



REPORT

Audit Committee Meeting

Wednesday 19 February
commencing at 2.05pm

Strathpine Chambers
220 Gympie Road, Strathpine

ENDORSED GM20200225

Adoption Extract from General Meeting – 25 February 2020 (Page 20/553)

4. B) ADOPTION OF COMMITTEE MEETING REPORT & RECOMMENDATION

Audit Committee Meeting - 19 February 2020 (Pages 20/541 - 20/551)

RESOLUTION

Moved by Cr Matt Constance

Seconded by Cr Brooke Savige

CARRIED 11/0

That the report and recommendations of the Audit Committee Meeting held 19 February 2020, be adopted.

SCHEDULE OF ITEMS

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

CLOSED SESSION

RESUME IN OPEN SESSION

2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

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7 GENERAL BUSINESS

8 NEXT AUDIT COMMITTEE MEETING

CLOSURE

ATTENDANCE & APOLOGIES

Attendance:

Committee Members:

Cr Matt Constance (Chairperson)
Mr Patrick McCallum
Mr Stephen Coates

Invited External Representatives:

Mr Michael Keane (Queensland Audit Office)
Ms Carolyn Dougherty (Queensland Audit Office) - attended from

Officers:

Chief Executive Officer	Greg Chemello
Director Finance & Corporate Services	Donna Gregory
Accounting Services Manager	Denis Crowe
Manager Executive Services	Darren Dallinger
Meeting Support	Hayley Kenzler

Apologies:

Cr Mike Charlton (Acting Mayor)

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.

2.06pm - 2.12pm - Cathy Blunt - O'Connor Marsden & Associates and Andrew Ryan - Director Infrastructure Planning

Item 6.2 - Internal Audit Overview

2.13pm - 2.45pm - Bill Halpin - Director Community & Environmental Services and David Corkill, Director Planning

Item 6.2 - Internal Audit Overview

2.45pm - 3.00pm - Loretta Libke - Project Manager

Item 3.1 - Corporate Systems Review

1 POTENTIAL CONFLICT OF INTEREST DECLARATIONS

Conflict of Interest - Declaration - Patrick McCallum

Mr Patrick McCallum disclosed that he has engaged consultant O'Connor Marsden & Associates on occasion. O'Connor Marsden & Associates are the external auditors engaged by Moreton Bay Regional Council to conduct an audit as part of Item 6.1.

The Audit Committee determined that it was accepting for Mr McCallum to remain in the meeting.

CLOSED SESSION

COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Stephen Coates

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 2.06pm.

RESUME IN OPEN SESSION

COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Stephen Coates

CARRIED

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

The open session resumed 3.45pm.

2 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

ITEM 2.1 SIGNIFICANT ORGANISATION & SYSTEM MATTERS

Meeting / Session: AUDIT
Responsible Officer: GC, Chief Executive Officer (CEO, CEO's Office)

The Chief Executive Officer provided an update on the following matters:

- Recent staff / CEO information sessions
- Grassroots Connections Australia review, noting that the work is underway and is progressing well.
- Employee resourcing - noting that Council was working to address these matters
- Community Engagement - advising that this was a high priority to be considered further

COMMITTEE RECOMMENDATION

That the update provided by the Chief Executive Officer be noted.

ITEM 2.2
ORGANISATIONAL REVIEW IMPLEMENTATION

Meeting / Session: AUDIT
Reference: A19682183 : 13 February 2020 - **Refer Supporting Information A19680180**
Responsible Officer: BD, Change Facilitator (CEOs Office)

1. Background

In September 2019 Council adopted the Organisational Review Report by Grassroots Connections Australia (GCA) and committed to the implementation of the report recommendations.

This is the second report to the Audit Committee on the progress towards completing the report's outcomes.

COMMITTEE RECOMMENDATION

That the Organisational Review Implementation progress report be noted.

ITEM 2.3
WHISTLEBLOWING SERVICE - REGIONAL

Meeting / Session: *Audit*

Reference: *A19683759 : 13 February 2020*

Responsible Officer: *DD, Manager Executive Services (FCS Executive Services)*

Basis of Confidentiality

Pursuant to s275 (1) of the Local Government Regulation 2012, clause (e), as the matter involves contracts proposed to be made by the Council.

Executive Summary

The purpose of this report is to advise the Audit Committee that an external whistleblowing service has been engaged to establish and manage a 24/7 whistleblowing service for Council.

COMMITTEE RECOMMENDATION

1. **That the Committee note:**
 - o **Your-Call Pty Ltd has been engaged to provide, third-party whistleblowing or reporting channel for current and former Council employees, their families and contractors; and**
 - o **following an implementation period of 4 to 6 weeks, it is anticipated this service will be live from early April 2020.**
2. **That Committee be briefed on this matter at the next Audit Committee meeting.**

3 ENTERPRISE RISK MANAGEMENT ACTIVITIES UPDATE

ITEM 3.1 CORPORATE SYSTEMS REVIEW

Meeting / Session: AUDIT COMMITTEE
Responsible Officer: LL, Project Manager

Project Manager - Loretta Libke will attend Audit Committee to provide an update on the TechOne project.

COMMITTEE RECOMMENDATION

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

ITEM 3.2
FRAUD RISK CONTROL GROUP

Meeting / Session: AUDIT COMMITTEE
Reference: Refer **Confidential** Supporting Information A19561403, A19512281 & A19685220
Responsible Officer: DD, Manager Executive Services

As requested at the Audit Committee Meeting held 29 May 2019, the Fraud Risk Control Group Minutes are provided for committee's information.

The Fraud Risk Control Group minutes of 20 November and 18 December 2019 and 12 February 2020 appear in the supporting information.

COMMITTEE RECOMMENDATION

That the Fraud Risk Control Group Minutes of 20 November and 18 December 2019 and 12 February 2020, be received and noted.

4 FINANCIAL REPORTING

ITEM 4.1 MONTHLY FINANCIAL REPORT - DECEMBER 2019

Meeting / Session: **AUDIT**
Reference: **Refer Supporting Information A19459371 (extract of actual report to Council)**
Responsible Officer: **DW, Coordinator Accounting Services (CEO Accounting Services)**

In accordance with the adopted Audit Plan a copy of the most recent Monthly Financial Report for December 2019, as adopted by Council at its meeting of 21 January 2020, is attached for Committee's information (refer supporting information #1).

It is noted that the attachment is as an extract of the report and supporting information from that meeting.

COMMITTEE RECOMMENDATION

That the Monthly Financial Report for December 2019, be received and noted.

5 EXTERNAL AUDITOR REPORT

ITEM 5.1 QUEENSLAND AUDIT OFFICE - UPDATE

Meeting / Session: *AUDIT COMMITTEE*
Reference: *Refer Supporting Information A19672649 & A19669858*

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

COMMITTEE RECOMMENDATION

That the Queensland Audit Office update be received and noted.

6 INTERNAL AUDIT OVERVIEW, REPORTS & FOLLOW-UP ACTIONS

ITEM 6.1 INTERNAL AUDIT PLAN - REGIONAL

Meeting / Session: **AUDIT**

Reference: A19598599 : 22 January 2020 - Refer **Confidential Supporting Information A19605525**

Responsible Officer: DG, Director Finance & Corporate Services (FCS, Directorate)

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

The planned Internal Audit Program is discussed within this report.

COMMITTEE RECOMMENDATION

Moved by Pat McCallum

Seconded by Stephen Coates

CARRIED

1. That Committee endorse the changes to its Internal Audit Plan; that there are no further audits undertaken for 2019/20.
2. That Committee acknowledge that following Strategic Reviews will be undertaken:
 - o Enterprise Risk Management Framework
 - o Fraud and Corruption Control Framework
 - o ERP Project - Risk Assurance Review
 - o Cyber Security Review
 - o Internal Audit Model and Function Review
3. That the audit of Sustainability of Planning and Design Outcomes will be deferred until 2020/21, pending the finalisation of the review of Internal Audit Model and Function.

ITEM 6.2 INTERNAL AUDIT OVERVIEW - REGIONAL

Meeting / Session: **AUDIT**
Reference: A19677978: 7 August 2019 - Refer **Confidential Supporting Information**
A19603870 & A19675480
Responsible Officer: DG, Director (FCS Directorate)

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 August 2019 to 19 February 2020.

COMMITTEE RECOMMENDATION

That the Audit Committee notes and endorses this report and associated supporting information.

7 GENERAL BUSINESS

Pat McCallum noted former Principal Internal Audit - Shara Reid's contribution to the Audit Committee.

Pat McCallum requested that for any reviews undertaken in relation to the function of the Audit Committee, that the External Members are invited to provide input and are consulted with on the project. Audit Committee agreed that this was an appropriate course of action.

8 NEXT AUDIT COMMITTEE MEETING

To be determined post-election 2020.

CLOSURE

There being no further business the Chairperson closed the meeting at 3.48pm.