



# **AUDIT COMMITTEE**

## **MINUTES**

**24 November 2011  
11.00AM**

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## TABLE OF CONTENTS

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ITEM	SUBJECT	PAGE NO
1	PRESENT .....	1
2	APOLOGIES.....	1
3	LEAVE OF ABSENCE.....	1
4	CONFIRMATION OF MINUTES OF PREVIOUS MEETING .....	2
5	BUSINESS OUTSTANDING .....	3
6	DECLARATION OF INTEREST IN MATTERS ON THE AGENDA .....	4
7	STRATEGIC REPORTS.....	5
7.1	GENERAL.....	5
7.1.1	Audit Plan 2011-12 Status Update .....	5
7.1.2	Internal Audit End of Year Report.....	6
8	BUSINESS OUTSTANDING .....	8
9	STRATEGIC REPORTS.....	9
9.1	GENERAL.....	9
9.1.1	Organisational Independence - Annual Compliance Statement .....	9
9.1.2	Unit Certifications Achieved-Update.....	12
10	URGENT BUSINESS / QUESTIONS .....	13
11	CLOSED BUSINESS.....	14
11.1	OFFICERS REPORTS.....	14
11.1.1	Council's Corporate Risks .....	14
11.1.2	Final Audit Results – 2010/2011 .....	15
11.1.3	Loss/Theft Items Reported to Auditor - General .....	16
11.1.4	1102 - HR Entry/Exit (process) Review .....	17
11.1.5	Animal Control-Operations (Cats).....	18
11.1.6	Follow Up Review - SM3&5 .....	19

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- 11.1.7 KPMG Review of RM Framework ..... 20
- 11.1.8 Procurement ..... 21
- 11.1.9 Report on the Status of the Audit Recommendations ..... 22
- 11.1.10 Review of Capital Project Management ..... 23
  
- 12 CONFIDENTIAL REPORTS ..... 26**
  
- 12.1 OFFICERS REPORTS ..... 26
- 12.1.1 Council's Corporate Risks ..... 26
- 12.1.2 Final Audit Results 2010/2011 ..... 27
- 12.1.3 Loss/Theft Items Reported to Auditor - General ..... 28
- 12.1.4 1102 - HR Entry/Exit (process) Review ..... 29
- 12.1.5 Animal Control-Operations (Cats)..... 32
- 12.1.6 Follow Up Review - SM3&5 ..... 33
- 12.1.7 KPMG Review of RM Framework..... 34
- 12.1.8 Procurement..... 35
- 12.1.9 Report on the Status of the Audit Recommendations ..... 36
- 12.1.10 Review of Capital Project Management ..... 37
  
- 13 CLOSURE OF MEETING ..... 38**

Presented to Council 13.12.11  
Adopted by Council 13.12.11

**REPORT OF THE AUDIT COMMITTEE HELD AT THE COUNCIL CHAMBERS,  
232 BOLSOVER STREET, ROCKHAMPTON ON THURSDAY 24 NOVEMBER  
2011 COMMENCING AT 11.00AM**

## **1 PRESENT**

Members Present

Councillor G K Brady (Chairperson)  
Ms C Eagle  
Mr B McCosker  
Councillor G M Mather (Alternate Member)

In Attendance

Mr E A Pardon – Chief Executive Officer  
Mr J Wallace – Chief Audit Executive  
Mr R Cheesman – General Manager Organisational Services  
Mr M Rowe – Acting General Manager Community Services  
Mr D Stevensen – Strategic Manager Administration and Technology Services  
Ms A Cutler – Strategic Manager Finance  
Mr S Turner – Manager Integrity and Risk  
Mr B Harper – Risk Management Coordinator  
Mr J Ram – Executive Internal Auditor  
Ms K Ramm – Auditor  
Ms K Bell – Committee Support Team Leader

## **2 APOLOGIES**

The Mayor, Councillor B N Carter

## **3 LEAVE OF ABSENCE**

## 4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Minutes, as circulated, of the Ordinary Meeting of the Audit Committee, held on 13 September 2011.

[Minutes 13 September 2011 Audit](#)

### COMMITTEE RECOMMENDATION

THAT the Minutes of the Ordinary Meeting of the Audit Committee, held on 13 September 2011 as circulated, be taken as read and adopted as a correct record.

Moved by: Councillor Mather

Seconded by: Councillor Brady

MOTION CARRIED UNANIMOUSLY

(Please refer to separate Minutes document)

## 5 BUSINESS OUTSTANDING

Request	Date	Report Relating to Request	Description of Request	Responsible Officer	Due Date	Comments
Report	20/05/2011	Results of Audit Committee Self Assessment	Mr McCosker to review Audit (Committee) Charter against the Audit Plan for 2010/2011 once the plan has been presented	Evan Pardon	TBA	7/9/2011 Mr McCosker advised that this item had been dealt with and could be closed out. (DWS Doc No 2822648)
Report	23/06/2011	Fraud Management	That once developed that the Fraud Management Plan comes back to the Audit Committee via the Chief Executive Officer	Evan Pardon	TBA	
Report	23/06/2011	Information System Audit Review 2010-2011	That the Management report on Information Systems be brought back to the next Audit Committee via the Chief Executive Officer	Evan Pardon	24.11.2011	Completed
Report	23/06/2011	Audit Follow Up Review from 2009-2010 Various Internal Audits Completed	That Chief Executive Officer follows up on items SM3 and SM5 and brings back a report to the Audit Committee on those items	John Wallace	24.11.2011	Completed
<b>Report</b>	<b>13/09/2011</b>	<b>2010/2011 Unaudited Financial Statements</b>	<b>The signed Management Representation Letter be presented at the next Audit Committee Meeting and supporting information and discussions be noted</b>	<b>Alicia Cutler</b>	24.11.2011	Completed

## **6 DECLARATION OF INTEREST IN MATTERS ON THE AGENDA**

## 7 STRATEGIC REPORTS

### 7.1 General

#### 7.1.1 Audit Plan 2011-12 Status Update

**File No:** 5207

**Attachments:** [Status Update against 2011-12 Audit Plan](#)  
[Attachment 1 - Status update against 2011-12 Audit Plan - Report to Au...](#)

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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### SUMMARY

Provided for the information of the Committee is the status update showing the progress made against the 2011-12 Audit Plan.

### COMMITTEE RECOMMENDATION

That the report be “received”.

Moved by: Councillor Mather

Seconded by: Councillor Brady

MOTION CARRIED UNANIMOUSLY

### LEGISLATIVE CONTEXT

It is a requirement under the *Local Government (Finance, Plans, and Reporting) Regulation 2011 S160 (1) (b) (i)* that “the audit committee must review the internal audit plan for the internal audit for the current financial year”. As such, the status update has been provided for the Committee’s information.

### 7.1.2 Internal Audit End of Year Report

**File No:** 8403

**Attachments:** [Responses to Surveys Documenting Customer Satisfaction and Value Added](#)

[Attachment 1 - Responses to surveys documenting customer satisfaction ...](#)

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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### SUMMARY

Provided for the information of the Committee are the details of the Internal Audit Unit's performance against its yearly tasks identified in the Operational Plan 2010/2011.

11.18AM Carolyn Eagle attended the meeting

11.18AM Brad McCosker attended the meeting

### COMMITTEE RECOMMENDATION

That the report be "received".

Moved by: Councillor Mather

Seconded by: Carolyn Eagle

MOTION CARRIED UNANIMOUSLY

### COMMENTARY

Council has adopted a Corporate Plan for 2009 – 2013. This is a strategic document which outlines the focus for the Rockhampton Region and sets out broad intended outcomes and the strategic approach in shaping the future of the Region.

The 2010/2011 Operational Plan links to the Corporate Plan and is an important element in the planning and performance management of Council, outlining the projects, initiatives and ongoing activities that are set out to ultimately deliver Council's vision.

Listed below and *attached* are the tasks that were identified for the Internal Audit Unit in the Operational Plan 2010-2011 and the progress made.

**ACTION - 4.3.5.3:** COUNCIL SECTIONS ARE SUPPORTED THROUGH INTERNAL AUDIT CONSULTING AND ADVICE.

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1. TASK: OVERALL CUSTOMER SATISFACTION AS SURVEYED BY INTERNAL AUDIT UNIT.

**Target: 70%**

**RESULT: Surveys indicate 100% achieved.**

**ACTION - 4.1.1.6:** COUNCIL SECTIONS ARE REGULARLY AUDITED BY AN INDEPENDENT OBJECTIVE ASSURANCE ASSESSMENT.

2. TASK: ALL INTERNAL AUDIT SERVICES ARE PERFORMED IN ACCORDANCE WITH INTERNATIONAL PROFESSIONAL PRACTICES FRAMEWORK (IPPF - STANDARD).

**RESULT: Minor changes to Audit Manual will be effected in time for next report to Audit Committee meeting. Overall delivery in accordance with IPPF and service delivery has met expectations.**

3. TASK: COUNCIL'S INTERNAL AUDIT PROCESSES ARE QUALITY MANAGED THROUGH AN INTERNAL SELF-ASSESSMENT PROGRAM DELIVERED ANNUALLY TO AUDIT COMMITTEE.

**RESULT: Completed and report to be delivered to first available meeting after 30 June 2011. Quality assurance health check completed by C Bunt 27 June who notes the proactive steps being taken to ensure compliance with IPPF.**

4. TASK: VALUE ADDED AS SURVEYED BY INTERNAL AUDIT UNIT. CUSTOMERS FEEL THE ENGAGEMENT CONTRIBUTED TO IMPROVEMENTS IN THEIR AREA.

**Target: 70%**

**RESULT: Survey results indicate 100% achieved.**

**ACTION - 4.1.1.7:** THE AUDIT COMMITTEE IS SUPPORTED TO ACHIEVE ITS OBJECTIVES.

5. TASK: QUARTERLY INTERNAL AUDIT REPORTS SUBMITTED OR AS PER COMMITTEE MEETING SCHEDULE.

**RESULT: All audit reports delivered.**

6. TASK: THE CHIEF AUDIT EXECUTIVE COORDINATES APPROPRIATE PROFESSIONAL DEVELOPMENT OPPORTUNITIES FOR THE AUDIT COMMITTEE.

**RESULT: Professional development opportunities have been delivered (eg: ALGIAC).**

## 8 BUSINESS OUTSTANDING

Request	Date	Report Relating to Request	Description of Request	Responsible Officer	Due Date	Comments
Report	20/05/2011	Results of Audit Committee Self Assessment	Mr McCosker to review Audit (Committee) Charter against the Audit Plan for 2010/2011 once the plan has been presented	Evan Pardon	TBA	7/9/2011 Mr McCosker advised that this item had been dealt with and could be closed out. (DWS Doc No 2822648) Completed
Report	23/06/2011	Fraud Management	That once developed that the Fraud Management Plan comes back to the Audit Committee via the Chief Executive Officer	Evan Pardon	TBA	
Report	23/06/2011	Information System Audit Review 2010-2011	That the Management report on Information Systems be brought back to the next Audit Committee via the Chief Executive Officer	Evan Pardon	24.11.2011	Completed
Report	23/06/2011	Audit Follow Up Review from 2009-2010 Various Internal Audits Completed	That Chief Executive Officer follows up on items SM3 and SM5 and brings back a report to the Audit Committee on those items	John Wallace	24.11.2011	Completed
<b>Report</b>	<b>13/09/2011</b>	<b>2010/2011 Unaudited Financial Statements</b>	<b>The signed Management Representation Letter be presented at the next Audit Committee Meeting and supporting information and discussions be noted</b>	<b>Alicia Cutler</b>	24.11.2011	Completed

11.34AM Brad McCosker left the meeting

## 9 STRATEGIC REPORTS

### 9.1 General

#### 9.1.1 Organisational Independence - Annual Compliance Statement

**File No:** 8563

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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#### SUMMARY

This report is submitted in compliance with the International Professional Practices Framework Standard 1110: "The chief audit executive [CAE] must confirm to the board, at least annually, the organisational independence of the internal audit activity."

11.35AM Brad McCosker returned to the meeting

#### COMMITTEE RECOMMENDATION

That the report be "received".

Moved by: Carolyn Eagle  
Seconded by: Brad McCosker  
MOTION CARRIED UNANIMOUSLY

#### COMMENTARY

The International Professional Practices Framework (IPPF - Internal Auditing Standards) are mandatory for Institute of Internal Auditors (IIA) members. To comply with these standards, specifically 1100; 1120; 1130, the CAE must confirm to the board (audit committee), at least annually, the organisational independence of the Internal Audit Activity.

The Standard defines that organizational independence is effectively achieved by a dual reporting relationship with the CAE reporting directly functionally to the board (audit committee) and administratively to a level within the organisation that allows the IA activity to fulfil its responsibilities. Functional reporting to the board (audit committee) typically involves the audit committee:

- Approving the internal audit activity's overall all charter;
  - Approving the internal audit risk assessment and related audit plan;
-

- Receiving communications from the CAE on the results of internal audit activities or other matters the CAE determines are necessary;
- Making enquiries of management and the CAE to determine whether there is audit scope or (audit) budgetary limitations that impeded the ability of the internal audit activity to execute its responsibilities.

This statement was last presented to the Audit Committee at the 10 December 2010 meeting and to comply with the IPPF the CAE is now submitting this year's report.

The CAE hereby confirms his assessment as follows:

*"That the internal audit activity has met the criteria for organisational independence for the period to date".*

These criteria are:

**1. The CAE must report to a level in the organisation that allows the internal audit activity to fulfil its responsibilities.**

**Compliance statement:** *The CAE continues to report functionally directly and unimpeded to the Audit Committee of Council, however, it now reports administratively to the Executive Manager Governance and Innovation.*

It is to be noted that since the last report was submitted that a restructure of the organisation saw the CAE's reporting line change from the Chief Executive Officer to the Executive Manager Governance and Innovation. This change of organisational placement poses a practical constraint on the scope of audit services that can be appropriately undertaken by internal auditors. For example it is not appropriate for the internal audit unit to objectively evaluate the performance of peer offices under the Executive Manager Governance and Innovation.

In general, the higher the administrative reporting level, the greater the potential scope of engagements which can be undertaken by the internal audit activity while remaining independent of the audited entity.

**2. The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.**

**Compliance statement:** *The CAE confirms there has effectively been no interference, by Management or Councillors with respect to the scope of work performed, the performance of work or communication of reports to the audit committee, by the Internal Audit Unit. Threats to independence are successfully managed at the individual auditor, engagement, functional or organisational levels, by the CAE.*

It is to be noted that on one occasion changes have been made to the classification of several audit reports, from confidential to non-confidential: While this has not negatively impacted the communication of the content of audit results, it has placed the CAE in non-compliance with IPPF standards 2410.A3

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and 2440.A2, as the CAE must include limitations on distribution and use of the results and approve the release of reports to third parties after assessing the risk to the organisation. Advice recently from the Institute of Internal Auditors has further indicated the need to keep audit reports confidential in relation to internal audit's ability to continue to obtain satisfactory results, through its respected and confidential working relationship with the individual auditee. The CAE believes this has been addressed moving forward if report classifications were again to be inadvertently changed, without prior agreement.

**3. The CAE must communicate and interact directly with the board (audit committee).**

**Compliance statement:** *The CAE confirms his direct interactions and communication with the audit committee / audit committee chairperson, freely and independent from management or councillor interference.*

It is to be noted that s170 and s170A of the Local Government Act 2009 necessitated the inclusion of s3.2 and s4 of Internal Audit Charter to allow for this component of the standard to be met.

**9.1.2 Unit Certifications Achieved-Update**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

This report is provided for the information of the Audit Committee on the topic of internal audit continuing professional development.

**COMMITTEE RECOMMENDATION**

That the report be received.

Moved by: Councillor Mather  
Seconded by: Carolyn Eagle  
MOTION CARRIED UNANIMOUSLY

**COMMENTARY**

Internal audit unit operational capability has now been further enhanced with the attainment of the following additional certifications:

(1) **CRISC – Certification in Risk and Information Systems Control** through the Information Systems Audit and Control Association.

CRISC credentials recognise professionals who have knowledge and experience identifying and evaluating risk and in designing, implementing, monitoring and maintaining risk-based, efficient and effective IS controls.

(2) **Certification of Competency – WH&S Management System Lead Auditor**

This Lead Audit certification allows the unit additional capability to (internally) independently audit the area of WH&S.

The CAE would like to thank the Council, CEO and PPW for its continuing commitment and priority given to further education for employees. Additional capability is being pursued moving forward as a high priority.

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## **10 URGENT BUSINESS / QUESTIONS**

## **11 CLOSED BUSINESS**

### **11.1 Officers Reports**

#### **11.1.1 Council's Corporate Risks**

**File No:** 8799

**Responsible Officer:** Shane Turner  
Manager Corporate Support & Risk

**Author:** Barry Harper  
Risk Management Co-ordinator

**Proposed Meeting Date:** 24 November 2011

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#### **PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

#### **OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.2 Final Audit Results – 2010/2011**

**File No:** 5207

**Responsible Officer:** Ross Cheesman  
General Manager Organisational Services

**Author:** Alicia Cutler  
Strategic Manager Finance

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.3 Loss/Theft Items Reported to Auditor - General**

**File No:** 3911

**Responsible Officer:** Ross Cheesman  
General Manager Organisational Services

**Author:** Kerrie Barrett  
Operations Manager Property and Insurance

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.4 1102 - HR Entry/Exit (process) Review**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.5 Animal Control-Operations (Cats)**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.6 Follow Up Review - SM3&5**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.7 KPMG Review of RM Framework**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.8 Procurement**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.9 Report on the Status of the Audit Recommendations**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

**11.1.10 Review of Capital Project Management**

**File No:** 5207

**Responsible Officer:** John Wallace  
Chief Audit Executive

**Author:** Jai Ram  
Executive Internal Auditor

**Proposed Meeting Date:** 24 November 2011

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**PURPOSE**

In accordance with Section 72(1)(h) of the Local Government (Operations) Regulation 2010, it is considered necessary to close the meeting to discuss this matter in closed business.

**OFFICER RECOMMENDATION:**

That council consider this matter in the confidential component of this meeting due to:

"other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

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**CLOSED SESSION****COMMITTEE RESOLUTION**

**THAT** the Audit Advisory Committee meeting be closed to the public in accordance with s72(1)(h) of the *Local Government (Operations) Regulation 2010*, as it is considered necessary to close the meeting to discuss Items:

1. Council's Corporate Risks
2. Final Audit Results 2010/2011
3. Loss/Theft Items Reported to Auditor-General
4. 1102 – HR Entry/Exit (process) Review
5. Animal Control – Operations (Cats)
6. Follow Up Review – SM3 & 5
7. KPMG Review of RM Framework
8. Procurement
9. Report on the Status of the Audit Recommendations
10. Review of Capital Project Management

(h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

Moved by: Councillor Mather

Seconded by: Carolyn Eagle

MOTION CARRIED UNANIMOUSLY

**11.43AM**

**RESOLVED**

**THAT** pursuant to s33(1)(k) and s43 *Council Meeting Procedures* the meeting moves into Closed Session and be closed to the public.

Moved by: Councillor Mather

Seconded by: Carolyn Eagle

MOTION CARRIED UNANIMOUSLY

1.13PM Councillor Mather attended the meeting

**2.19PM**

**RESOLVED**

**THAT** pursuant to s33(1)(k) and s43 *Council Meeting Procedures* the meeting moves out of Closed Session and be opened to the public.

Moved by: Councillor Mather

Seconded by: Carolyn Eagle

MOTION CARRIED UNANIMOUSLY

## 12 CONFIDENTIAL REPORTS

### 12.1 Officers Reports

#### 12.1.1 Council's Corporate Risks

**File No:** 8799

**Responsible Officer:** Shane Turner  
Manager Corporate Support & Risk

**Author:** Barry Harper  
Risk Management Co-ordinator

**Proposed Meeting Date:** 24 November 2011

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#### SUMMARY

Prior to this meeting, the Risk Management Coordinator submitted a draft list of Council's corporate risks for Leadership Team consideration and approval subject to any required alterations (see Attachment 1). A number of risks currently listed as Council's existing corporate risks have been removed or modified.

The new risk framework defines corporate risks as risks;

- (ai) with a residual risk rating of extreme or high; and
- (aii) that will prevent, or have the potential to prevent, a number of Council sections from meeting their corporate objectives.

or

- (b) that Leadership Team nominate as a corporate risk

Nominated risk owners of the draft corporate risks have had prior opportunity to recommend changes to the risk content.

#### COMMITTEE RECOMMENDATION

That Audit Committee receives the attached draft corporate risks and provides recommendation for adjustment

Moved by: Carolyn Eagle  
Seconded by: Councillor Mather

MOTION CARRIED UNANIMOUSLY

**12.1.2 Final Audit Results 2010/2011**

**File No:** 5207

**Responsible Officer:** Ross Cheesman  
General Manager Organisational Services

**Author:** Alicia Cutler  
Strategic Manager Finance

**Proposed Meeting Date:** 24 November 2011

---

**SUMMARY**

The Queensland Audit Office has forwarded the Final Audit Report for the Rockhampton Regional Council for the financial reporting period 1 July 2010 to 30 June 2011.

**COMMITTEE RECOMMENDATION**

That Council 'receives' the correspondence from the Queensland Audit Office in relation to the completion of the Final Audit of the Rockhampton Regional Council for the financial reporting period 1 July 2010 to 30 June 2011.

Moved by: Councillor Mather  
Seconded by: Councillor Brady  
MOTION CARRIED UNANIMOUSLY

**12.1.3 Loss/Theft Items Reported to Auditor - General**

**File No:** 3911

**Responsible Officer:** Ross Cheesman  
General Manager Organisational Services

**Author:** Kerrie Barrett  
Operations Manager Property and Insurance

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

Operations Manager Property & Insurance reporting on Loss/Theft items reported to Auditor-General from 11 June to 30 September 2011.

**COMMITTEE RECOMMENDATION**

That this report be “received”.

Moved by: Carolyn Eagle  
Seconded by: Councillor Mather  
MOTION CARRIED UNANIMOUSLY

A memo was tabled notifying the Committee of spelling errors found in the report. These errors do no change the context of the report however the memo needs to be distributed to all Committee Members in accordance with the Procedural Guidelines.

#### **12.1.4 1102 - HR Entry/Exit (process) Review**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

---

#### **SUMMARY**

Presented for the information of the Audit Committee (*attached*) is the HR Entry/Exit (process) Review report conducted by Internal Audit.

#### **COMMITTEE RECOMMENDATION**

That the Committee receives the report.

Moved by: Carolyn Eagle  
Seconded by: Brad McCosker  
MOTION CARRIED UNANIMOUSLY



**PROCEDURAL GUIDELINES**

AUDIT MANUAL

**INTERNAL AUDIT UNIT**

**Audit Report Error or Omission**

Where a change to a Final Report is required: either through error, omission or audit committee request; a revised final audit report will be provided to the appropriate personnel with a memo detailing the changes made to the report. Dependent on the magnitude of the changes required either the Revised Final Report or a copy of the memo will be provided to the audit committee either at their next meeting or out of session.



# Memo

**Date:** 16 November 2011  
**To:** EM People Performance and Wellbeing  
**From:** Auditor  
**Copy:** General Manager Organisational Services  
Audit Committee Members  
**Subject:** Revised Final Audit Report (HR Entry/Exit [process] Review)  
**File Ref:** 5207

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**Please be advised that some typographical errors have been identified in the HR Entry/Exit (process) Review Final Report. These do not alter the context of the report or the findings/recommendations contained within that report.**

The procedure contained in Internal Audit Unit's "Audit Manual" requires that if a change to a Final Report is required either through: error, omission or audit committee request then a revised final audit report is to be provided to the appropriate personnel with a memo detailing the changes.

**In line with the above procedure, a Revised Final Report is now being issued to you with the errors, identified below, having been corrected.**

The errors were identified on pages:

- 15 4.2.14 second last word in the last sentence should read "Delegations" not ~~Deletions~~
- 18 4.3.7 should read .....on the "employees' files" not employee's file

**Please dispose of any copies of the Final Report and replace them with the Revised Final Report.**

Regards

A handwritten signature in black ink, appearing to read "K Ramm".

Kisane Ramm  
Auditor

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Office of the CEO - Internal Audit Unit

**12.1.5 Animal Control-Operations (Cats)****File No:** 5207**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation**Author:** John Wallace  
Chief Audit Executive**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

Presented for the information of the Audit Committee is the planned audit of Animal Control, conducted by internal audit, originally requested by the Audit Committee.

**COMMITTEE RECOMMENDATION**

That the committee receives the report.

Moved by: Councillor Mather

Seconded by: Carolyn Eagle

MOTION CARRIED UNANIMOUSLY

**12.1.6 Follow Up Review - SM3&5**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

This report is provided in response to a request from the audit committee for a follow up on high risk items, not yet actioned by management.

**COMMITTEE RECOMMENDATION**

That the committee receives the report.

Moved by: Carolyn Eagle  
Seconded by: Councillor Mather  
MOTION CARRIED UNANIMOUSLY

**12.1.7 KPMG Review of RM Framework**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

This report is provided in order to complement elements of the original scope of work performed by BCC and as a post implementation review of the ERM framework, and has been conducted by KPMG (Canberra offices). Additional scope of work covers specific commentary and recommendations in relation to ERM software and the new Risk Management Standard ISO 31000, with recommendations for further improvement which will be of particular interest to the audit committee.

**COMMITTEE RECOMMENDATION**

That the committee receives the report.

Moved by: Councillor Mather  
Seconded by: Carolyn Eagle  
MOTION CARRIED UNANIMOUSLY

**12.1.8 Procurement**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

Presented for the information of the Audit Committee is the planned audit of Procurement, conducted by internal audit on behalf of the QAO.

**COMMITTEE RECOMMENDATION**

That the committee receives the report.

Moved by: Brad McCosker  
Seconded by: Carolyn Eagle  
MOTION CARRIED UNANIMOUSLY

**12.1.9 Report on the Status of the Audit Recommendations**

**File No:** 5207

**Responsible Officer:** Michael Rowe  
Executive Manager Governance and Innovation

**Author:** John Wallace  
Chief Audit Executive

**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

Internal Audit has followed up with Management regarding the status of their actions against the audit recommendations and presents a copy of the progress report (*attached*) for the Committee's consideration.

**COMMITTEE RECOMMENDATION**

That the Committee "receives" the report.

Moved by: Carolyn Eagle  
Seconded by: Brad McCosker  
MOTION CARRIED UNANIMOUSLY

**12.1.10 Review of Capital Project Management**

**File No:** 5207  
**Responsible Officer:** John Wallace  
Chief Audit Executive  
**Author:** Jai Ram  
Executive Internal Auditor  
**Proposed Meeting Date:** 24 November 2011

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**SUMMARY**

The attached report is presented for the information of the Audit Committee

**COMMITTEE RECOMMENDATION**

That the Committee receives the report.

Moved by: Brad McCosker  
Seconded by: Carolyn Eagle  
MOTION CARRIED UNANIMOUSLY

## 13 CLOSURE OF MEETING

There being no further business, the meeting terminated at 2.21pm.

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COUNCILLOR G K BRADY  
CHAIRPERSON

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DATE