



AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING

MINUTES

19 JUNE 2015

The Committee Recommendations contained within these Minutes
were adopted at the Council meeting on 14 July 2015.

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**REPORT OF THE AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING
HELD AT COUNCIL CHAMBERS, 232 BOLSOVER STREET, ROCKHAMPTON ON
FRIDAY, 19 JUNE 2015 COMMENCING AT 10:01AM**

THAT in accordance with s165(1)(a) of the *Local Government Act 2009* and s14(1)(2) *Council Meeting Procedures*, the Deputy Mayor Councillor Tony Williams be appointed Chairperson of the Audit and Business Improvement Committee meeting for the period of the Mayor, Councillor Strelow's absence.

1 OPENING

2 PRESENT

Members Present:

Acting Mayor, Councillor A P Williams
Councillor C E Smith
Mr A MacLeod
Mr M Parkinson

Observers:

Mr S Stavrou, Deloitte (External Auditor)
Ms M Rajdev, Deloitte (External Auditor)
Mr D Byram, Queensland Audit Office via teleconference

In Attendance:

Mr J Wallace – Chief Audit Executive (Executive Officer)
Mr E Pardon – Chief Executive Officer
Mr R Cheesman – General Manager Corporate Services
Ms A Cutler – Manager Finance
Mr D Stevenson – Manager Corporate and Technology
Mr S Turner – Manager Governance Support
Mr G Van der Walt – Revenue and Accounting Services Coordinator
Ms K Ramm – Risk Management Officer
Ms L Leeder – Acting Executive Assistant to the Chief Executive Officer

3 APOLOGIES AND LEAVE OF ABSENCE

Professor David Low has tendered his apology and will not be in attendance.
The Mayor, Councillor Margaret Strelow has tendered her apology and will not be in attendance.

COMMITTEE RESOLUTION

THAT the apologies from Professor David Low and The Mayor, Councillor Margaret Strelow be received.

Moved by: Mr Parkinson

Seconded by: Mr MacLeod

MOTION CARRIED

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

COMMITTEE RESOLUTION

THAT the minutes of the Audit and Business Improvement Committee held on 20 March 2015 be taken as read and adopted as a correct record.

Moved by: Councillor Smith

Seconded by: Mr Parkinson

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

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 MacLeod
Seconded by: Mr Parkinson

MOTION CARRIED

7 PUBLIC FORUMS/DEPUTATIONS

Nil

8 OFFICERS' REPORTS

Nil

9 STRATEGIC REPORTS

9.1 RISK REGISTERS - QUARTERLY UPDATE AS AT 17 APRIL 2015

File No:	8780
Attachments:	<ol style="list-style-type: none">1. Current Risk Rating Heat Map as at 17 April 20152. Corporate Risk Register - Quarterly Update as at 17 April 20153. Office of the CEO Risk Register - Quarterly Update as at 17 April 20154. Community Services Risk Register - Quarterly Update as at 17 April 20155. Corporate Services Risk Register - Quarterly Update as at 17 April 20156. Regional Services Risk Register - Quarterly Update as at 17 April 2015
Authorising Officer:	Drew Stevenson - Manager Corporate and Technology Ross Cheesman - General Manager Corporate Services
Author:	Kisane Ramm - Risk Management Officer

SUMMARY

Presenting the quarterly risk register updates as at 17 April 2015 for the Committee's information.

COMMITTEE RECOMMENDATION

THAT the quarterly risk register updates as at 17 April, as presented in the attachments, be 'received'.

Moved by: Mr MacLeod

Seconded by: Mr Parkinson

MOTION CARRIED

9.2 FINANCIAL SECTION UPDATE

File No: 8151

Attachments:

1. RRC Signed Interim Management Letter
2. Shell Statements 2014/15
3. Memo - Asset Treatment Recommendations for 2014-15 and Fair Value disclosure

Authorising Officer: Ross Cheesman - General Manager Corporate Services

Author: Alicia Cutler - Manager Finance
Gerhard Van der Walt - Revenue and Accounting Coordinator

SUMMARY

This report intends to deal with the Interim Audit Report for 2014/15, budget revisions year-to-date which will also detail financial impacts from Tropical Cyclone Marcia and lastly detail preparations for the financial year end and audit.

COMMITTEE RECOMMENDATION

THAT:

1. The update and information as per this report be received; and
2. A teleconference be held on 31 August 2015 to discuss preliminary findings and issues, to include a memo; and
3. An Audit and Business Improvement Committee meeting be held on 9 October 2015.

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

10 NOTICES OF MOTION

Nil

11 URGENT BUSINESS QUESTIONS

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 Loss/Theft Items reported to Auditor General - March to May 2015

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 Audit Plan Item - C1

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 IA Plan Progress Report

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 QA&IP Assessment and 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.

13.5 Risk-based Internal Audit Plan July 2015 – June 2016

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 Update from Chief Executive 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.

11:10AM

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

Moved by: Councillor Smith

Seconded by: Mr MacLeod

MOTION CARRIED

COMMITTEE RESOLUTION**11:28AM**

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: Councillor Williams

Seconded by: Mr MacLeod

MOTION CARRIED

11:29AM Councillor Williams left the meeting

COMMITTEE RESOLUTION**11:29AM**

THAT in accordance with s267(3) of the *Local Government Regulation 2012*, and s14(2)(4) *Council meeting Procedures*, Councillor Ellen Smith be appointed Chairperson of the Audit Committee for the period of Councillor Williams's absence.

Moved by: Mr MacLeod

Seconded by: Mr Parkinson

MOTION CARRIED

11:31AM A 5 minute recess was declared.

11:39AM The meeting resumed.

Members Present:

Councillor C E Smith
Mr A MacLeod
Mr M Parkinson

Observers:

Mr S Stavrou, Deloitte (External Auditor)
Ms M Rajdev, Deloitte (External Auditor)
Mr D Byram, Queensland Audit Office via teleconference

In Attendance:

Mr J Wallace – Chief Audit Executive (Executive Officer)
Mr E Pardon – Chief Executive Officer
Mr R Cheesman – General Manager Corporate Services
Mr D Stevenson – Manager Corporate and Technology
Ms L Leeder – Acting Executive Assistant to the Chief Executive Officer

COMMITTEE RESOLUTION**11:39AM**

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

Moved by: Mr Parkinson

Seconded by: Mr MacLeod

MOTION CARRIED

COMMITTEE RESOLUTION

11:56AM

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

13.5 RISK-BASED INTERNAL AUDIT PLAN JULY 2015-JUNE 2016

File No: 5207

Attachments: 1. **Business Improvement Plan July 2015 - June 2016**

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 .

SUMMARY

The attached whole-of-organisation Business Improvement Plan is provided for the information of the Committee. The Plan covers the period: July 2015 to June 2016.

COMMITTEE RECOMMENDATION

THAT the Committee receives the report, and approves the draft plan of review.

Moved by: **Councillor Smith**

Seconded by: **Mr Parkinson**

MOTION CARRIED

13.1 LOSS/THEFT ITEMS REPORTED TO AUDITOR GENERAL - MARCH TO MAY 2015**File No:** 3911**Attachments:** 1. Loss/Theft Report - 1 March to 31 May 2015**Authorising Officer:** Drew Stevenson - Manager Corporate and Technology
Ross Cheesman - General Manager Corporate Services**Author:** Kellie Anderson - Coordinator Property and Insurance

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 .

SUMMARY

Coordinator Property & Insurance reporting on Loss/Theft items including those reported to the Auditor General for the period 1 March to 31 May 2015.

COMMITTEE RECOMMENDATION

THAT the Committee 'receives' the Loss/Theft Report for the period 1 March to 31 May 2015.

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

13.2 AUDIT PLAN ITEM - C1**File No:** 5207**Attachments:** 1. Fraud Management & Control-C1**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 .

SUMMARY

The planned business improvement review for – Fraud Management and Control (C1) is provided for the information of the Committee.

COMMITTEE RECOMMENDATION

THAT the report on Fraud Management & Control be received.

Moved by: Councillor Williams**Seconded by:** Councillor Smith**MOTION CARRIED**

13.3 IA PLAN PROGRESS REPORT**File No:** 5207**Attachments:** 1. Progress Report as at 2-6-15**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 .

SUMMARY

The Internal Audit Progress Report is provided for the information of the Committee.

COMMITTEE RECOMMENDATION

THAT the report on the Annual Audit Plan be received.

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

13.4 QA&IP ASSESSMENT AND UPDATE**File No:** 5207**Attachments:** 1. IA Maturity Assessment**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 .

SUMMARY

The attached maturity model assessment is provided for the information of the Committee.

COMMITTEE RECOMMENDATION

THAT the table on IA Maturity be received.

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

13.6 UPDATE FROM CHIEF EXECUTIVE OFFICER**File No:** 5207**Attachments:** Nil**Authorising Officer:** Evan Pardon - Chief Executive Officer**Author:** Evan Pardon - Chief Executive 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.

SUMMARY

The Chief Executive Officer will provide a verbal update on matters of importance.

COMMITTEE RECOMMENDATION

THAT the Chief Executive Officer's update be received.

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

14 CLOSURE OF MEETING

There being no further business the meeting closed at 11:58am.

SIGNATURE

CHAIRPERSON

DATE