



AGENDA

General Meeting

Tuesday 5 June 2018
commencing at 10.30am

Strathpine Chambers
220 Gympie Road, Strathpine

COUNCILLOR:

NOTICE IS HEREBY GIVEN, that a General Meeting of the Moreton Bay Regional Council will be held on Tuesday 5 June 2018 commencing at 10.30am in Strathpine Chambers, 220 Gympie Road, Strathpine to give consideration to the matters listed on this agenda.

Daryl Hitzman
Chief Executive Officer

31 May 2018

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1. OPENING PRAYER

2. ATTENDANCE & APOLOGIES

Cr Mike Charlton (Acting Mayor) (Chairperson)

3. MEMORIALS OR CONDOLENCES

Council to observe a moment's silence for residents who have passed away.

4. CONFIRMATION OF MINUTES

**4.1. General Meeting - 29 May 2018
(Pages 18/1139 - 18/1142)**

RESOLUTION that the minutes of the General Meeting held 29 May 2018 be confirmed.

5. PRESENTATION OF PETITIONS

(Addressed to the Council and tabled by Councillors)

6. CORRESPONDENCE

7. COMMUNITY COMMENT

8. NOTIFIED MOTIONS

9. NOTICES OF MOTION (Repeal or amendment of resolutions)

(s262 of the Local Government Regulation 2012)

10. ADJOURN MEETING TO ENABLE CONDUCT OF COORDINATION
COMMITTEE MEETING

RESOLUTION to adjourn meeting to enable the conduct of the Coordination Committee meeting.

11. RECONVENE GENERAL MEETING

RESOLUTION that the General Meeting be reconvened.

12. ADOPTION OF COMMITTEE MEETING REPORTS & RECOMMENDATIONS

12.1. Audit Committee Meeting - 30 May 2018
(Pages 18/1198 - 18/1203)

RESOLUTION that the report and recommendations of the Audit Committee meeting held 30 May 2018 be adopted.

12.2. Coordination Committee Meeting - 5 June 2018
(Pages TBA)

RESOLUTION that the report and recommendations of the Coordination Committee meeting held 5 June 2018 be adopted.

13. GENERAL BUSINESS OR RESPONSE TO QUESTIONS TAKEN ON NOTICE

14. SPECIAL GENERAL BUSINESS (Closed Session)
(s275 of the Local Government Regulation 2012)

ATTACHMENTS

Unconfirmed Minutes – General Meeting 29 May 2018

Unconfirmed Report and Recommendations – Audit Committee Meeting 30 May 2018



MINUTES

General Meeting

Tuesday 29 May 2018
commencing at 10.34am

Caboolture Chambers
2 Hasking Street, Caboolture

UNCONFIRMED

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1. OPENING PRAYER

The Mayor was not present when the meeting commenced. The Deputy Mayor (Cr Mike Charlton) assumed the Chair.

The Deputy Mayor recited the Opening Prayer and invited Councillors to join him in the recitation of the Lord's Prayer.

2. ATTENDANCE & APOLOGIES

Cr Allan Sutherland (Mayor) (Chairperson)
Cr Brooke Savige
Cr Peter Flannery
Cr Adam Hain
Cr Julie Greer
Cr James Houghton
Cr Koliana Winchester
Cr Denise Sims
Cr Mick Gillam
Cr Mike Charlton (Deputy Mayor)
Cr Matthew Constance
Cr Darren Grimwade
Cr Adrian Raedel

Officers:

Chief Executive Officer	(Mr Daryl Hitzman)
Director Community & Environmental Services	(Mr Bill Halpin)
Director Planning & Economic Development	(Mr Stewart Pentland)
Director Engineering, Construction & Maintenance	(Mr Tony Martini)
Meeting Support	(Ms Judy Henry)

Apologies:

Nil

3. MEMORIALS OR CONDOLENCES

Council observed a moment's silence in memory of residents who had passed away, noting Council's sympathy.

4. CONFIRMATION OF MINUTES

4.1. General Meeting - 22 May 2018
(Pages 18/1102 - 18/1106)

RESOLUTION

Moved by Cr Julie Greer

Seconded by Cr Koliana Winchester

CARRIED 12/0

Cr Allan Sutherland (Mayor) was not present when the vote was taken.

That the minutes of the General Meeting held 22 May 2018 be confirmed.

5. PRESENTATION OF PETITIONS

(Addressed to the Council and tabled by Councillors)

There were no Petitions tabled.

6. CORRESPONDENCE

There was no Correspondence for tabling.

7. COMMUNITY COMMENT

Cr Mike Charlton (Deputy Mayor) opened the Community Comment session, making the required statement regarding the conduct of the Session, and invited Mr Barry Binnie to address Council.

7.1. Community Comment - Mr Barry Binnie - Rating Category

As part of the Community Comment session, Mr Barry Binnie, addressed the Council in respect of the rating category for non-owner-occupied residential properties.

Mr Binnie stated he and his wife own two rental properties within the Moreton Bay Regional Council area and requested the Mayor, CEO and Councillors consider the following factors before determining the rate charges for non-owner-occupied properties on 1 June 2018.

- The *Local Government Act 2009* allows Council to levy differential rates on properties that are a principal place of residence and non-owner-occupied properties, however the legislation doesn't specify what differential rates are to be charged or how to determine the rating categories.
- Mr Binnie stated that Council mainly considers its own factors when determining rating charges to generate revenue and may not consider and/or take into account the level of debt obligation and the cost of operations affecting capacity to pay higher rates.
- Since Parliament passed the *Treasury Laws Amendment (Housing Tax Integrity) Act 2017*, this has amended the *Income Tax Assessment Act 1997* and as at 15 November 2017 the Bill is now legislation. This amendment alters tax deductibility benefits to non-owner-occupied properties and Mr Binnie requested that Councillors recognise this factor and therefore no longer consider property depreciation as a tax deductibility to charge higher rates.

Mr Binnie respectfully requested that the Mayor, CEO and Councillors take these factors into consideration when they meet for budget adoption on 1 June 2018.

The Deputy Mayor (Cr Mike Charlton) thanked Mr Binnie for his comments.

8. NOTIFIED MOTIONS

There were no Notified Motions.

9. NOTICES OF MOTION (Repeal or amendment of resolutions)

(s262 of the Local Government Regulation 2012)

There were no Notices of Motion.

10. ADJOURN MEETING TO ENABLE CONDUCT OF COORDINATION
COMMITTEE MEETING

RESOLUTION

Moved by Cr James Houghton

Seconded by Cr Matt Constance

CARRIED 12/0

Cr Allan Sutherland (Mayor) was not present when the vote was taken.

That the meeting be adjourned to enable the conduct of the Coordination Committee meeting.

The meeting adjourned at 10.43am.

11. RECONVENE GENERAL MEETING

RESOLUTION

Moved by Cr Adrian Raedel

Seconded by Cr James Houghton

CARRIED 13/0

That the General Meeting be reconvened.

The meeting reconvened at 2.50pm.

The Mayor had attended during the Coordination Committee Meeting and was present when the General Meeting reconvened. The Mayor took the Chair at this time.

12. ADOPTION OF COMMITTEE MEETING REPORTS & RECOMMENDATIONS

12.1. Coordination Committee Meeting - 29 May 2018
(Pages 18/1143 - 18/1197)

RESOLUTION

Moved by Cr Adrian Raedel

Seconded by Cr Matt Constance

CARRIED 13/0

That the report and recommendations of the Coordination Committee meeting held 29 May 2018 be adopted.

13. GENERAL BUSINESS OR RESPONSE TO QUESTIONS TAKEN ON NOTICE

There was no General Business or Response to Questions Taken on Notice.

14. SPECIAL GENERAL BUSINESS (Closed Session)

(s275 of the Local Government Regulation 2012)

There was no Special General Business.

15. CLOSURE

There being no further business the meeting closed at 2.52pm.

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I certify that minute pages numbered 18/1139 to 18/1197 constitute the minutes of the General Meeting of the Moreton Bay Regional Council held 29 May 2018.

Daryl Hitzman
Chief Executive Officer

CONFIRMATION CERTIFICATE

The foregoing minutes were confirmed by resolution of Council at its meeting held Tuesday 5 June 2018.

Daryl Hitzman
Chief Executive Officer

Councillor Mike Charlton
Acting Mayor



REPORT

Audit Committee Meeting

Wednesday 30 May 2018
commencing at 2.03pm

Strathpine Chambers
220 Gympie Road, Strathpine

UNCONFIRMED

CHAIRPERSON'S REPORT

The recommendations contained within this report of the Audit Committee meeting held 30 May 2018 are recommended to the Council for adoption.

COUNCILLOR ADRIAN RAEDEL
CHAIRPERSON
AUDIT COMMITTEE

Membership = 4

Q
(Chairperson and one external member)

Councillor Adrian Raedel (Chairperson)

Mr Peter Dowling AM

Councillor Matt Constance

Mr Patrick McCallum

Cr Mike Charlton (Deputy Mayor) (alternate member)

SCHEDULE OF ITEMS

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

CLOSED SESSION

RESUME IN OPEN SESSION

2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

ITEM 3.1	1200
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4 FINANCIAL REPORTING

ITEM 4.1	1201
FINANCIAL REPORTS	

ITEM 4.2	1201
ASSET REVALUATIONS 2017/18 - REGIONAL	

5 EXTERNAL AUDITOR REPORT

ITEM 5.1	1202
QUEENSLAND AUDIT OFFICE UPDATE	

ITEM 5.2	1202
INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018	

6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

ITEM 6.1	1203
INTERNAL AUDIT OVERVIEW - REGIONAL	

7 GENERAL BUSINESS

8 NEXT AUDIT COMMITTEE MEETING

CLOSURE

Unauthorised release of confidential reports or information may be an offence under the *Local Government Act 2009* and other legislation and could result in disqualification from office and a penalty of up to 100 units.

ATTENDANCE & APOLOGIES

Attendance:

Committee Members:

Cr Adrian Raedel (Chairperson)
Cr Matt Constance
Mr Peter Dowling AM
Mr Patrick McCallum

Invited External Representatives:

Mr Michael Keane (Queensland Audit Office)
Mr Charles Strickland (Queensland Audit Office)

Officers:

Manager Financial & Project Services	Keith Pattinson
Accounting Services Manager	Denis Crowe
Principal Internal Auditor	Shara Reid
Meeting Support	Hayley Kenzler

Apologies:

Nil.

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

Previously noted Perceived Conflict of Interest - Declarations

Mr Peter Dowling declared a possible future conflict of interest could exist as various family members had positions within consulting firms on the Queensland Government Standing Offer Arrangement QGCPO878-13 for Professional Services including Internal Audit.

Mr Dowling advised that those family members would exclude themselves from any audits for Council while he was on the Audit Committee unless specific prior approval was obtained from the Committee.

Mr Patrick McCallum declared that he is currently chair of the Queensland Ombudsman's Audit and Advisory Committee and that this should be assessed for the potential for any perceived impact on confidentiality should a matter arise for MBRC.

Mr McCallum also disclosed that he performs services for the firm O'Connor Marsden & Associates (OCM) which is one of the consulting firms on the Queensland Government Standing Offer Arrangement QGCPO878-13 for Professional Services including Internal Audit and from which Moreton Bay Regional Council selects its contracted internal auditors. Mr McCallum is employed by and does not have an ownership interest in OCM. Mr McCallum stated he would take the Audit Committee Chair's advice to avoid any perception of a possible conflict arising from OCM's participation in the whole of government standing offer arrangement.

Unauthorised release of confidential reports or information may be an offence under the Local Government Act 2009 and other legislation and could result in disqualification from office and a penalty of up to 100 units.

CLOSED SESSION

(Resolution the meeting be closed under s275 of the Local Government Regulation 2012)

COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Peter Dowling

CARRIED

That the meeting be closed pursuant to s275 (1) of the Local Government Regulation 2012, clause (h) as the matter involves other business for which a public discussion would be likely to prejudice the interests of the Council or someone else, or enable a person to gain a financial advantage.

The closed session commenced at 2.04pm.

ATTENDANCE

The following representatives attended the meeting for discussion on respective Internal Audits undertaken and/or as requested by Committee, leaving the meeting after discussion on those specific matters.

2.04pm – 3.10pm - Robyn Cooper and Natasha Dreier, Crowe Horwath

Item 6.1 - Internal Audit Reports:

#3 Property Management - Caravan Parks

#4 Debtor Management

#5 Community Grants Programs

3.10pm - 3.22pm - MBRC Project Manager, Loretta Libke

Item 3.1 - Enterprise Risk Management Activities Update:
TechOne project

RESUME IN OPEN SESSION

COMMITTEE RECOMMENDATION

Moved by Matt Constance

Seconded by Peter Dowling

CARRIED

That Committee resume in open session and the following recommendations be adopted.

The open session resumed at 4.30pm.

Unauthorised release of confidential reports or information may be an offence under the Local Government Act 2009 and other legislation and could result in disqualification from office and a penalty of up to 100 units.

2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

Manager Financial Project Services provided an update to committee on the following matters:

1. Advised of the Special General Meeting - Budget Adoption to be held Friday 1 June 2018
2. Smart Cities Initiative
3. Review of Corporate Structure adopted 26 April 2018

3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

ITEM 3.1 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

Project Manager provided an update on the status and progress of the TechOne project.

COMMITTEE RECOMMENDATION

That the update provided in relation to the TechOne project be noted.

4 FINANCIAL REPORTING

ITEM 4.1 FINANCIAL REPORTS

Meeting / Session: AUDIT
Reference: **Refer Supporting Information A16786227 & A16528653**
Responsible Officer: DW, Coordinator Accounting Services (CEO Accounting Services)

In accordance with the adopted Audit Plan a copy of the most recent financial reporting documents are provided as follows:

- a) Monthly Financial Report for April 2018
as adopted by Council at its meeting of 22 May 2018 (refer supporting information #1).
- b) Quarter 3 Operational Plan & Budget Review 2017/18
as adopted by Council at its meeting of 22 May 2018 (refer supporting information #2);

It is noted that the supporting information comprises an extract of the Committee Report and Recommendations and relevant supporting information from the respective Coordination Committee meeting at which it was adopted.

COMMITTEE RECOMMENDATION

That the financial reports be noted, as tabled.

ITEM 4.2 ASSET REVALUATIONS 2017/18 - REGIONAL

Meeting / Session: AUDIT
Reference: A16962361: 22 May 2018
Responsible Officer: DC, Accounting Services Manager (CEO Accounting Services)

Executive Summary

The purpose of this report is to provide an update on the status of the non-current asset revaluations undertaken during 2017/18.

COMMITTEE RECOMMENDATION

That the information contained in the report be noted.

5 EXTERNAL AUDITOR REPORT

ITEM 5.1 QUEENSLAND AUDIT OFFICE UPDATE

Meeting / Session: AUDIT COMMITTEE
Reference: 28 February 2018 - Refer Supporting Information A16641233

Queensland Audit Office will provide an update to the Audit Committee.

COMMITTEE RECOMMENDATION

That the Queensland Audit Office update be received and noted.

ITEM 5.2 INTERIM MANAGEMENT REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

Meeting / Session: AUDIT COMMITTEE
Reference: 23 April 2018 - Refer Supporting Information A16851376

By correspondence dated 23 April 2018, the Queensland Audit Office provided its interim management report for the financial year ended 30 June 2018, detailing the outcomes of its interim audit (refer supporting information #1).

The report details the internal control and financial reporting issues identified during QAO's interim audit visit. It includes an assessment of the internal control environment, and a summary of control deficiencies, financial reporting issues and other matters identified to date. The *Auditor-General Act 2009* requires the auditor-general to report to parliament on any issue raised during an audit if he considers it to be significant.

This interim report is based on the audit work performed during QAO's March 2018 interim visit and includes its assessment of the design and implementation, and operating effectiveness of controls.

COMMITTEE RECOMMENDATION

That the Interim Management Report for the financial year ended 30 June 2018 be received and noted.

6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

ITEM 6.1 INTERNAL AUDIT OVERVIEW - REGIONAL

Meeting / Session: **AUDIT**

Reference: A16687549: 30 May 2018 - Refer Confidential Supporting Information A16677344, A16917531, A16857499, A16927181, A16937785, A16889225, A16677339 & A16899064

Responsible Officer: SR, Principal Internal Auditor (CEOs Office)

Basis of Confidentiality

Pursuant to s275 (1) of the Local Government Regulation 2012, clause (h), as the matter involves other business for which a public discussion would be likely to prejudice the interests of the Council or someone else, or enable a person to gain a financial advantage.

Executive Summary

This report provides information to the Audit Committee on the activities of the Internal Audit function for the period from 7 March 2018 to 30 May 2018.

COMMITTEE RECOMMENDATION

1. That the Audit Committee note and endorse the report and associated supporting information and documents.
2. That the Audit Committee endorse the Strategic Internal Audit Plan 2018 (Incorporating the Annual Audit Plan) as tabled.
3. That the Audit Committee endorse the Audit Committee Terms of Reference with the removal of Appendix A, for submission to Council for approval.
4. That the Audit Committee endorse the Induction Pack for Audit Committee Members as tabled.

7 GENERAL BUSINESS

Pat McCallum spoke in relation to fraud control measures, in particular frauds relating to requests to change bank account details.

8 NEXT AUDIT COMMITTEE MEETING

The next Audit Committee meeting is scheduled for Wednesday 8 August 2018 commencing at 2.00pm.

CLOSURE

There being no further business the Chairperson closed the meeting at 4.31pm.