.2 million is raised and funds are restricted for purposes as defined in the policy guidelines.

The review of Transport Levy Expenditure / Policy Compliance confirmed that suitably robust controls are established and operating effectively.

AUDIT COMMITTEE DISCUSSION POINTS

- Noted the sound result.

Committee Recommendation (AC20/10)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "Transport Levy Expenditure / Policy Compliance (BDO Review)".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3.4 AUDIT AND ASSURANCE STATUS REPORT

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

As at January 2020, the 2019/20 the Internal Audit Work Plan is on schedule. The Audit Committee monitors progress on the implementation of Listed Actions including four Listed Actions currently exceeding the nominated expected completion date.

AUDIT COMMITTEE DISCUSSION POINTS

- Progress noted.

Committee Recommendation (AC20/11)

Moved: L Scanlan
Seconded: Councillor T Dwyer

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

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.3.5 AUDIT COMMITTEE AND INTERNAL AUDIT CHARTERS

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

Best practice guidelines from Queensland Treasury, Auditing and Assurance Standards Board and the Australian Institute of Company Directors state that Audit Committees conduct an annual review of its performance and effectiveness. This review process will include an annual review of Charters.

Accordingly, an annual review of Audit Committee and Internal Audit Charters is undertaken to ensure legislative compliance and best practice is incorporated where applicable. The Audit Committee reviewed and endorsed by Council in June 2019 with the Internal Audit Charter was last reviewed and endorsed by Council in February 2019.

As a result of this annual review, there are minor amendments to the Audit Committee Charter associated with the quorum and the Internal Audit Charter associated with the role of Internal Audit.

AUDIT COMMITTEE DISCUSSION POINTS

- Charters noted.

Committee Recommendation (AC20/12)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee:

- (a) *receive and note the report titled “**Audit Committee and Internal Audit Charters**” and*
- (b) *recommend to Council that the attached Audit Committee Charter and the Internal Audit Charter be endorsed.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.4 GOVERNANCE REPORTING

5.4.1 WORK HEALTH AND SAFETY REPORT

File No: Council Meetings
Author: Head of People & Culture
Business Performance Group

External consultants completed a review of the Health and Safety function to ensure that the Work, Health and Safety service is in line with Council's expectations and industry best practice. The planning for the implementation of the recommendation is currently underway.

Council has continued with the respirable crystalline silica management program. An Occupational Hygienist was engaged and to provide recommendations stemming from an assessment of Council's respirable crystalline silica related activities, materials utilised and the development of an exposure monitoring program is underway.

Council's Hearing Conservation Program was undertaken with audiometric testing by Attune Workplace Hearing of those employees exposed to excessive noise.

During the reporting period July – December 2019 there were two (2) incidents which required Council to notify Workplace Health and Safety Queensland.

AUDIT COMMITTEE DISCUSSION POINTS

- Lost Time Injuries trend down is a positive result.

Committee Recommendation (AC20/13)

Moved: L Scanlan
Seconded: Councillor T Dwyer

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

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.4.2 UPDATE ON NEW PAYROLL SYSTEM

File No: Council Meetings
Author: Head of People & Culture
Business Performance Group

PeopleHUB was launched on 18 November 2019. peopleHUB replaces the longstanding human resources information system and payroll system which comprised more than five disparate systems and local level excel documents. peopleHUB is a fully integrated human capital management and time and attendance solution for Sunshine Coast Council employees, contingent workers and work experience people.

The launch of peopleHUB saw the following eight modules implemented:

- Employee Central
- Employee Central Payroll
- Workforce Management (Time and Attendance)
- Recruitment
- On and Off Boarding
- Learning Management
- Performance and Goals
- Career Development and Succession Planning

The peopleHUB launch was successful and the payroll was successfully run. There is ongoing implementation of system interfaces to occur in the coming quarter.

AUDIT COMMITTEE DISCUSSION POINTS

- Update noted.

Committee Recommendation (AC20/14)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "Update on New Payroll System"

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.4.3 GOVERNANCE AND RISK REPORT

File No: Council Meetings
Author: Manager Corporate Governance
Office of the CEO

Council continues to grow and mature in its approach to governance and risk management matters. Strategic and operational risks continue to be monitored and managed in an effective and efficient manner as is reflected in the information contained within this report.

The Governance in Action Program has been successful in raising awareness in governance issues with the number of requests for further information or training increasing as officers become more aware of their responsibilities and obligations.

As part of our Integrity Management Program, complaint matters elevated to the Corporate Governance Branch continue to be actioned within set 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 and the prevention of similar issues or concerns in the future.

AUDIT COMMITTEE DISCUSSION POINTS

- Impact of fires resulting in increased insurance premiums
- Councillor complaints process discussed
- Extensive training program across council being undertaken including Code of Conduct, Fraud Awareness and Integrity Awareness.

Committee Recommendation (AC20/15)

Moved: L Scanlan
Seconded: Councillor T Dwyer

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

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.4.4 2020 LOCAL GOVERNMENT ELECTION PREPARATION AND LOCAL GOVERNMENT ELECTION LEGISLATION UPDATE

File No: Audit Committee
Author: Manager Corporate Governance
Office of the CEO

The next local government elections will be held on 28 March 2020. This report is presented to provide information on Council's approach to preparations for the elections as well as information on the relevant legislative changes around election matters. This report also provides an update on the outcomes of the most recent divisional boundary review.

Divisional boundary changes for the Sunshine Coast Council area were endorsed by the Governor in Council on 13 December 2019. Following a comprehensive review process, the Final Determination will see the boundaries of all 10 Sunshine Coast Council divisions change at the March 2020 elections. All electors will be notified of their electoral divisions by Electoral Commission Queensland prior to the elections.

As a result of the Crime and Corruption Commission's Operation Belcarra Report, a number of legislative amendments have been made as relate to the conduct of local government elections.

Amendments to the *Local Government Electoral Act 2011* (the LGEA) include the implementation of the prohibited donor scheme which prohibits electoral donations by property developers. The further amended LGEA provides for mandatory training for local government election candidates and improves transparency for candidate bank accounts and financial returns, real-time donation and expenditure disclosures as well as donation and gift sources.

The *Local Government Act 2009* was amended to expand the definition of 'major policy decision' to include new prohibitions on certain procurement activities, making local laws, making planning schemes and approving development variation requests or change variations under specified circumstances. Local governments are prohibited from making major policy decisions during the caretaker period. These amendments also specified that fact sheets and newsletters raise the profile of Councillors and are examples of prohibited material during the caretaker period.

Preparations for the March 2020 elections and a new incoming Council commenced some time ago. A project brief was developed with 8 key milestones:

1. Appointment of project group
2. Development of communications plan
3. Policy review and amendment as necessary
4. Pre-election preparations and obligations are met
5. Post-election preparations and obligations are met
6. Implementation of onboarding and orientation programs
7. New Council decisions and priorities identified
8. Implementation

All milestones currently due are complete with upcoming milestones on track for completion on time.

Sunshine Coast Regional Council

AC Minutes Page 25 of 28

This is not an official copy of Council's Minutes

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

AUDIT COMMITTEE DISCUSSION POINTS

- Proposed councilor training and education program.

Committee Recommendation (AC20/16)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee receive and note the report titled "2020 Local Government Election Preparation and Local Government Election Legislation Update".

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

5.4.5 SUNSHINE COAST COUNCIL GOVERNANCE AUDIT / STOCKTAKE

File No: F2015/25590
Author: Manager Corporate Governance
Office of the CEO

Since the introduction of the State Government's local government reform agenda, SCC has continued to build on its governance culture by continuing to review and improve its governance processes, systems and framework.

SCC is committed to its governance culture of accountability and transparency and ensuring that community confidence and certainty in the activities and operations of the Council is at its highest.

This report provides an overview of some of the governance activities that have occurred over the past 12-18 months to support accountability, compliance and an organisational awareness of obligations and responsibilities.

AUDIT COMMITTEE DISCUSSION POINTS

- Standing Orders to be included in Councillor information pack.

Committee Recommendation (AC20/17)

Moved: L Scanlan
Seconded: Councillor T Dwyer

That the Audit Committee:

- receive and note the report titled "**Sunshine Coast Council Governance Audit / Stocktake**"*
- acknowledge the governance actions and activities that have occurred in response to the Queensland State Government's local government reform agenda and*
- note the Governance Framework Assessment Audit on the 2019-2020 Internal Audit Work Plan as completed.*

Carried unanimously.

AUDIT COMMITTEE MINUTES

28 JANUARY 2020

6 GENERAL BUSINESS

7 NEXT MEETING

The next Ordinary Meeting will be held on 25 May 2020 in the Council Chambers, 1 Omrah Avenue, Caloundra.

8 MEETING CLOSURE

The meeting closed at 4:46pm.

Confirmed 25 May 2020.

CHAIR
