AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING

MINUTES

24 NOVEMBER 2015

The Committee Recommendations contained within these Minutes were adopted at the Council meeting on 8 December 2015.

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REPORT OF THE AUDIT AND BUSINESS IMPROVEMENT COMMITTEE MEETING HELD AT COUNCIL CHAMBERS, 232 BOLSOVER STREET, ROCKHAMPTON ON TUESDAY, 24 NOVEMBER 2015 COMMENCING AT 3.30PM

1 OPENING

2 PRESENT

Members Present:

The Mayor, Councillor M F Strelow (Chairperson)
Councillor C E Smith
Professor D Low
Mr A MacLeod
Mr M Parkinson

Observers:

Mr H Maguma (Deloitte)
Mr S Stavrou (Deloitte) - via teleconference
Mr D Byram (Queensland Audit Office) - via teleconference
Mr S Gray (Local Government Workcare)

In Attendance:

Mr J Wallace – Chief Audit Executive (Executive Officer)
Mr R Holmes – Acting Chief Executive Officer
Mr R Cheesman – General Manager Corporate Services
Mr M Rowe – General Manager Community Services
Ms T Sweeney – Manager Workforce and Strategy
Mr D Stevenson – Manager Corporate and Technology Services
Mr G Van der Walt – Revenue and Accounting Coordinator
Ms K Ramm – Risk Management Officer
Ms L Leeder – Senior Governance 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 31 August 2015 be taken as read and adopted as a correct record.

Moved by: **Mr MacLeod**
Seconded by: **Councillor Smith**
MOTION CARRIED

5 DECLARATIONS OF INTEREST IN MATTERS ON THE AGENDA

6 BUSINESS OUTSTANDING

Nil

7 PUBLIC FORUMS/DEPUTATIONS

Nil

8 OFFICERS' REPORTS

8.1 LOSS/THEFT ITEMS REPORTING TO AUDITOR GENERAL - JUNE TO OCTOBER 2015

File No:	**3911**
Attachments:	**1. Loss/Theft Report - 1 June to 31 October 2015**
Authorising Officer:	**Drew Stevenson - Manager Corporate and Technology Services** **Tracy Sweeney - Acting General Manager Corporate Services**
Author:	**Kellie Anderson - Coordinator Property and Insurance**

SUMMARY

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

COMMITTEE RECOMMENDATION

THAT the Committee ‘receives’ the Loss/Theft Report for the period 1 June to 31 October 2015.

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

8.2 UPDATE FROM RISK MANAGEMENT

File No:	**8780**
Attachments:	**1. Enterprise Risk Management Policy** **2. Enterprise Risk Management Framework** **3. Enterprise Risk Management Process Procedure**
Authorising Officer:	**Drew Stevenson - Manager Corporate and Technology Services** **Tracy Sweeney - Acting General Manager Corporate Services**
Author:	**Kisane Ramm - Risk Management Officer**

SUMMARY

Presented for the information of the Committee is an update from the Risk Management Officer covering:

- *Enterprise risk management documentation;*
- *Risk Management Officer's professional development; and*
- *Enterprise risk management software.*

COMMITTEE RECOMMENDATION

THAT the update from the risk management area, and attachments to the report, be "received".

Moved by: **Professor Low**
Seconded by: **Councillor Smith**
MOTION CARRIED

8.3 RISK REGISTERS - QUARTERLY UPDATE AS AT 2 OCTOBER 2015 AND ANNUAL PRESENTATION OF THE RISK REGISTERS

File No: **8780**

Attachments:

1. **Potential and Current Risk Exposure Profile as at 2 October 2015**
2. **Comparison of Current and Potential Exposure Risk Ratings Broken Down by Level of Consequence as at 2 October 2015**
3. **Corporate Risk Register - Quarterly Update as at 2 October 2015**
4. **Office of the CEO Risk Register - Quarterly Update as at 2 October 2015**
5. **Community Services Risk Register - Quarterly Update as at 2 October 2015**
6. **Corporate Services Risk Register - Quarterly Update as at 2 October 2015**
7. **Regional Services Risk Register - Quarterly Update as at 2 October 2015**

Authorising Officer: **Drew Stevenson - Manager Corporate and Technology Services**
Tracy Sweeney - Acting General Manager Corporate Services

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

SUMMARY

Presenting the quarterly risk register updates as at 2 October 2015 for consideration and adoption. Also presented are the corporate and department risk registers in their entirety, as per the Enterprise Risk Management Framework requirements. This report also includes a comparison summary of the potential and current risk exposure profile.

COMMITTEE RECOMMENDATION

THAT the quarterly risk register updates as at 2 October 2015 and the annual presentation of the corporate and departmental risk registers, as presented in the attachments to this report, be adopted.

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

8.4 REGIONAL SERVICES REVIEWS AND RISKS

File No:	**8780**
Attachments:	**1. Glenmore Water Treatment Plant Functional Review**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**Robert Holmes - General Manager Regional Services**

SUMMARY

At a previous meeting of the Audit and Business Improvement Committee it was requested that the General Manager Regional Services present to a future meeting on operational reviews undertaken and also on the risks faced by the Regional Services Department in delivering its services to the community. This report and the presentation to be made by the General Manager Regional Services is submitted for the Committee's information.

4:24PM Mayor Strelow left the meeting

4:24PM 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 and Business Improvement Committee meeting for the period of the Mayor, Councillor Margaret Strelow's absence.

4:30PM Mayor Strelow returned to the meeting and resumed the Chair

COMMITTEE RECOMMENDATION

THAT the information be noted.

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

8.5 FINANCIAL STATEMENTS 2015-16

File No:	**9509**
Attachments:	**1. Update on 2014/15 Draft Audited Financial Statements** **2. 2014/15 Draft Audited Financial Statements** **3. Deloitte Closing Report for financial year ended 30 June 2015** **4. Draft Management Letter from Deloitte**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**Alicia Cutler - Manager Finance** **Tracy Sweeney - Acting General Manager Corporate Services**

SUMMARY

Manager Finance presenting the 2014/15 draft audited Financial Statements and representatives of Deloitte presenting the Closing Report for review and discussion of Audit and Business Improvement Committee prior to signing.

4:42PM The Chair requested that all officers and others present leave the meeting to enable the raising of matters with the external auditors and members of the Audit and Business Improvement Committee that were of a sensitive nature and did not require minuting.

5:02PM All returned to the meeting.

COMMITTEE RECOMMENDATION

THAT the 2014/15 draft audited Financial Statements and Closing Report be received and the Mayor and Chief Executive Officer consider any comments from the Committee prior to signing.

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

8.6 INVESTIGATION AND LEGAL MATTERS

File No: 5207

Attachments: 1. Legal Matter Report - 1 July to 31 October 2015

Authorising Officer: Evan Pardon - Chief Executive Officer

Author: Tracy Sweeney - Acting General Manager Corporate Services

SUMMARY

Manager Workforce and Strategy presenting an update of financial year to date Investigative Matters and the current Legal Matters as at 31 October 2015.

COMMITTEE RECOMMENDATION

THAT the update of investigative and legal matters for Rockhampton Regional Council be received.

Moved by: Councillor Smith

Seconded by: Professor Low

MOTION CARRIED

8.7 AMENDED ANNUAL AUDIT PLAN

File No:	**5207**
Attachments:	**1. Annual Audit Plan Summary 2015-16**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**John Wallace - Chief Audit Executive**

SUMMARY

An update to the Annual Audit Plan is provided, based on CEO requested changes. Significant changes are brought to the attention of Audit and Business Improvement Committee.

COMMITTEE RECOMMENDATION

THAT the Amended Annual Audit Plan report be received.

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

8.8 INTERNAL AUDIT PLAN PROGRESS REPORT

File No:	**5207**
Attachments:	**1. Annual Audit Plan Progress 2015-16**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**John Wallace - Chief Audit Executive**

SUMMARY

A progress update report of the planned audit activities is provided as per the Regulation.

COMMITTEE RECOMMENDATION

THAT the Internal Audit Plan Progress report be received.

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

8.9 AUDIT OF PLANT HIRE PURCHASING PROCESS

File No:	**5207**
Attachments:	**1. Q2 Purchasing Process-Plant Hire**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**John Wallace - Chief Audit Executive**

SUMMARY

The planned report of Purchasing for Plant hire is provided for review by the Committee.

5:31PM Mr MacLeod left the meeting
5:34PM Mr MacLeod returned to the meeting

COMMITTEE RECOMMENDATION

THAT the Audit of Plant Hire Purchasing Process report be received.

Moved by: **Mayor Strelow**
Seconded by: **Councillor Smith**
MOTION CARRIED

8.10 REVENUE MANAGEMENT SYSTEMS AND CONTROLS

File No:	**5207**
Attachments:	**1. R1-Revenue Management Systems & Controls**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**John Wallace - Chief Audit Executive**

SUMMARY

The planned audit of Revenue Management is provided for the attention of the Committee.

COMMITTEE RECOMMENDATION

THAT the report on Revenue Management Systems and Controls be received.

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

8.11 AUDIT COMMITTEE SELF-ASSESSMENT 2015

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

SUMMARY

The annual self-assessment from last year has now been collated and is provided for the information and attention of the Committee.

COMMITTEE RECOMMENDATION

THAT the Audit Committee Self-Assessment 2015 report be received.

Moved by: **Councillor Smith**
Seconded by: **Mr MacLeod**
MOTION CARRIED

8.12 BUSINESS IMPROVEMENT ACTIVITY – ACTION PROGRESS REPORT

File No:	**5207**
Attachments:	**1. Business Improvement Activity - Action Progress Report**
Authorising Officer:	**Evan Pardon - Chief Executive Officer**
Author:	**John Wallace - Chief Audit Executive**

SUMMARY

Submitted for the information of the Committee is the Business Improvement Activity – Action Progress Report, required under the Local Government Regulation and the Internal Audit Standards.

COMMITTEE RECOMMENDATION

THAT the Business Improvement Activity – Action Progress report be received.

Moved by: **Mr Parkinson**
Seconded by: **Councillor Smith**
MOTION CARRIED

9 NOTICES OF MOTION

Nil

10 URGENT BUSINESS\QUESTIONS

12 CLOSURE OF MEETING

There being no further business the meeting closed at 5:43pm.

SIGNATURE

CHAIRPERSON

DATE