



# **AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING**

## **MINUTES**

**29 MAY 2014**

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**REPORT OF THE AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING HELD  
AT COUNCIL CHAMBERS, 232 BOLSOVER STREET, ROCKHAMPTON ON  
THURSDAY, 29 MAY 2014 COMMENCING AT 9:04AM**

**1 OPENING****2 PRESENT**

## Members Present:

The Mayor, Councillor M F Strelow (Chairperson)  
Councillor A P Williams  
Professor D Low  
Mr A MacLeod  
Mr M Parkinson

## Observers:

Councillor C E Smith  
Mr H Maguma, Deloitte (External Auditor)  
Ms M Rajdev, Deloitte (External Auditor)

## In Attendance:

Mr E Pardon – Chief Executive Officer  
Mr J Wallace – Chief Audit Executive  
Mr R Cheesman – General Manager Corporate Services  
Mr M Rowe – General Manager Community Services  
Mr D Stevenson – Manager Corporate & Technology  
Ms A Cutler – Manager Finance  
Mr G Van der Walt – Revenue and Accounting Coordinator  
Ms K Ramm – Risk Management Officer  
Ms L Leeder – Committee Support Officer

**3 APOLOGIES AND LEAVE OF ABSENCE****4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING****COMMITTEE RESOLUTION**

THAT the minutes of the Audit and Business Improvement Committee held on 13 September 2013 be taken as read and adopted as a correct record.

**Moved by: Mr Parkinson**

**Seconded by: Mr MacLeod**

**MOTION CARRIED**

**5 DECLARATIONS OF INTEREST IN MATTERS ON THE  
AGENDA**

## 6 BUSINESS OUTSTANDING

### 6.1 BUSINESS OUTSTANDING TABLE FOR AUDIT AND BUSINESS IMPROVEMENT COMMITTEE

**File No:** 10097

**Attachments:** 1. **Business Outstanding Table for Audit and Business Improvement Committee**

**Responsible Officer:** Evan Pardon - Chief Executive Officer

**Author:** Evan Pardon - Chief Executive Officer

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#### SUMMARY

*The Business Outstanding table is used as a tool to monitor outstanding items resolved at previous Council or Committee Meetings. The current Business Outstanding table for the Audit and Business Improvement Committee is presented for Councillors' information.*

#### COMMITTEE RECOMMENDATION

THAT the Business Outstanding Table for the Audit and Business Improvement Committee be received.

**Moved by:** Mr Parkinson  
**Seconded by:** Professor Low

**MOTION CARRIED**

**7 PUBLIC FORUMS/DEPUTATIONS**

Nil

**8 OFFICERS' REPORTS**

Nil

## 9 STRATEGIC REPORTS

### 9.1 FINANCIAL SECTION UPDATE

<b>File No:</b>	<b>8151</b>
<b>Attachments:</b>	<ol style="list-style-type: none"><li><b>1. Operational and Capital February Budget Revision summary</b></li><li><b>2. Statements 31 December 2013</b></li><li><b>3. Position Papers</b></li><li><b>4. Shell statements 30 June 2014</b></li><li><b>5. RRC Audit Strategy 2014</b></li><li><b>6. RRC Interim Management Report</b></li></ol>
<b>Authorising Officer:</b>	<b>Alicia Cutler - Manager Finance</b> <b>Ross Cheesman - General Manager Corporate Services</b>
<b>Author:</b>	<b>Gerhard Van der Walt - Revenue and Accounting Coordinator</b>

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### SUMMARY

*The aim of this report is to comment on the financial progress 2013/14, the status of de-amalgamation, the status of revaluations 2013/14 and year-end preparations including shell statements and position papers. The last component is the inclusion of the Audit Strategy for 2013/14 and the Interim Audit Management Report, both items to be addressed by the Auditors.*

### COMMITTEE RECOMMENDATION

THAT the Finance Section Update be received.

**Moved by:** Mr MacLeod  
**Seconded by:** Professor Low

**MOTION CARRIED**

### COMMITTEE RECOMMENDATION

That the Audit Strategy and the Interim Audit Management Report be received.

**Moved by:** Professor Low  
**Seconded by:** Mr Parkinson

**MOTION CARRIED**



**9.2 LOSS / THEFT ITEMS REPORTED TO AUDITOR GENERAL - SEP 13 TO APR 14**

**File No:** 3911  
**Attachments:** 1. Loss / Theft Report - 1 Sep 13 to 30 Apr 14  
**Authorising Officer:** Ross Cheesman - General Manager Corporate Services  
**Author:** Drew Stevenson - Manager Corporate and Technology

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**SUMMARY**

*Reporting on Loss/Theft items including those reported the Auditor General for the period 1 September 2013 to 30 April 2014.*

**COMMITTEE RECOMMENDATION**

THAT the Committee 'receives' the Loss/Theft Report for the period 1 September 2013 to 30 April 2014.

**Moved by:** Mr MacLeod  
**Seconded by:** Mr Parkinson

**MOTION CARRIED**

**10 NOTICES OF MOTION**

Nil

## 12 CLOSED SESSION

In accordance with the provisions of section 275 of the *Local Government Regulation 2012*, a local government may resolve to close a meeting to the public to discuss confidential items, such that its Councillors or members consider it necessary to close the meeting.

### COMMITTEE RESOLUTION

THAT the meeting be closed to the public to discuss the following items, which are considered confidential in accordance with section 275 of the *Local Government Regulation 2012*, for the reasons indicated.

#### 13.1 ERM Status Report and Proposed Sample of Risk Register Reporting 2014

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.2 Internal Audit Report - Payroll Reconciliation

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.3 Annual Audit Plan - Progress Update

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.4 Status of Audit Recommendations Progress

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.5 2014-2: Business Process Improvement Review of - Local Laws Annual Animal Registrations (Stage-I)

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.6 2013-08: Engineering Records - Agreed Upon Procedures

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

#### 13.7 Carols By Candlelight Event Process Review

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

**13.8 IA-2014-2 Compliance Review of De-Amalgamation Regulation**

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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 .

**Moved by: Professor Low**

**Seconded by: Mr MacLeod**

**MOTION CARRIED**

**COMMITTEE RESOLUTION**

**9:55AM**

**THAT** pursuant to s341)(k) and s44 *Council Meeting Procedures* the meeting moves into Closed Session and be closed to the public.

**Moved by: Councillor Williams**

**Seconded by: Mr Parkinson**

**MOTION CARRIED**

10:27AM Councillor Williams left the meeting and did not return

10:47AM Mr MacLeod left the meeting

10:50AM Mr MacLeod returned to the meeting

**COMMITTEE RESOLUTION**

**11:12AM**

**THAT** pursuant to s34(1)(k) and s44 *Council Meeting Procedures* the meeting moves out of Closed Session and be opened to the public.

**Moved by: Mr Parkinson**

**Seconded by: Mr MacLeod**

**MOTION CARRIED**

## 13 CONFIDENTIAL REPORTS

### 13.1 ERM STATUS REPORT AND PROPOSED SAMPLE OF RISK REGISTER REPORTING 2014

**File No:** 8780

**Attachments:**

1. Proposed Quarterly Risk Register Reporting Examples - Graphs
2. Proposed Quarterly Risk Register Reporting Examples - Very High and High Listing
3. Proposed Quarterly Risk Register Reporting Examples - All Risks Requiring Further Treatment

**Authorising Officer:** Drew Stevenson - Manager Corporate and Technology  
Ross Cheesman - General Manager Corporate Services

**Author:** Kisane Ramm - Risk Management Officer

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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#### SUMMARY

*Reporting on the status of the ERM implementation and proposed quarterly risk status reports.*

#### COMMITTEE RECOMMENDATION

THAT this report on the proposed examples of the quarterly risk register reports be "received".

**Moved by:** Mr Parkinson

**Seconded by:** Mr MacLeod

**MOTION CARRIED**

**13.2 INTERNAL AUDIT REPORT - PAYROLL RECONCILIATION****File No:** 5207**Attachments:** Nil**Authorising Officer:** Ross Cheesman - General Manager Corporate Services**Author:** Alicia Cutler - Manager Finance

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*This report is in response to the request by Audit Committee of 13 September 2013 to provide details on the payroll reconciliation.*

**COMMITTEE RECOMMENDATION**

THAT the report addressing the question raised in relation to payroll reconciliation be received.

**Moved by:** Mayor Strelow**Seconded by:** Mr Parkinson**MOTION CARRIED**

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**13.3 ANNUAL AUDIT PLAN - PROGRESS UPDATE**

**File No:** 5207  
**Attachments:** 1. Audits Completed vs Planned  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** John Wallace - Chief Audit Executive

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*The Progress of audits planned vs completed is provided for the information of the Committee.*

**COMMITTEE RECOMMENDATION**

THAT the report on the status of the progress of the approved internal audit plan is received. This relates to the ½ year period: January to June 2014. Prior periods are also included for information.

**Moved by:** Professor Low  
**Seconded by:** Mr MacLeod

**MOTION CARRIED**

**13.4 STATUS OF AUDIT RECOMMENDATIONS PROGRESS**

**File No:** 5207  
**Attachments:** 1. Audit Recommendations Status  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** John Wallace - Chief Audit Executive

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*The attached report is provided to the audit committee as required by the Local Government Regulation 2012, Section 207 (3).*

**COMMITTEE RECOMMENDATION**

THAT the reports be received and reviewed by the Committee.

**Moved by:** Professor Low

**Seconded by:** Mr Parkinson

**MOTION CARRIED**



**13.5 2014-2: BUSINESS PROCESS IMPROVEMENT REVIEW OF - LOCAL LAWS ANNUAL ANIMAL REGISTRATIONS (STAGE-I)****File No:** 5207**Attachments:**

1. IA-BUSINESS IMPROVEMENT PROPOSAL
2. Stage-I Business Improvement Report

**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** John Wallace - Chief Audit Executive

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*This review was undertaken by J Wallace, together with the Local Laws Section and JET, as part of the Annual Internal Audit Plan.*

**COMMITTEE RECOMMENDATION**

THAT the Business Improvement Report on Animal Management be received.

**Moved by:** Mr Parkinson**Seconded by:** Professor Low**MOTION CARRIED**

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**13.6 2013-08: ENGINEERING RECORDS - AGREED UPON PROCEDURES****File No:** 5207**Attachments:** 1. **2013-08: Engineering Records - Agreed Upon Procedures Review****Authorising Officer:** **Evan Pardon - Chief Executive Officer****Author:** **John Wallace - Chief Audit Executive**

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*This review was completed by Kisane Ramm and John Wallace, based on agreed-upon-procedures and was requested by the CEO.*

**COMMITTEE RECOMMENDATION**

THAT the Report on Engineering Records be received and that an update be delivered before the end of this calendar year.

**Moved by:** **Mayor Strelow****Seconded by:** **Mr MacLeod****MOTION CARRIED**

**13.7 CAROLS BY CANDLELIGHT EVENT PROCESS REVIEW**

**File No:** 5207  
**Attachments:** 1. 2013-06: Carols Event Process Review  
**Authorising Officer:** Evan Pardon - Chief Executive Officer  
**Author:** John Wallace - Chief Audit Executive

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*This review was undertaken by K Ramm as a planned review as part of the Internal Audit Plan.*

**COMMITTEE RECOMMENDATION**

THAT the Internal Audit Report consisting of work undertaken by the Internal Auditor, K Ramm, on Carols By Candlelight, be received.

**Moved by:** Mayor Strelow  
**Seconded by:** Mr Parkinson

**MOTION CARRIED**

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**13.8 IA-2014-2 COMPLIANCE REVIEW OF DE-AMALGAMATION REGULATION****File No:** 5207**Attachments:**

1. IA-2014-2 Report
2. Regulation 2013 - Conclusions
3. Transfer Methodology (V1.0) - Conclusions

**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** John Wallace - Chief Audit Executive

This report is considered confidential in accordance with section 275(1)(h), of the *Local Government Regulation 2012*, as it contains information relating 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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**SUMMARY**

*This review was undertaken by J Wallace on request from the CEO.*

**COMMITTEE RECOMMENDATION**

THAT the Compliance Review be received.

**Moved by:** Mayor Strelow**Seconded by:** Professor Low**MOTION CARRIED**

## 11 URGENT BUSINESS\QUESTIONS

### 11.1 OUT OF HOURS REVIEW

File No: 700

Responsible Officer: Evan Pardon – Chief Executive Officer

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#### SUMMARY

*Mayor Strelow requested that a report on out of hours operations of Council be prepared.*

#### COMMITTEE RECOMMENDATION

THAT a review be conducted on out-of-hours operation of Council functions.

Moved by: Mayor Strelow

Seconded by: Mr A MacLeod

**MOTION CARRIED**

**13 CLOSURE OF MEETING**

There being no further business the meeting closed at 11:23am.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE