



DOUGLAS SHIRE COUNCIL

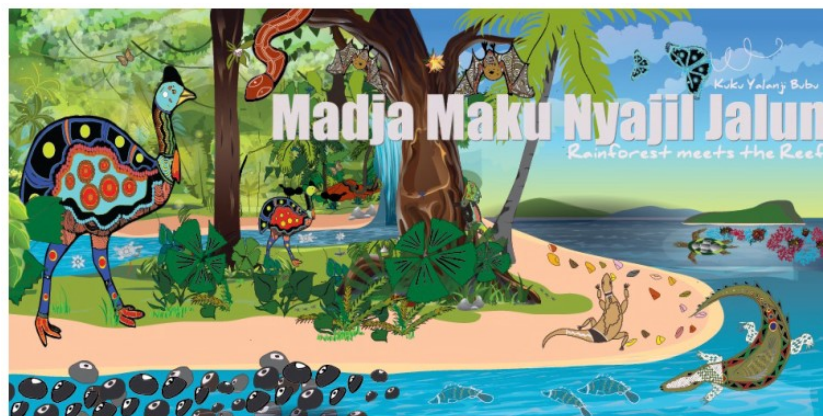
AUDIT COMMITTEE MEETING

AGENDA

Monday, 4 April 2022

ENSURING EXCELLENCE IN GOVERNANCE
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING
ENGAGING, PLANNING, PARTNERING
CELEBRATING OUR COMMUNITIES

DOUGLAS
SHIRE COUNCIL



Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"

PLEASE NOTE:

Conduct in Closed Session:

Council is obligated under Chapter 8, Part 2, Division 1A of the Local Government Regulation 2012 (Regulation) for its meetings to be open.

Section 254A (2) of the Regulation states that Division 1A does not apply to Audit Committee Meetings.

Audit Committee meetings are not open to the public and are conducted in closed session.

Record

The Audit Committee is a non-decision-making meeting.

Section 211 of the Regulation states:

- (1) The audit committee of a local government must—
 - (a) meet at least twice each financial year; and
 - (b) review each of the following matters—
 - (i) the internal audit plan for the internal audit for the current financial year;
 - (ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
 - (iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212;
 - (iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year; and
 - (c) as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.
- (2) At a meeting of the audit committee—
 - (a) a quorum is at least half the number of members of the committee; and
 - (b) either—
 - (i) the chairperson presides; or
 - (ii) if the chairperson is absent, the member chosen by the members present as chairperson for the meeting presides.
- (3) The audit committee may, for performing its functions under subsection (1)(b), seek information or advice from the person who has carried out the internal audit.
- (4) The chief executive officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.



A meeting of the Douglas Shire Council Audit Committee will be held on **Monday, 4 April 2022** at **4:00pm** at the **Administration Office**, 64-66 Front Street, Mossman QLD 4873.

AGENDA

1. Welcome5

2. Attendance And Apologies5

3. Confirmation Of Minutes.....5

**4. Declaration Of Conflicts Of Interest By Members Of The Audit
Committee And Observers10**

5. Matters Arising11

6.1. FINANCIAL REPORT 12

6.2. QUARTER 2 FY2021/22 CAPITAL WORKS PROGRESS REPORT20

6.3. INTERNAL AUDIT UPDATE31

6.4. RISK MANAGEMENT UPDATE.....38

6.5. AUDIT COMMITTEE POLICY57

6.6. ANNUAL WORK PLAN66

6.7. AUDIT COMMITTEE ANNUAL SELF ASSESSMENT71

1. WELCOME

2. ATTENDANCE AND APOLOGIES

Attendance

Committee Members

Chair	Dr Martin Fahy
External Member	Mr Drong Vue
Mayor	Cr Michael Kerr
Deputy Mayor	Cr Lisa Scomazzon

Officers

Chief Executive Officer	Rachel Brophy
Manager Governance	Juanita Warner
Chief Financial Officer	Tara Killeen
Manager Project Office	Scott Hahne
Team Leader Financial Accounting	Joanne Nicholson
Senior Governance Officer	Natalie Crimmins

Invited External Representatives

QAO	Martin Luwanga
QAO	Lisa Fraser

Apologies

3. CONFIRMATION OF MINUTES

That the Audit Committee confirms the minutes of the Audit Committee Meeting held on 30 September 2021.

ATTACHMENTS

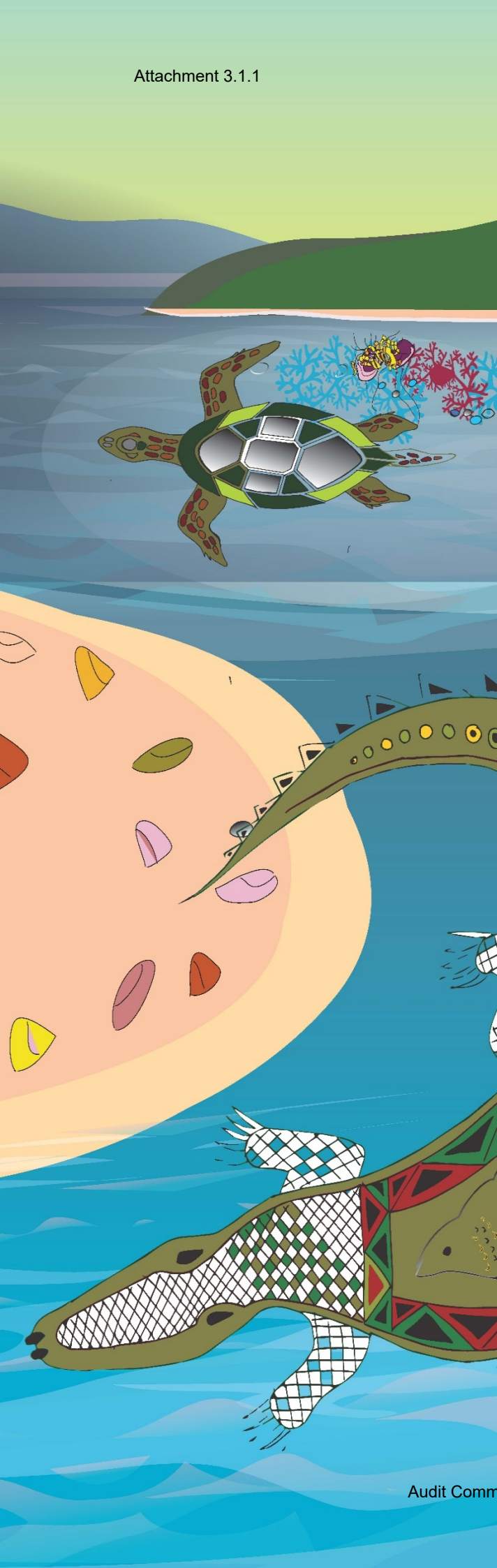
1. 30092021 Audit Committee Meeting Minutes Unconfirmed [3.1.1 - 4 pages]

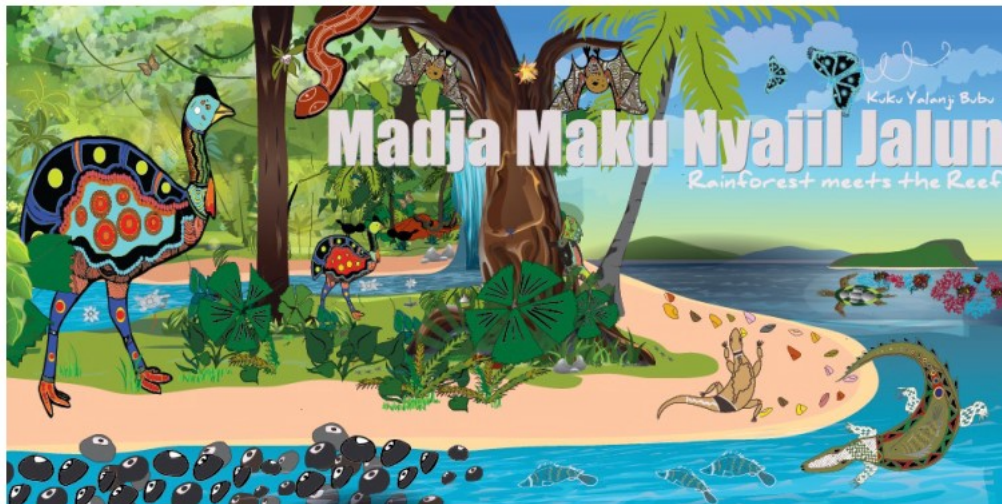
AUDIT COMMITTEE MEETING

MINUTES

Thursday 30 September 2021

ENSURING EXCELLENCE IN GOVERNANCE
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING
ENGAGING, PLANNING, PARTNERING
CELEBRATING OUR COMMUNITIES





Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"

1. WELCOME

The Chair opened the meeting at 10:00am welcomed the committee members and observers. The Chair made special thanks to Sri Narasimhan from QAO for joining the meeting today. The first part of this meeting is to look at the Financial Statements. The second part will be to receive the findings from the Daintree Ferry Probity Audit.

2. ATTENDANCE AND APOLOGIES

Committee Members

Chair	Dr Martin Fahy
External Member	Mr Drong Vue
Mayor	Cr Michael Kerr
Deputy Mayor	Cr Lisa Scomazzon

Officers

Acting Chief Executive Officer	Juanita Warner
Chief Financial Officer	Tara Killeen (Attended only 1 st Part)
Team Leader Financial Accounting	Joanne Nicholson (Attended only 1 st Part)
Team Leader Management Accounting	Sandeep Tut (Attended only 1 st Part)
Senior Procurement Officer	Sean O'Connor (Attended only 2 nd Part)
Senior Governance Officer	Natalie Crimmins (Attended only 1 st Part)

Invited Councillors

Councillor	Cr Abigail Noli (Attended only 2 nd Part)
Councillor	Cr Peter McKeown (Attended only 2 nd Part)
Councillor	Cr Roy Zammataro (Attended only 2 nd Part)

Invited External Representatives

Local Buy, Senior Probity Specialist	John Lee (Attended only 2 nd Part)
Local Buy, Senior Probity Specialist	Wendy Harris (Attended only 2 nd Part)
QAO	Sri Narasimhan (via Teams) (Attended only 1 st Part)

Apologies

There were no apologies noted.

3. CONFLICT OF INTEREST/MATERIAL PERSONAL INTEREST

There were no Conflicts of Interest declared by any Committee Member or Officer in relation to the items of business listed on the Agenda.

4. OFFICERS' REPORTS

4.1 FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2021

The Chief Financial Officer (CFO) presented the Financial Statements for the year ended 30 June 2021.

General Update

- CFO thanked the Finance team for the wonderful job they have done throughout the year, in particular to Jo, Sandeep and Katie.
- The financial year was difficult due to Covid
- The financial statements will be presented at a Special Council Meeting on 12 October 2021.
- The operating deficit for the year is \$2.23m compared to a budgeted operating deficit of \$3.66m.
- Operating result was better than budgeted due to:

- o Increased revenue from fees and charges
- o Grant revenue
- o Savings in expenditure (electricity, IT projects, landfill, depreciation)

Questions from the Floor:

- Were there any issues receiving information from officers?
 - o QAO advised: No. We have a strong relationship and no issues. Sri thanked CFO and the team and asked for the thanks to be passed on.
- Were there any significant deficiencies?
 - o QAO advised: Not for this closing report. There was one that for the interim audit regarding bank files. Management has now put processes in place to rectify this.
- Are you seeing similar Covid challenges around Queensland?
 - o There are different challenges. Douglas is quite unique but the challenges are similar.

The Chair noted that this is a very comprehensive report and thanked the Chief Financial Officer and Team Leader ICT for the information.

Officers Recommendation

It is recommended that the Audit Committee receive and note the Financial Statements for the year ended 30 June 2021.

Committee Decision

The Committee resolved to receive and note the officer’s recommendation.

The meeting adjourned at 10:22am and will reconvene at 12:00pm

The meeting reconvened at 12:00pm – This was a closed session and only Audit Committee, Acting CEO and invited guests – Cr McKeown, Cr Noli, Cr Zammataro, Mr John Lee and Ms Wendy Harris were in attendance.

4.2 PROBITY AUDIT REPORT FINDINGS

Mr John Lee presented the Probity Audit Report Findings.

Officers Recommendation

It is recommended that the Audit Committee receive and note the Probity Audit Findings Report.

Committee Decision

The Committee resolved to note and receive the officer’s recommendation.

The Probity Report will be presented to the next Council Meeting to be received.

5. NEXT MEETING

- To be confirmed.

6. CLOSURE OF MEETING

- The Chair thanked all for their attendance.
- The meeting closed at 12:45pm.

**DR MARTIN FAHY
CHAIR**

**4. DECLARATION OF CONFLICTS OF INTEREST BY MEMBERS OF THE
AUDIT COMMITTEE AND OBSERVERS**

Officer	Conflict of Interest

5. MATTERS ARISING

Action	Description

6.1. FINANCIAL REPORT

REPORT AUTHOR Tara Killeen, Chief Financial Officer

RECOMMENDATION

That the Audit Committee receive and note the report titled Financial Report.

EXECUTIVE SUMMARY

The Chief Financial Officer will present a verbal report on the attached Financial document.

ATTACHMENTS

1. Financial Report February 2022 [**6.1.1** - 7 pages]

5.7. FINANCIAL REPORT FEBRUARY 2022

REPORT AUTHOR	Tara Killeen, Chief Financial Officer
MANAGER	Rachel Brophy, Chief Executive Officer
DEPARTMENT	Finance and Corporate Services

RECOMMENDATION

That Council notes the Financial Report for February 2022.

EXECUTIVE SUMMARY

The attached Financial Report details the progress of the 2021/22 annual budget for the period ended 28 February 2022. Key points to note include the following:

- Operating revenue is currently ahead of budget \$196k.
- Operating expenditure is under budget by \$1.86m
- The Operating Surplus is currently \$10m, compared to a budgeted Surplus of \$8m.

BACKGROUND

In accordance with s 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

COMMENT

The 2021/22 annual budget was adopted on 15 June 2021 and revised on the 30 November 2021. The attached financial report details progress against revised budget for the period ended 28 February 2022.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

Operating Revenue and Expenditure

Key points:

- Council has received 87% of its annual budgeted operating revenue which is in line with previous years (2021 86%).
- Year to date operating expenditure is currently under budget due to the timing of invoices for materials and services, extended staff vacancies and depreciation variance attributed to completion of capital projects.

Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates and utility charges are currently ahead of budget \$227K. Supplementary Rates notices have been issued, and this has seen a lift in Rates & Sewer charges which now exceed their budget by \$31k. Waste revenue is behind budget \$7k and \$12k rebates have been processed in line with the Water Leak Policy. Water Revenue is ahead of budget \$211K after the calculation of the February water notices. The continued hot & dry weather may be a factor along with timing of water meter reads.
- Daintree Ferry revenue is currently \$195k behind budget due to the impact of Covid with border closures longer than originally anticipated. This variance will continue to be monitored closely as revenue has continued to decline since the preparation of the revised budget.
- Fees and charges are currently \$101k ahead of budget. There are a number of variances within this category:
 - Refuse Tipping fees are currently \$9k ahead of budget.
 - Licence Fees are currently \$6K behind budget due to timing of issuing notices
 - Property fees are currently \$23k ahead of budget. This is predominantly Property Search fees due to large volumes of property sales.
 - Other fees and charges are currently \$75k ahead of budget, this includes Mossman Van Park currently \$22k ahead, Pool \$14k ahead, Cemetery Fees are \$20k ahead. It also includes \$20k for a major Water connection.
- Grants and subsidies are currently \$61k ahead of budget. This includes \$83k for Part 2 of the illegal dumping grant, part of which will likely be carried forward to financial year 2023 as the project work will continue into the next year.
- Interest Income is currently \$38k behind budget. \$21k is from Rates & utility charges, where some significant property arrears have been paid. Investment interest has been less than anticipated at budget review due to low interest rates. Investment interest should start to increase with the receipt of capital grant funds.
- Other recurrent income is \$39k ahead of budget. This variance is primarily due to the budgeted timing of invoices being issued for works performed for Transport & Main roads, including works on the pedestrian crossings.

On the operating expenditure side, year to date expenditure variations to budget are as follows:

- Materials and services expenditure is currently \$1.3m under budget. This variance is primarily due to timing of receipt of invoices and commencement of operational projects. Committals are currently \$4.9m, which include annual purchase orders for major contracts such as Ferry, Waste removal, etc.

- Employee benefits are currently \$448k under budget. This can be impacted by various factors, such as staff vacancies, the amount and timing of leave taken and the allocation of costs to capital expenditure. Some of this variance will be offset in Materials & Services with the use of Temporary staff to cover vacancies. Labour skills shortage has seen a longer timeframe to fill vacant positions.
- Depreciation expense is currently \$131k under budget. This variance is impacted by the timing of completion of capital projects.
- Finance costs are currently \$5k under budget, this is due to timing of the finance charges for rates payments.

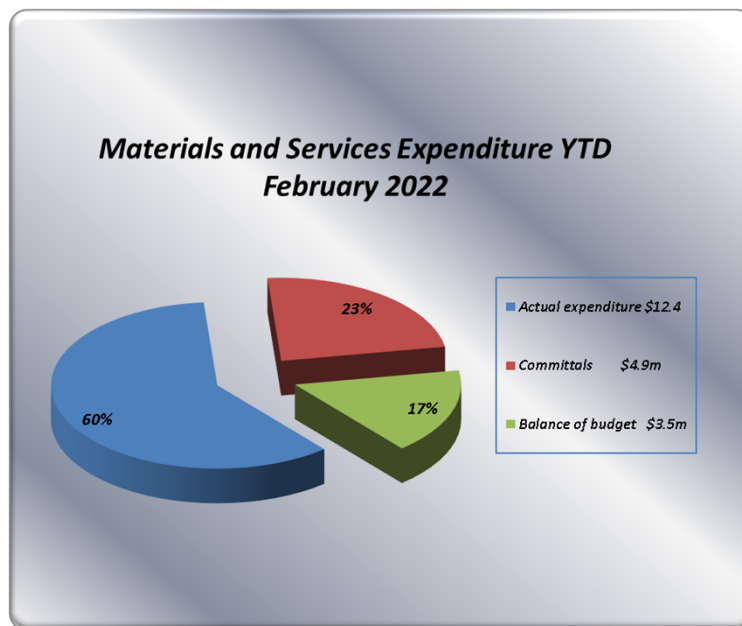


Figure 1 - Materials & Services

Capital Revenue and Expenditure

Key point:

- Council has received \$6.7m in capital grants and subsidies and \$630k in contributions from developers.

It should be noted that in addition to year-to-date capital expenditure of \$20.6m a further \$6.4m was committed at the end of February 2022.

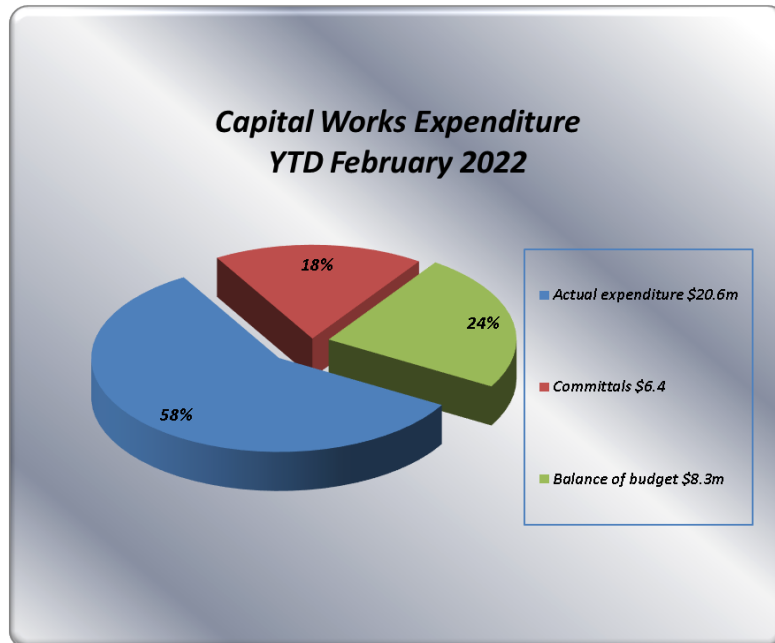


Figure 2 - Capital Expenditure

Operating Result

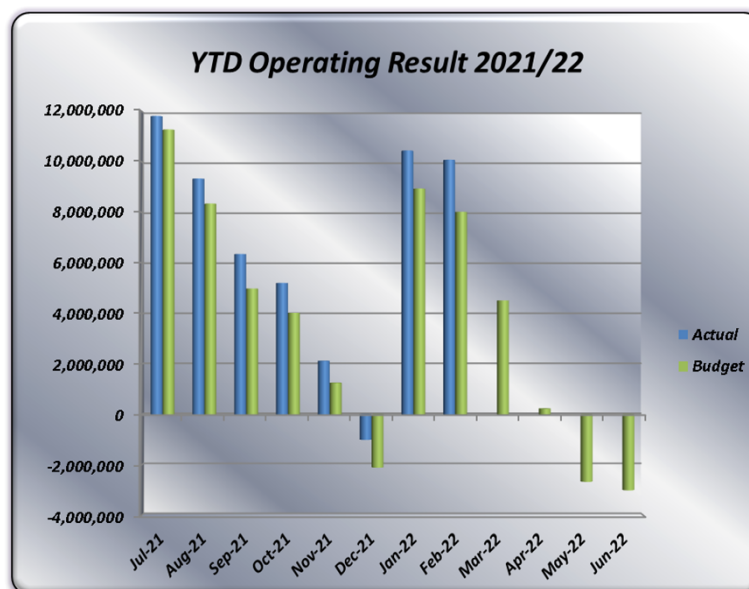


Figure 3 - Operating Results

Key point:

- The operating result is \$2m ahead of budget with an operating Surplus of \$10m compared to a budgeted Surplus of \$8m.

PROPOSAL

The Financial Report for the period ended 28 February 2022 be received and noted by Council.

FINANCIAL/RESOURCE IMPLICATIONS

It is noted that continued uncertainty regarding COVID-19 may impact the Shire.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

SUSTAINABILITY IMPLICATIONS

Economic: The COVID-19 pandemic will likely have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial forecast is to meet all three of the 'measures of financial sustainability' within an eight-year time frame.

Council has received notification that the annual Financial Assistance Grant will have a significant increase for Financial Year 2023, which should have a positive impact on Council Results. The timing of the first payment, which has previously been received in June of the prior Financial Year has not yet been advised.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Custodian Council owns and manages infrastructure, facilities, reserves, resources, and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment, and good governance.

Regulator Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

ATTACHMENTS

1. Financial Report February 2022 [5.7.1 - 1 page]

Douglas Shire Council					
Statement of Comprehensive Income					
Financial Report February 2022					
	Actual YTD 22	Budget YTD 22	Variance	Budget 21/22	Actual as % of
	\$	\$	\$	\$	Budget 21/22
Operating Revenue					
Rates and utility charges	35,305,662	35,070,463	235,199	37,684,964	94%
less: Financial Assistance, Remissions (incl. Pensioners)	(537,065)	(529,088)	(7,977)	(529,088)	102%
Net rates and utility charges	34,768,191	34,541,375	226,816	37,155,876	94%
Daintree River Ferry Fees & Charges	1,984,177	2,178,855	(194,678)	3,440,791	58%
Fees and charges (excluding Ferry)	2,297,618	2,196,414	101,204	3,096,489	74%
Grants and subsidies	1,372,740	1,311,366	61,374	2,686,858	51%
Interest received	173,459	211,367	(37,908)	355,040	49%
Other recurrent income	1,736,748	1,697,918	38,830	2,133,205	81%
Total Operating Revenue	42,332,933	42,137,295	195,638	48,868,259	87%
Operating Expenses					
Employee benefits	10,598,884	11,046,481	447,597	16,829,577	63%
Materials and services	12,426,307	13,702,500	1,276,193	20,781,849	60%
Depreciation	9,207,121	9,338,533	131,412	14,098,367	65%
Finance costs	37,980	43,287	5,307	150,705	25%
Total Recurrent Expenses	32,270,292	34,130,801	1,860,509	51,860,498	62%
Operating Result	10,062,641	8,006,494	2,056,147	(2,992,238)	(336%)
Capital Revenue					
Capital grants and subsidies	6,755,054	19,169,392	(12,414,338)	19,169,392	35%
Contributions from developers	629,846	250,000	379,846	250,000	252%
Total capital revenue	7,384,899	19,419,392	(12,034,493)	19,419,392	38%
Net Result	17,447,540	27,425,886	(9,978,346)	16,427,154	106%
Capital Works Program					
Capital additions	20,561,691	35,338,962	14,777,271	35,338,962	58%
Total capital additions	20,561,691	35,338,962	14,777,271	35,338,962	58%

6.2. QUARTER 2 FY2021/22 CAPITAL WORKS PROGRESS REPORT

REPORT AUTHOR

Scott Hahne, Manager Project Office

RECOMMENDATION

That the Audit Committee receive and note the report titled Quarter 2 FY2021-22 Capital Works Progress Report.

EXECUTIVE SUMMARY

The current capital works delivery program consists of 108 projects valued at \$35.595M contained within the 2021/22 delivery program. Fifteen projects have been completed to date, eight during the reporting period and a total of \$25.147M expended or committed to the market. Overall financial progress is 71% for the total program, behind the 80% target for quarter two.

BACKGROUND

A meeting is held every three weeks by a Project Control Group to oversee and monitor progress of capital works progress. Ordinary Council Meeting reports are generated quarterly for Council review and noting. The same report is presented for the Audit Committee.

COMMENTS

Nil

ATTACHMENTS

1. Capital works progress report Q 2 202122 [6.2.1 - 10 pages]

5.12. CAPITAL WORKS PROGRESS FOR SECOND QUARTER 2021/22

REPORT AUTHOR	Scott Hahne, Manager Project Office
MANAGER	Rachel Brophy - Chief Executive Officer
DEPARTMENT	Project Office

RECOMMENDATION

That Council receives and notes the progress of the Capital Works Program to 31 December 2021 for the 2021/22 financial year.

EXECUTIVE SUMMARY

The current capital works delivery program consists of 108 projects valued at \$35.595M contained within the 2021/22 delivery program. Fifteen projects have been completed to date, eight during the reporting period and a total of \$25.147M expended or committed to the market. Overall financial progress is 71% for the total program and 67% for the current financial year program valued at \$20.015M. Eight additional projects worth \$2.922M were added to the program during the budget review. However, five projects worth \$0.659M were removed during the reporting period due to accounting rule changes.

Overall progress was behind target with a 71% financial work in progress metric (WIP) being achieved, against the target of 80%. The reporting period is somewhat skewed though by the addition of projects through the budget review process, with work barely commencing on these new projects. Progress on previous years projects was well advanced at 96% WIP.

BACKGROUND

To better manage our ongoing Capital Projects, a Capital Tracking Project Control Group (PCG) has been established to oversee the delivery and reporting of all capital works projects across all departments within Council.

The PCG meets regularly to review project progress which is documented by staff in a constantly updated tracking report.

A condensed version of this report is included as update to Councillors and the public and it shows financial and risk and timeline performance.

A traffic light approach is applied to these indicators to show project performance, namely:

Performance Indicators ● Satisfactory ● Marginal ● Unsatisfactory

COMMENT

Refer to Attachment 1 which summarises the performance of the capital works delivery program in the second quarter of 2021/22.

For the period the target financial performance is to achieve 80% WIP (Actual and Committed) expenditure. The achieved WIP for all projects was 71%. However, performance is somewhat skewed by the following:

Forty-two projects worth \$15.579M were carried forward from the previous financial year. Eight of these projects are completed and \$14.894M expended or committed or 96% Work in Progress (WIP). Only one project is anticipated not being completed by 30 June 2022 at this time.

Fifty-eight projects worth \$17.093M were approved in the current 2021/22 financial year budget, of which seven has been completed and a WIP of 58% achieved. Five projects were removed from the capital works program due to accounting rule changes. Only one project is anticipated not being completed by 30 June 2022 at this time.

Eight additional projects worth \$2.922M were approved in the budget review in November 2021, with some modifications to prior and current budgets for capital works as well. The current WIP is 9% for these recently added projects with progress reflecting their recent addition to the program

In summary there are currently 108 projects valued at \$35.594M contained within the 2021/22 delivery program. Fifteen projects have been completed to date and \$25.147M expended or committed to the market. Overall financial progress is 71% for the total program.

During the reporting period, eight projects were completed, namely:

1. Douglas Indigenous Signage Program
2. Gravel road renewal program
3. Craiglie residential estate trunk infrastructure
4. Diggers Park
5. Solar power generation on Council buildings
6. PDWWTP Aerators & Diffusers
7. PDWWTP Air compressor renewal
8. WWTP residual plant design & construction

A detailed summary of each project is contained within Attachment 2.

PROPOSAL

That Council receives and notes the progress of the Capital Works Program to 31 December 2021 for the 2021/22 financial year.

FINANCIAL/RESOURCE IMPLICATIONS

Delivery of a capital works program within budget is essential to ensure that Council is financially sustainable, and that Council's assets are maintained and developed to meet the needs of communities within Douglas. All areas of Council's Operations Department are now developing ten-year capital works programs which provide a clear strategy for delivery of capital works projects and allow for the necessary planning and financing to occur.

RISK MANAGEMENT IMPLICATIONS

Council must plan and deliver a suitable capital works program to ensure that its assets are able to service the needs of the communities within Douglas Shire. Council has a statutory obligation as a service provider to ensure it is able to provide water and wastewater services to customers.

Council's reputation and the community's amenity would suffer if it is unable to maintain assets and service levels at necessary standards. The consequence of inadequate maintenance and upgrade of capital assets will be increased costs in the future.

SUSTAINABILITY IMPLICATIONS

Economic: Financial sustainability of the Council would be at risk if capital works programs are not kept within budget or are not undertaken.

Environmental: Failing to maintain assets can lead to environmental impacts through the release of materials to the environment outside of licence conditions. Poorly maintained assets can also have impacts on energy and resource use.

Social: Communities expect assets such as roads, bridges and water/wastewater systems to be safe and maintained to necessary standards.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector.

Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - We will build appropriate infrastructure and deliver services that connect and support businesses.

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Consultation has been undertaken with the Managers and Coordinators within the Operations Department and with the Management Team.

External: Nil.

ATTACHMENTS

1. Attach 1 Q 2 CWPR [5.12.1 - 1 page]
2. Attachment 2 Q 2 202122 CWPR [5.12.2 - 5 pages]

SUMMARY														
Project Year	Number of Projects	Completed Projects	Project Completion Rate	Current 21/22 Budget	Commitments	Commitments / Budget	21/22 Actuals	Actuals / Budget	21/22 WIP (Actuals + Commitments)	WIP / Budget	Remaining Budget Available	Anticipated 21/22 budget removing FY2022/23 portion of budget	Revised WIP / Budget	Number of projects not scheduled to be completed in current FY
PRIOR BUDGET YEAR(S)	42	8	19%	\$ 15,579,407	\$ 4,967,756	32%	\$ 9,926,833	64%	\$14,894,589	96%	\$ 684,818	\$ 14,091,577	106%	1
CURRENT BUDGET YEAR	58	7	12%	\$ 17,093,029	\$ 3,128,947	18%	\$ 6,869,790	40%	\$ 9,998,737	58%	\$ 7,094,292	\$ 17,023,111	59%	1
BUDGET REVIEW PROJECTS	8	-	0%	\$ 2,922,500	\$ 221,968	8%	\$ 69,747	2%	\$ 254,654	9%	\$ 2,667,846	\$ 2,922,500	9%	-
PROJECTS NOT ADOPTED IN BUDGET(S)	-	-		\$ -	\$ -		\$ -		\$ -		\$ -	\$ -		-
TOTAL	108	15	14%	\$ 35,594,936	\$ 8,318,671	23%	\$16,829,309	47%	\$25,147,980	71%	\$ 10,446,956	\$ 34,037,188	74%	2
CURRENT ADOPTED BUDGET	108	15	14%	\$ 35,594,936	\$ 8,318,671	23%	\$16,829,309	47%	\$25,147,980	71%	\$ 10,446,956	\$ 34,037,188	74%	2

Audit Committee Meeting - 4 April 2022
 Ordinary Council Meeting - 29 March 2022

Previous Year(s) Carry Over Projects										
	Project Name	Budget	Actuals	Committals	W/P (Actuals & Committals)	Percentage Complete	Budget Status	Program Status	Other Risk Items Status	
Community Development										
1	Grant Funding - COVID W4Q - Mossman Caravan Park and Pool Upgrades 20/21	191,604	192,290	-	192,290	99%	Minor roof issue needs to be addressed	Project completed. Minor issues outstanding	Nil	
2	Grant Funding- Safe Places Emergency Accommodation	752,689	178,066	406,263	584,329	20%	Construction work has begun.	Ground broken 19/10.	High	
3	Port Douglas Pool and Splash Park- Masterplan, Concept & Detailed Designs	461,056	1,171	-	1,171	10%	To tender	Tender released 10/21.	Low	
4	Mossman Pool Lighting Design & Installation	121,525	121,480	-	121,480	100%	Expected to be on budget	Work complete 25/8.	EOT granted for funding	
Property Services										
5	Mossman Showgrounds - Disability access to toilets	(4,844)	-	-	-	100%	Wages only being capitalised to Project Manage. RFT in progress for builder.	Project Complete	Project complete	
6	Wonga Beach Caravan Park Grey Water System	119,559	7,768	-	7,768	5%	Expected to be on budget	Scope of works to be developed in early 2021.	Issues with land tenure	
7	Upgrades to Mossman Golf Club	45,701	40,017	-	40,017	75%	Expected to be over budget	Expected to be delayed due to scope and budgetary issues	Planning and additional scope	
8	Wonga Beach Caravan Park Caretaker Residence	140,000	49,877	100,664	150,541	5%	Over budget by \$30,000 for septic tank installation and furniture for cabin.	Work commenced mid-November and expected completion end of December 2021. Metal frames have been fabricated. Contractor on site for assembly first week in December and completed by end of December 21.	Initial issues with land tenure but this has been rectified. Building and Planning approval have been obtained.	
ICT Services										
9	ICT Mossman Computer Room Equipment Refresh	262,955	-	-	-	98%	Billing finalised. May be some unexpected costs when the Disaster Recovery environment is built. No savings as majority of costs have been transferred to operating.	System went live 20 November. Minimal disruption. Remaining work / scope = Cloud Disaster Recovery Site	Medium risk. Remaining work yet to be designed and scoped.	
10	Video Streaming Room Setup	(0)	5,086	5,086	-	95%	Expected to be on or under budget	Audio Equipment installed. Video equipment installed but waiting on vendor to finish config.	Medium risk	
Building Facilities										
11	Grant Funding BOR - Sugar Wharf- New Toilets, Track Lights, Fans	72,416	80,126	-	80,126	80%	Project expected to be over budget due to structural issues needing to be rectified. Over spend of \$30K	Toilets complete, electrical works have started with works to take place around existing bookings.	Project delays due to structural issues, film crew and high number of existing bookings.	
12	Sugar Wharf- Concrete Jetty	45,816	24,235	17,197	41,432	40%	Structural issues - additional budget requested in Dec review.	Engineering assessment has identified significant structural issues that require rectification. To be workshoped with Council	Works will be impacted by tide times with work intervals of only a few hours at a time.	
Civil Works										
13	Grant Funding - Construction - PCN Junction Bridge - Mossman to Cooya Beach Stage 1 (PCB245 - Cyclist & Pedestrian Bridge Cooya Beach Road Proposed project to include a 2 mtr negotiable wide bridge)	164,716	152,306	-	152,306	100%	Expected to be on budget	Project complete	Complete	
14	Warner Street Phase 2- Drainage and Footpaths Finalisation	138,487	4,253	-	4,253	60%	Expected to be on budget	Works to be delayed into 2021/22 financial year	Weather, site constraints, community, Covid-19	
15	Grant Funding - Noah Creek Bridge - Construction	1,502,859	8,247	1,243,905	1,252,152	25%	Delays impacting budget	Environmental permits received, land purchase delayed.	Land purchase, Cultural Heritage	
16	Grant Funding - Design - PCN North Mossman to Newell Beach 2019-20	55,551	4,675	22,768	27,442	90%	Expected to be on budget	Works to be delayed into 21/22 financial year	Low risk	
17	Mossman Streetscape Improvement Program	67,775	67,695	-	67,695	100%	Expected to be over budget	Project delayed due to insufficient budget to deliver	Community and Councilors expectations	
18	Grant Funding - Wharf Street Port Douglas Floodgates - QRRF - DoSC.0032.1920M.QRF	92,380	-	-	-	60%	Expected to be under budget	Funding arrangement ends end of June 2022. Project to be completed end of June 2022.	Wet Season/ Low risk	
Public Spaces										
19	Diggers park	57,724	57,724	-	57,724	100%	Slightly over budget	Project complete	Complete	
Environment Planning										
20	PCBF436 2018-19 Solar Power Generation on Council Buildings	(32,700)	-	-	-	100%	Project not proceeding	Project not proceeding	Land currently owned by DNRM	
21	CHAS Outcomes- Beach Monitoring Systems	23,996	564	22,928	23,492	90%	Expected to be on budget	waiting for final invoice and hand over instructions	Low risk	
22	Grant Funding - Reef Assist Program - Dune Rehabilitation in the Douglas Shire	262,011	160,236	123,785	284,021	60%	Expected to be on budget	Assistant Nursery Technician employed for 12 months. Agency staff employed to do coastal on-ground works. Foreshore Management Plans Drafts finalised. Fencing and revegetation works contractor appointed. Works commenced. Approved project extension until 14 January 2022.	Low risk	
Disaster Management										
23	Grant Funding - DRFA FWINP CREB TRACK	48,885	3,087	18,868	21,955	59%	Expected to be on budget	Contract signed. Site work to commence Feb 22	Low risk	
24	Grant Funding - DRFA FWINP McDowall Range	17,463	1,914	15,670	17,584	59%	Expected to be on budget	Contract signed. Site work to commence Feb 22	Low risk	
25	Grant Funding - DRFA FWINP Stewart Creek Valley	18,939	1,914	15,670	17,584	59%	Expected to be on budget	Contract signed. Site work to commence Feb 22	Low risk	
26	Grant Funding - DRFA FWINP Mossman TP	18,939	2,004	15,670	17,674	59%	Expected to be on budget	Contract signed. Site work to commence Feb 22	Low risk	
27	Grant Funding - DRFA FWINP Rex Creek Intake	18,939	1,970	15,670	17,640	59%	Expected to be on budget	Contract signed. Site work to commence Feb 22	Low risk	
Wastewater										
28	Port Douglas WWTP - UV Disinfection	11,587	10,856	-	10,856	100%	Expected to be on budget	Project complete	Complete	
29	Grant Funding - COVID W4Q - PDWWTP Aerators & Diffusers	172,662	171,422	-	171,422	100%	Expected to be on budget	Project complete	Complete	

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Budget Status	Program Status	Other Risk Items Status
Water Quality									
30	WWTP Residual Plant Design & Construction	10,946	10,438	-	10,438	100%	Expected to be on budget	Project Completed Construction fast tracked and in progress. Pavement Improvements/ Bitumen Coat Seal remaining.	Medium risk
31	Craiglie Reservoir Upgrades - Chlorination	15,818	14,921	-	14,921	99%	Once final invoice for scada and AC is submitted, project will be capitalised.	Project works complete. Tank Filled and Tested. Completing some additional Operational SCADA works.	System not currently operating as required. More investigation ongoing
32	Process Control Renewal Program	18,169	18,503	-	18,503	95%	Project complete	Project complete	Complete
33	UF Cartridges Renewals Program 20/21	9,415	9,415	-	9,415	100%	Under budget	Project complete	Complete
34	Security & Disaster Response Strengthening Program	99,930	87,915	14,859	102,775	80%	Expected to be within budget	Roll out of new security access cards is underway. W&W sites & Admin. Security for reservoir access hatches arrived ready to be installed.	Availability of components due to COVID delays
35	MWTP Raw Water Line Repairs	98,578	9,757	94,871	104,628	90%	Expected to be on budget	Final stages in progress	Undertaking repair to raw water main. Limited options to resolve.
Water Reticulation									
36	Reservoir Access Renewals	28,613	1,466	27,136	28,602	80%	Over budget due to additional fabrication required to meet compliance requirements.	Project to be split as two projects. DeMeio will be completed in by December 2021. Daintree will have revised scope for roof replacement incorporated under a new W.O.	Minimal risk - scope requires code compliance assessment, works won't affect reservoir operation
37	Water Main Renewal Program 20/21	103,622	30,898	61,427	92,324	80%	Expected to be on budget	Whyanbeel design and costing analysis at final stages.	Low risk - Design work
38	2017-18 Additional Water Extraction Site Design Finalisation (Drumsara) P-2018-026 AM - PCWR005	23,326	1,471	-	1,471	61%	Budget is adequate to cover only limited in-house works to progress at this stage. Further budget required to complete Part 2 of the project.	Part 1 completed. Part 2 being worked on in-house, including licence applications.	Issues obtaining water licence and access and ownership of the land tenure.
Disaster Recovery									
39	Donovans Range Betterment - Cape Tribulation Bloomfield Rd - Cat D Funding	3,439,069	2,723,138	1,181,570	3,904,708	95%	Under budget	Construction In progress	Unexpected ground conditions
40	Cape Tribulation Bloomfield Rd (Wujal Wujal)-Cat D Betterment Funding	3,396,563	3,988,535	1,459	3,989,995	75%	Budget tight	Construction In progress	Remote work/ Weather Conditions
41	Zig Zag Rd Betterment -Category D Betterment Funding	3,179,681	1,562,161	1,547,075	3,109,236	60%	Budget tight	Construction In progress	Remote work/Weather Conditions.

Original Budget June 2021 - 2021/2022 Delivery

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Budget Status	Program Status	Other Risk Items Status
Community Development									
1	Sports Master Plan Implementation for Port Douglas and Mossman	427,366	27,543	3,950	31,493	25%	Expected to be under budget	Amount set aside for co-contribution to Active Game Day grant applications. Project Office leading planning for ticket box and change-rooms etc. for Port Douglas Sports Complex.	scope definition
2	Douglas Indigenous Signage Program	30,001	-	-	-	100%	Project cancelled	Project cancelled	Project cancelled
Property Services									
3	Mossman Pool - Design	-	-	-	-	100%	Budget reallocated to pay for Pool repairs	Complete	Complete
4	Purchase Road Reserve to Accommodate Reef Bank	109,989	-	-	-	0%	State asking price significantly above Council's expectations. Lobbying for funding assistance.	Project stalled due to purchase price	Community expectations, Economic opportunities
ICT Services									
Building Facilities									
5	Building & Facilities Renewal Program	279,815	39,618	153,824	193,443	60%	Project expected to be on budget.	Works underway- Contractors have been engaged	Low Risk
6	Infrastructure Lighting Renewal Program	40,000	1,801	4,055	5,855	20%	Project expected to be on budget.	Investigations being undertaken on Coronation Park lighting upgrade. Works to be rolled out upon requests from user groups.	Low Risk
7	Mossman Depot Auto Gates	35,000	34,427	-	34,427	90%	Project expected to be over spent by \$4k	Works underway	Low Risk - to be compatible with new security system
8	Diwan Health Clinic Generator Compound Renewal	75,000	5,773	56,136	61,909	60%	Project expected to be on budget.	Contractor engaged. Delays expected due to weather and material supplies. Completion expected by Mid June 2022	Low Risk
9	Security System Access Refresh	45,000	6,545	3,727	10,272	30%	Project expected to be on budget.	Stage 2 - Mossman depot, community halls & Library underway.	Low Risk
Fleet									
10	Fleet Renewal Program- 2021/22 Heavy Plant	650,000	175,300	233,387	408,686	65%	Project on Budget	All renewal fleet will be ordered before end of December	Supplier delays
Civil Works									
11	Grant Funding - Timber Bridge and Boardwalk Renewal - LRC12	79,893	33,456	50,250	83,706	85%	Expected to be on budget	Renewal of Sagiba Ave foot bridge, bridge delivered	No risk
12	Grant Funding - Disability Infrastructure Upgrades 21/22- LRC12	100,000	6,971	44,600	51,571	50%	Expected to be on budget	Contractor engaged to commence with repairs and compliance issues along Front street, Mossman.	No risk
13	Grant Funding - W4Q 2021-24 - Road Reseal Program 21/22	600,000	265,772	12,425	278,197	50%	Expected to be on budget	Project Commenced. Outstanding works planned to be completed after the wet season	No risk
14	Pavement Renewal Program 21/22	250,000	206,937	-	206,937	85%	Expected to be on budget	Project Commenced. Outstanding works planned to be completed after the wet season	No risk
15	Grant Funding - W4Q 2021-24 - Gravel Road Renewal Program 21/22	450,000	449,740	-	449,740	100%	Under budget	Project complete	Complete
16	Grant Funding - Footpath Renewal Program 21/22 - LRC12	150,000	137,888	9,313	147,201	90%	Expected to be on budget	Project near completion.	No risk
17	Kerb & Channel Program 21/22	205,000	187,440	22,050	209,490	90%	Expected to be over budget	Project near completion.	No risk
18	Footpath & Road Lighting Program 21/22	350,000	6,955	25,223	32,179	10%	Expected to be on budget	Project Commenced.	No risk
19	Craiglie Residential Estate Trunk Infrastructure	1,000,000	1,002,579	-	1,002,579	100%	Slightly over budget	Project complete	Complete
20	Grant Funding - Construction - PCN Stage 2 Cooya Beach Cycleway	2,493,392	630,570	130,575	761,145	35%	Expected to be on budget	Finalising design deliverables	Finalise land acquisition
21	Warners Bridge Renewal Construction 2021/22	1,211,205	185,301	938,528	1,123,828	30%	Expected to be on budget	Works to commence in October	Early wet season
22	Anich's Bridge Renewal Construction 2021/22	783,964	806,776	32,073	838,849	80%	Expected to be on budget	Works to commence September - dependent on cane growers	Early wet season
23	Realign Douglas Creek Road	128,307	106,754	224	106,978	95%	Expected to be on budget	Project near completion.	No risk
24	Daintree Ferry - Design Works	357,311	39,915	-	39,915	10%	Expected to be on budget	Project commenced.	Expectations/ Community/ Permits/
25	Drainage Program- 21/22	300,000	67,212	49,236	116,448	35%	Expected to be on budget	Drainage renewals as per drainage program register	No risk
Public Spaces									
26	Grant Funding - Parks Renewal Program 21/22 - LRC12	450,000	173,756	215,026	388,781	55%	Tracking on budget	On track. Playgrounds and park furniture procured. Arranging installation.	Consultation; supply of equipment
27	Rex Smeal Playground	100,000	15,947	-	15,947	5%	Tracking on budget. Project may be under budget depending acquisition advice.	Project waiting direction on State Land and ability to acquire (purchase or lease). Playground detail design committed under 2019/20	Subject to consultation outcomes. Car park land not owned by Council.
Environment & Planning									
28	Refurbish Pile Moorings PD Boat Harbour	43,491	7,260	1,003	8,263	40%	RFQ responses received. More expensive than expected.	Rescoped and asked tenderers to update quote. Due second week Jan	Potential to include Sugar Wharf piles
Resource Management									
29	Landfill Capping- Newell	154,000	47,302	20,838	68,140	50%	On budget	Commenced & ongoing. Level sensors sourced - install in first quarter. Groundswell Trial established & ongoing.	Weather conditions and contractor availability

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete		Budget Status	Program Status	Other Risk Items Status
30	Killaloe Transfer Station Amenities & Crib Room	91,678	80,104	2,000	82,104	90%	🟢	On budget	🟢 Commenced. Pad preparation complete. Demountable installed on footings; power, potable water & septic connected. Bollards & security screens installed. Building approval granted. Awaiting installation of gutters, shade sail over entry doors & pin code entry.	🟢 Contractor availability
31	Killaloe Interim Capping	290,000	55,527	38,107	93,634	30%	🟢	On budget	🟢 Commenced, Landfill interim capped, rolled & closed. Grass seeding to commence shortly, planning commenced for final profile. Leachate carting ongoing.	🟢 Weather conditions impacting works
32	Sanitary Depot Final Capping	233,000	34,452	13,601	48,053	15%	🟢	On budget	🟢 Commenced & ongoing works & maintenance. Site survey due Feb 2022.	🟢 Weather conditions and contractor availability
33	Cow Bay Transfer Station Communications & Safety	20,000	869	-	869	40%	🟢	On budget	🟢 Contractor & provider engaged by ICT. Reviewing quote. Ongoing fees for satellite excessive. Looking at alternate solutions.	🟢 Ongoing satellite fees.
34	Cow Bay Transfer Station Ramp	20,000	-	-	-	0%	🟢	On budget	🟢 Option review to be undertaken during Wet Season	🟢 Insufficient funding for substantial change.
35	Killaloe Transfer Station Site Security	10,000	-	-	-	5%	🟢	On budget	🟢 Commenced planning stage.	🟢 Contractor availability, weather
36	Grant Funding - W4Q3.04 - Resource Recovery Shed at Killaloe Transfer Station - Capital Works Project 2019/21	485,514	507,719	1,198	508,917	94%	🔴	Over Budget	🟢 1 final inspection & then building certificate to be issued	🟢 inspections
Wastewater										
37	Manhole Raise & Reseal Program 21/22	60,000	48,269	776	49,046	75%	🟢	Expected to be within budget	🟢 Cooya beach completed and some additional rectifications and equipment may need to be manufactured for future emergent works.	🟢 Unexpected issues may arise during wet season requiring emergent rectifications
38	Manhole Condition Assessment- Refurb Program 21/22	50,000	19,296	-	19,296	35%	🟢	Expected to be within budget	🟢 Contractor engaged to complete rectification works to manholes. On site 16th December	🟢 Wet season infiltration can make rectification hard and delay works
39	PDWWTP Air Compressor Renewals 21/22	49,000	54,078	-	54,078	100%	🔴	Over budget	🟢 Project complete	🟢 Complete
40	Auto- Samplers 21/22	14,000	13,297	-	13,297	95%	🟢	Expected to be within budget	🟢 Project is complete from operations perspective and completion form sent to asset accounts	🟢 Complete
41	RTU & Switchboard Renewal	436,315	44,382	327,245	371,627	45%	🟢	Expected to be within budget. Purchasing 4 or 9 switchboards with existing budget	🟢 Switchboard manufacture under way. Switchboard slabs to be modified. Engaging contractor 6/12	🟢 RTU upgrades awaiting server upgrades from IT department
42	Tertiary Filters Media Sand Replacement and Inspections/ Repairs	45,000	41,303	-	41,303	75%	🟢	Expected to be within budget	🟢 Sand in filters has all been replenished. Centres have been located. Pressure gauges are New bark has been installed and roof has been placed back on. Currently working on irrigation system. Grit vortex chamber is continually failing and is having an impact on the odour. Assessment required for functionality and budgeting for 2022.	🟢 Expected to be on or just under budget
43	PDWWTP Odour Control Unit Renewal	100,000	33,180	-	33,180	70%	🟢	Expected to be within budget due to carrying works in-house.	🟢 LT rising main completed. Pressure equipment is being evaluated with supplier in	🟢 Expected to be on or under budget
44	Wastewater Network Renewal Program	150,000	80,311	13,220	93,531	50%	🟢	Expected to be within budget	🟢 LT rising main completed. Pressure equipment is being evaluated with supplier in	🟢 Wet season installations can effect delivery or budget
Water Quality										
45	Chemical WHS WTP Works	139,837	10,408	-	10,408	30%	🟡	Requires design and construct.	🟢 RFQ received 1 quote. Way over budget. Will break down project into small internally manageable parts.	🟡 Compliance
46	CIP Filter Replacement Program 21/22	6,000	-	-	-	60%	🟢	Expected to be within budget	🟢 Parts for existing filters on order	🟢 No additional risks due to change of scope.
47	Process Control Renewal Program 21/22	110,000	57	31,806	31,863	45%	🟢	Expected to be within budget	🟢 Ordered meters and calcite dosing system for Daintree.	🟢 Potential supply issues due to COVID.
48	UF Cartridges Renewals Program 21/22	315,000	1,996	11,200	13,196	15%	🟢	Expected to be within budget	🟢 Consultant on site prior to end of the year to assess current system. Assessment underway and expected to be completed by 12 Jan 2022.	🟢 Existing Koch filters manufacturing has ceased. Due to this a new assessment was required. Risk of supply, installation and transport.
49	Protective Roof Turbidity Meter Cabinet	15,000	-	-	-	5%	🟢	Expected to be within budget	🟢 Currently obtaining quotes for AS ISO standard enclosures.	🟢 Expected to be completed before end of financial year.
50	RTU & Switchboard Renewals for Water Quality	323,759	25,164	65,422	90,586	40%	🟢	Expected to be within budget	🟡 Minor engineering works ongoing. RTUs to be upgraded post server upgrades and likely to roll into 2022.	🟡 RTU upgrades awaiting server upgrades from IT department
51	Grant Funding- NQRRG- Water Infrastructure Upgrade	80,000	1,572	-	1,572	20%	🟢	Expected to be within budget	🟢 Generator for Rocky Point ordered. Waiting for contractor to quote for generator set for Daintree.	🟢 Potential supply issues due to COVID
52	UV Unit Renewals	70,000	57	-	57	5%	🟢	Expected to be within budget	🟢 Researching current best practice supplier.	🟢 Expected to be completed before end of financial year.
Water Reticulation										
53	Water Main Fire Fighting Compliance	100,000	1,615	-	1,615	100%	🟢	Expected to be on budget	🟡 On hold	🟢 Funds may need to be reallocated to W05667
54	Water Network Service Renewals Program	748,660	468,381	44,076	512,456	50%	🟡	Budget expected to be insufficient.	🟢 Ongoing mains repairs.	🟢 Major mains failure
55	Grant Funding - W4Q 2021-24 - Smart Meter Program (initially COVID W4Q)	783,101	200,438	529,779	730,218	50%	🟢	Currently within budget.	🟢 Receiver installation complete. Meters due to arrive first week of Jan 22	🟡 Expecting some variations during rollout.
56	Water Main Renewal Program 21/22	550,000	8,948	-	8,948	10%	🔴	Budget expected to be insufficient.	🟢 Design and costing complete for Grant St & Whyanbeel and tender briefing onsite 16/12/21	🟢 Design within road corridor to reduce risk and associated approvals/ agreements with Land Owners.
57	Bulk Raw Water Storage Reservoir	149,772	447	-	447	5%	🟢	on track	🟢 Progressing concepts and business case.	🟢 Future funding of preferred option.
58	BBRF Grant Application- Council Contribution	-	-	-	-	100%	🟢	Funding not successful	🟢 Not going ahead this year	🟢 Unsuccessful at grant bid

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Budget Status	Program Status	Other Risk Items Status
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6.3. INTERNAL AUDIT UPDATE

REPORT AUTHOR

Juanita Warner, Manager Governance

RECOMMENDATION

That the Audit Committee note the Internal Audit Plan Report.

EXECUTIVE SUMMARY

The Internal Audit function is one component of the Douglas Shire Council's Governance Structure. In addition to key management controls and the organisation-wide risk assessment process, the Internal Audit function provides the organisation's stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements.

The purpose of this report is to update the Audit Committee on areas that were covered through the Internal Audit 20/21 and the Scope of Areas for 2021/22.

- **FY 2021: CRM / Corporate Cards / Environmental Compliance – attached**

CRM – Officers have started working on the Auditor's Recommendations and Management Responses. Work has been planned and is tracking well.

Corporate Cards - Officers have started working on the Auditor's Recommendations and Management Responses. Work has been planned and is tracking well.

Environmental Compliance - Officers have started working on the Auditor's Recommendations and Management Responses

- **FY 2022: Records Management/Developer Contribution – dates to be determined**

BACKGROUND

In accordance with section 207(1) of the Local Government Regulation 2012 (LGR 2012), Council must prepare and carry out an internal audit plan each financial year. Additionally, Council is to receive a progress report to enable it to assess compliance with the adopted internal audit plan.

COMMENTS

Pacifica Chartered Accountants have been performing the Internal Audit for Douglas Shire Council for a number of years. These projects were prioritised to focus on the immediate needs of management and provide assurance coverage over elements of the Council's most significant risks. The following represents Internal Projects that have been previously completed for Council.

FY 2014: Specific Procedures requested by Management & Payroll Processes.

FY 2015: Cash Handling Practices / Procurement Compliance / Rates and Water Billing Procedures.

FY 2016: Customer Request Management / Plant Management Practices / Stores and Inventory Management.

FY 2017: Trust Account Validation.

FY 2018: Financial Statement Assurance / Property and Leasing / Fraud Risk and Ethical Conduct.

FY 2019: Data Analytics / Grants Application and Management Process / Risk Assessment of changes to payroll function reporting lines.

FY 2020: Revenue Assurance & Cash Handling / Water Management Practices.

FY 2021: CRM / Corporate Cards / Environmental Compliance

ATTACHMENTS

1. Corporate Card [6.3.1 - 1 page]
2. CRM AUDIT [6.3.2 - 4 pages]

Audit Issues Tracking Register

Action Plan 2019/2020



Year	Audit Internal or External	Internal Control issues	Risk Rating	Issue/Recommendation	Management Response:	Notes from Auditors	Responsible Officer	Due Date	Status	Date Resolved
		[Redacted]	Low	[Redacted]	[Redacted]		[Redacted]	[Redacted]	Yellow	Yellow
		[Redacted]	[Redacted]	[Redacted]	[Redacted]		[Redacted]	[Redacted]	Yellow	Yellow
		[Redacted]	[Redacted]	[Redacted]	[Redacted]		[Redacted]	[Redacted]	Green	Green
[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]		[Redacted]	[Redacted]	Yellow	Yellow
		[Redacted]	[Redacted]	[Redacted]	[Redacted]		[Redacted]	[Redacted]	Green	Green

Year	Audit Internal or External	Internal Control issues Attachment 6.3.2	Risk Rating	Issue/Recommendation	Management Response:	Notes from Auditors	Responsible Officer 33 of 82	WORK PLANNED	Due Date	Status	Stakeholders	Date Resolved
			Moderate	[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]		
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
			Moderate	[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]		
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	
				[Redacted]	[Redacted]		[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	

			[REDACTED]	[REDACTED]		2	[REDACTED]	[REDACTED]	[REDACTED]	
			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
	[REDACTED]	Low	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
	[REDACTED]	Low	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	Low	[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	
			[REDACTED]	[REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

Attachment 6.3.2

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36 of 82

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6.4. RISK MANAGEMENT UPDATE

REPORT AUTHOR

Juanita Warner, Manager Governance

RECOMMENDATION

That the Audit Committee note the Enterprise Risk Management Update Report.

EXECUTIVE SUMMARY

Risk Management is ensuring Council understands and manages risks and seeks to ensure that there is a consistency to the methods used in assessing, monitoring and communicating risks across the organisation. Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decisions over the long term.

BACKGROUND

The ERM was reviewed and updated in May 2021.

The ERM was workshopped with Councillors mid-June 2021.

The ERM was presented to the Audit Committee in June 2021 for endorsement.

The ERM was adopted by Council at its June Ordinary Meeting 2021.

COMMENTS

The Corporate Risk Register has been added to the Management Team Strategic Meeting each fortnight. Risk owners will go through their risks and update the Management Team of any changes that have been identified.

At the 6 August Meeting the following areas were discussed:

- Risk # 1 Potential for ineffective financial management
- Risk # 3 Failure of corporate business systems
- Risk # 14 Fraud and corruption

At the 20 August the following changes were accepted:

- Risk #14 Fraud and corruption (Attached)

At the 26 November the following areas were discussed with changes made:

- Risk # 2 Inability to effectively respond to and recover from disaster events (attached)

Risk 5 is currently being reviewed and will be presented to MT for discussion in April.

ATTACHMENTS

1. Corporate Risk Register [6.4.1 - 8 pages]
2. RTP No 14 - Fraud and Corruption [6.4.2 - 3 pages]
3. RTP No 2 - Inability to effectively respond to and recover from disaster events [6.4.3 - 7 pages]

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
1	Potential for ineffective financial management	Chief Financial Officer	<ul style="list-style-type: none"> - Lack of strategic planning - Inappropriate staffing/management - Failure to monitor forward estimates / life-cycle costs / long-term financial sustainability - Poor Budget control - Councillor decision-making - Poor internal controls - Poorly managed financial delegations - Under insurance - Lack of asset management strategies/systems - Delays in budget adoption due to Council elections 	<ul style="list-style-type: none"> - Modified audit - Budget overspend - Reputation and community backlash - Fraud - Loss of significant investment income (contract work) - Loss of confidence by Government Departments and regulatory bodies - Additional scrutiny from regulatory bodies. 	4	4	High L4/C4	<ul style="list-style-type: none"> - Regular budget monitoring and reviews as required - Monthly Reporting - 10 year financial modelling - Audit (internal / external) - Suitably qualified professional staff - Asset management plans - Adherence to all financial policies - Financial system in place - Separation of duties - Documented internal controls and reconciliation processes - Maintenance of Audit Matrix - Enhanced organisation wide communication - Accumulated historical data - Ongoing refinement of business processes - Availing of professional development and applicable networking opportunities - Allocate sufficient funding to allow expert consultancy as required - Appropriate delegations, reviewed and updated regularly - Appropriately skilled and qualified staff - Workforce planning - Working with Audit Committee 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Action audit matrix items as soon as practical - Ongoing documentation of all internal controls and reconciliation processes - Ongoing refinement of 10 year financial modelling - Align the long term financial plan, 10 year capital works plan and Asset Management Plans - Reliance on available historical data and trends to inform future budget forecasting - Develop effective Councillor and staff induction programs - Implement an Asset Management System & engage a GIS Officer - Implement the Project Decision Making Framework 	#431977

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
2	Inability to effectively respond to and recover from disaster events	Manager Environment & Planning	<ul style="list-style-type: none"> - Planning and preparation not adequately undertaken - Poor communication to community and within Council - Community not aware of risk - lack of community resilience - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof - Risk assessment of hazards not undertaken - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof - Major / prolonged loss of telecommunications- Lack of trained staff - insufficient staff and resources - staff fatigue - Failure to plan and prepare - Failure to adequately identify vulnerable populations - Out of date or inadequate Disaster plans and sub-plans - Cyclone shelter and evacuation centres not prepared or adequately identified - lack of appropriate equipment or inadequate maintenance - Insufficient or incorrect data intelligence - Demands from other agencies detracts from tasks at hand - Media sensationalism 	<ul style="list-style-type: none"> - Potential Loss of life and injury - Financial/economic loss - Delay in recovery across human and social, economic, roads and transport, infrastructure and environmental spheres - Loss of reputation - incursion of significant costs that can't be claimed - Lack of communication - Reduced Financial Stability 	4	4	High L4/C4	<ul style="list-style-type: none"> - Local Disaster Management Group - MOU with other NQ Councils. - Preparation and annual reviews of Disaster Management Plan and sub-plans - Trained personnel including backups for each position - Appointment of dedicated Disaster Management Officer - Dedicated resources including Council Incident Management Team and SES - Disaster Coordination Centre appropriately set up and resourced - Disaster management software (Guardian), Disaster Dashboard development, multiple communication mediums for communication with community - Infrastructure to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures - Programs to build community resilience, planning and preparation - Alternative communication systems (two way radio system, sat. phones, sat. texting) - Staff trained in the Qld Reconstruction Authority methodologies - Exercising of disaster plans and building relationships with agencies - Community engagement and resilience development - Collaboration with other agencies - Local Disaster Management Officer Network - Get Ready Program for resilience training 	2	4	Medium L2/C4	<ul style="list-style-type: none"> - Documentation of plans (Disaster management & Sub-plans), exercising of the plans and review and update of the plans - Continued recruitment activity for IMT and development of the IMT through training - LDMG selection and training - Employment of dedicated Disaster Management Officer - Councillor education - Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational - Development of communication systems including the Disaster Dashboard, text and email capacity - Improvements through cloud based disaster software (Guardian) - Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks - Disaster Coordination Centre appropriately set up and resourced - Continued development of multiple communication mediums for communication with community - Program of infrastructure development to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures - Programs to build community resilience, planning and preparation - Alternative communication systems within Council (two way radio system, sat. phones, sat. texting) - Staff trained in the Qld Reconstruction Authority methodologies - Exercising of disaster plans and building relationships with agencies - Development and use of forecasting system (including ne BOM methodologies) 	#431983

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
3	Failure of Corporate Business Systems	Chief Financial Officer	<ul style="list-style-type: none"> - Major / prolonged loss of telecommunications - Updating/cross over to new networks causing disruption to connections e.g. NBN, 5G - Cyclone / flood / fire damage to critical IT infrastructure - Old / unpatched software & infrastructure with known or unknown security vulnerabilities - Security of data internally - Failure of businesses software or inadequate software for Council's growth - Decentralised software not aligned with current systems - Cyber attack to network & or corruption of data due to malware - Reduced capacity to afford and implement hardware / software upgrades - Inadequate system's security / poor access controls & approval practises - The organisation's IT environment grows to exceed the capacity of current IT resources to deliver and maintain - Lack of trained staff across the organisation - Inadequate/untested Business Continuity Plan - Audit logs on critical IT systems and processes not maintained - Pace of change in computer (hardware / software) technology - Licences and permits not maintained - Institutional IT system configurations, communication and data flows not documented - IT assets and systems not prioritised based on their classification, criticality and institutional value - Critical data breach - Failure to ensure strategic direction for IT operations including relevant stakeholders - Inadequate policies and procedures - Insufficient IT staffing 	<ul style="list-style-type: none"> - Inability to conduct core business - Financial impacts - Reputation and community backlash - Loss of critical information - Unexpected diversion of resources to remedial efforts 	3	4	High L3/C4	<ul style="list-style-type: none"> - Maintenance of system backups (on & off site) - Standby generator - Budgeting for routine maintenance, disaster recovery testing as well as upgrades, including any external assistance - Maintain high levels of System Security and access approval procedures. - Document and test business continuity processes - Frequent notification security risks provided by State Government - Up skilling of all staff in IT. - Highly skilled IT team with contemporary knowledge - Ensuring all approved IT activities are within the capacity of current IT resources to deliver - Ensure there is capacity to operate and maintain new services as part of the ICT governance approval process for new services. - Regular meetings of the IT Steering group to monitor risks & progress to plan of routine maintenance & governance activities - Various software preventing introduction of any program not whitelisted - 2 Factor identification implemented for off-site entry to Council platforms - Accounts Payable email address blocked to all non-whitelisted parties - Offsite remote connectivity for use in emergency/pandemic - Extensive Cyber Risk training for all staff 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Continue to operationalise the ICT Governance framework including Cyber strategy - Ensure the IT budget, work plan & resources is sufficient to maintain and operate the environment to meet the performance measures above - Establish a hot disaster recovery environment for core systems - Create a duplicate 'cloud' environment for business continuity recovery plan - Develop a Telephone system strategy for upgrade and offsite mobile cut across & soft-phone systems to improve connectivity & business continuity - Continue the implementation / upgrade of approved Civica software modules - upgrade to V7.1 August 2021 - Outsource non-core IT functions as needed - Cross-train all IT staff - Data breach process prevention and reporting development - Continued Cyber risk & Data Breach training for Managers and all staff - Continue the development of the Business Continuity Plan and in particular the IT sub-plan. - Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021 - Integrated Services Staff assisting in processing purchase orders and invoices for annual licencing - Extension of 2 factor authentication as deemed necessary - Implement bank file verification software - Eftsure program - System penetration testing by independent consultant - Where possible, restrict external portal access to DSC IP address only - Implement Pro-map to assist with BCP process documentation. 	#431988
4	Loss of public confidence (majority of population) and credibility in Councillors, staff and organisation	Manager Governance	<ul style="list-style-type: none"> - Failure to work within budgets and to deliver on major projects and capital works - Failure to prepare adequately for natural disasters/events and to maintain an adequate business continuity plan - Inconsistent messages being delivered to public via media and other channels - Lack of transparency in decision making and inappropriate or ill-informed decisions - Statutory non-compliance - Lack of professional expertise - Lack of probity - Inappropriate disclosure of confidential information - Disunity amongst elected members - Failure to clearly articulate Council's long term vision and long term financial planning - Incorrect information on public facing institutional resources (e.g. website, social media streams) - Lack of understanding community needs and diversity - Lack of connection with Indigenous culture 	<ul style="list-style-type: none"> - Loss of staff - Low morale & lack of pride in staff and community - Jeopardising opportunities for funding - Rising level of complaints - Reactive management style - Loss of confidence and additional scrutiny from regulators 	3	4	High L3/C4	<ul style="list-style-type: none"> - Strong governance structures in place promoting open communication and a high level of trust across Council - Comprehensive project management and project reporting in place - Delivery of services in accordance with the Customer Service Charter - A strong working relationship between senior officers, Mayor and Councillors - Become an employer of choice to attract highly skilled professionals - Maintain appropriate professional development for Councillors and staff - Proactive, transparent and timely communication with media and community - Development of an organisational culture of accountability - Actively promote Council's Procurement practices 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Continue to develop a skilled and experienced workforce that respects and values Douglas as a workplace of choice. - Ongoing development of a culture of openness, trust and accountability in which all staff are valued. - Ensure all aspects of administrative management and compliance are structured in accordance with statutory obligations, and appropriate delivery frameworks. - Develop and utilise the new five year Corporate Plan including Visions and Values - Provide opportunities for learning and professional development to staff and Councillors. - Encourage community critique and comment of all aspects of Council's functions and operations. - Reconciliation Plan 	#432035

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
5	Inadequate compliance with WHS systems	Manager People & Community Services	<ul style="list-style-type: none"> - Non-compliance with WHS requirements - Lack of procedures - Lack of skills / training - Inadequate budget - Poor monitoring and review of systems - Lack of ownership of WHS responsibilities and development of a WHS responsible culture within the organisation - Lack of leadership / senior management support - Failure to provide a safe environment - Safety issues due to higher hazard environments e.g. swimming pools, remote work - High risk activities such as events 	<ul style="list-style-type: none"> - Workers compensation premiums increase - Financial loss - Increase workplace injury, illness, and death - Litigation - public injury or loss of life 	5	3	High L5/C3	<ul style="list-style-type: none"> - WHS Advisors to utilise resources available (e.g. WHS Reps) - WHS programme - Training - Audits including self assessments - Quarterly Action Plans (including relevant Tool Box Talks and hazard Inspection) - Ensuring adherence to rectification action plans - Embedding a safe work culture in day to day operations - Promote the benefit of reporting of near miss incidents to prevent future incidents - Better utilisation of available data to inform decision making - Insurance for Senior Leaders 	3	3	High L3/C3	<ul style="list-style-type: none"> - Continued roll out Safeplan - Maintain enhanced WHS meeting structures - Maintenance of corporate induction program including safety component for all new staff - Continued safety training for all staff - Ongoing education of employee responsibilities to WHS - Monitoring and reviewing of incidents/progress of MAPs - Monthly reporting of WHS to WHS Committee (including Reps and Managers/GMs) - Rollout of electronic safety management system (Mango) - Establish close working relationship with JLT WHS Consultants - Educate Councillors on risk 	#432037
6	Failure to comply with statutory and legal organisational obligations and responsibilities	Manager Governance	<ul style="list-style-type: none"> - Lack of relevant experience - Cost shifting by the State in devolving functions to local government without adequate resources and training - Lack of appropriate consultation - Inadequate systems to capture and distribute information - The pace of change of legislation - High staff turnover in senior roles - Lack of understanding of what the statutory and legal organisational obligations and responsibilities are. (E.g. W&WW permit compliance for the environment and to community.) - public liability of DSC properties tenanted by individuals/clubs not on lease or permits 	<ul style="list-style-type: none"> - Financial exposure - Possible fines and breaches - Illegal action (State backlash) - Reputation and public image - insurance cost increase - legal risks to DSC and staff - ownership legalities 	4	4	High L4/C4	<ul style="list-style-type: none"> - Attendance at appropriate training, seminars and regional forums - Recruiting and retaining suitably qualified or experienced staff - Audits - internal & external - Legal or relevant professional opinions as required - Updates from LGAQ, LGMA or relevant state agencies - Continual review of organisational structure 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Ongoing review of Council policies - Ongoing maintenance of adopted delegations register - Continue to work with LGAQ, LGMA & FNQROC - Seek professional advice as appropriate regarding matters requiring statutory clarification - Compliance with all audit requirements - Adherence to statutory timelines - Staff and Councillors' training in legal risks 	#432038
7	Reduction in revenue raising capacity	Chief Executive Officer	<ul style="list-style-type: none"> - Economic downturn (eg failure of sugar cane industry and/or decline in tourism causing inability to afford rates) - Flow-on effects from economic downturn - Loss of Federal/State Grants - Loss of contract work (eg RMPC) - Ineffective acquittal of grant funding - Inappropriate financial decisions when determining revenue requirements - Loss of industries or other key economic drivers - Population and tourism decline - Climate change and adverse media statements during weather events - Insufficient resourcing to apply for funding 	<ul style="list-style-type: none"> - Financial implications/loss - Reduction in service levels - Reduction in capital works - Depletion of plant and equipment (assets) - Reduction in maintenance - Inability to maintain staffing positions 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Review Fees and Charges to be competitive with similar council's - Conduct networking and communication to preserve/develop relationships with stakeholders - Strong budget controls - High percentage of own-source revenue - Strong financial position provides financial buffer and time to adjust service levels - High quality internal controls - Strong relationship with other source income suppliers - Resources in Grants to attract more funding - Advocate for State and Federal funds for agricultural and tourism industries - Advocate and facilitate economic development - Robust rates model 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Maintain an equitable rating / charging strategy - Maximise any other appropriate revenue opportunities - Closely monitor budgets to ensure timely invoicing of all revenue is occurring (e.g. rates, fees and charges, grant/subsidy, progress claims etc.) - Develop systems for tracking and obtaining Developer Contributions - Obtain specialists' advices as required - Develop more revenue raising opportunities 	#432039

Risk Assessment Matrix

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		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
8	Lack of capacity, skills or capabilities to meet emerging needs of organisation	Manager People & Community Services	<ul style="list-style-type: none"> - Lack of corporate knowledge due to turnover of staff - Ageing workforce - higher retirement rate - Lack of training and development - Inappropriate staff culture - Lack of succession planning - Uncompetitive remuneration - Shortage of skills within region - Inability to attract appropriately skilled and experienced staff - Staff fatigue during critical timeframes e.g. Carnivale - Loss of confidence by Council staff in the Vision 	<ul style="list-style-type: none"> - Failure to deliver operational requirements - Inability to meet service needs - Ineffective planning - Missed opportunities - Community backlash - Financial implications - Increased use of consultants - A greater pressure on capable people 	4	3	High L4/C3	<ul style="list-style-type: none"> - Commitment to training/professional development of staff - Competitive remuneration packages - Dedicated Human Resources and Training team - Opportunities for secondments within organisation - Opportunities for trainees and graduates - Transition to retirement program - Participation in networking groups e.g. FNQROC / Peak Services - Partner with LGAQ & LGMA 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Ongoing improvement of Organisational culture - Market Council as an employer of choice attracting candidates of a higher calibre - Development and implementation of a Douglas Certified Agreement - Long term planning (including succession planning) - Continue to budget for transition to retirement roles - Continue implementation of annual performance development reviews and annual review of position descriptions - Greater utilisation of online training opportunities - Continue to encourage multiskilling/cross training 	#432041
9	Failure to deliver projects	Manager Project Office	<ul style="list-style-type: none"> - Major disasters putting strain on resources - Weather events effecting Quality, Cost and Time project measures - Inadequate project management skills - Poor financial management (budget overspend) - Changing priorities (political change) - Loss of funding opportunities - Procurement process not followed - Available market skillset - Excessive commitments - No capacity to borrow - Regulatory environment - Lack of trained personnel to satisfactorily plan and model infrastructure networks (inability to deliver projects to plan and within budget and within the correct contractual framework) 	<ul style="list-style-type: none"> - Loss of contracts - Financial loss - Litigation - Reputation loss - Community backlash - Create operational backlog 	3	4	High L3/C4	<ul style="list-style-type: none"> - Project management systems and planning - Project management training - Dedicated resources in each group responsible for the delivery of projects - Contingency plans - Risk management plans - Use of existing corporate knowledge - Matching expectations to available resources - Regular progress reporting and reviews (financial and project). - Staged delivery (design, construct) appropriate to project complexity - Prudent financial management - Standardised FNQROC Procurement processes - PMO to manage high risk or complex projects. - Project planning documentation to be reviewed by qualified staff (Engineers) before release to public. - Maintaining Capital Tracking PCG - Maintain a Long Term Financial Plan 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Introduce project management systems - Procurement training - Maintain a detailed 10yr CAPEX model to inform staged delivery - Utilisation of Project Plan template - Project Gantt Charts enacted - Maintaining Asset Management Steering Committee to ensure sustainable long term financial management and prioritise projects for each financial year - Skills gap identification and ongoing training programs - Regular progress reporting and reviews (financial and project) - Completion of consolidated work order program - Councillor communication to inform on priorities and manage expectations - Translate the Local Government Infrastructure Plan into specific projects identified in the 10yr CAPEX model - Improve information management system - PMO to be adequately staffed to match workload. 	#432042

Risk Assessment Matrix

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		1	2	3	4	5
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Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
10	Failure to deliver essential services (water, transport, sewerage, waste)	Manager Water & Wastewater	<ul style="list-style-type: none"> - Major equipment failure - Weather event - cyclone, flood - Failure of external service provider (e.g. Ergon, Telstra) - Poor operational control - Lack of qualified and experienced staff (e.g. transition of aging workforce) - Insufficient qualified personnel to maintain delivery of these essential services - Changes to legislation and standards - Lack of planning - Asset management (maintenance and renewal) insufficient planning, preventative maintenance and lack of funds available. - Terrorist attack - Not understanding the customer's expectations regarding service standards - changes in legislative requirements with insufficient time to plan for the change - Council expands service provision into 'non traditional' areas or forced to take on management through higher government responsibility shifting - Disruption of services due to maintenance activities 	<ul style="list-style-type: none"> - Penalty, fines - Adverse publicity - Reputational damage - Health impact on residents - Financial loss - Political fallout - Environmental damage - Loss of asset 	3	4	High L3/C4	<ul style="list-style-type: none"> - Suitably qualified and trained staff - Business continuity plans - Back up power supply at critical installations - Counter disaster sub plans - Asset management plans linked to long term financial plans - Asset Management Plans reflect the service standards expected by the customer - Review core business obligations - Communication and collaboration with external providers - Agreed service standards and maintenance intervals - Regional agreements and alliances -Local Government Infrastructure Plan -Planning through long term modelling, integrated infrastructure and land use planning - Appropriate contract management - Implement appropriate security measures to protect essential assets - Maintain the Emergency Water Action Group -Managers sit as members of LDMG - Staff trained in reporting through disaster management system - Development of appropriate media releases 	2	4	Medium L2/C4	<ul style="list-style-type: none"> -Attracting and retaining qualified staff - Review service standards, legislation and maintenance intervals which will inform LGIP, modelling and integrated infrastructure and land use planning - Asset Management Steering Committee to oversee asset management requirements and priorities - Identify disaster mitigation measures and regularly exercise - Multiskilling the workforce through cross training and team rotation - Conduct security risk assessment and audit - Engage with customers to understand service expectations - Complete robust 'whole of life' business cases where new or expanded service delivery is expected to help inform decision makers - Asset renewal funding linked to 10 year CAPEX and long term financial planning - Implement effective asset management software to manage and track assets 	#432043
11	Political risks	Chief Executive Officer	<ul style="list-style-type: none"> - Councillors breaching the Councillors' Code of Conduct - Councillors engaging in misconduct or inappropriate conduct - Councillors actively undermining the work of the administration - Councillors acting outside their area of responsibility - Councillors inappropriately engaging in operational matters - CEO or officers breaching the Code of Conduct - CEO or officers acting unlawfully - CEO or officers failing to act in accordance with Council's direction - Increased regulatory environment - Social media environment - Change of Council due to Local Government elections leads to lack of knowledge 	<ul style="list-style-type: none"> - Poor and inappropriate decision making - Loss of staff and/or loss of morale - Service interruption - Loss of credibility/confidence by community - Litigation - Inefficient utilisation of resources 	4	4	High L4/C4	<ul style="list-style-type: none"> - Strong leadership - Ongoing training – Councillors and officers - Transparent governance processes - Clear policies and procedures - Adherence to Councillor/Staff Interaction Protocol - Open and frank communication between Councillors and CEO, and in Council workshops - Frequent provision of comprehensive information to the community. - PID and complaint procedures are reviewed and in place 	3	3	High L3/C3	<ul style="list-style-type: none"> - Management of Councillor, CEO and officer conduct strictly in accordance with legislation and adopted policies - Identification and implementation of required professional development training - Provision of a broad range of unbiased and factual information to Councillors and the community to ensure all are well informed - Provision of information to Mayor and Councillors to enable appropriate interaction with elected representatives at Local, Regional, State and Federal level - Careful consideration of community issues and, in conjunction with Council, develop workable plans for resolution of same. - Councillor induction and workshops maintained - Review and update of Public Interest Disclosure (PID) - Complaints Policy - Five Year Communications Strategy 	#432044

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
12	Failure to undertake lobbying and advocacy	Manager People & Community Services	<ul style="list-style-type: none"> - Council lacks ongoing relationship with stakeholders - Failure to understand and identify appropriate stakeholders and community needs - Unwillingness to engage and form necessary relationships - Lack of skills / training - Lack of planning - Poor relationships with state and federal members of parliament 	<ul style="list-style-type: none"> - Missed opportunities - Failure to represent community adequately 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Identification of relevant current and proposed Regional, State and Commonwealth policies and responsible agencies and potential impacts on Council's strategic planning and operational initiatives - Identification of current relevant Regional, State and Federal issues and responsible Ministers and officers - Close communication with Mayor and Council to determine community priorities and issues - Presentation of reports to Council detailing options including advocacy and resources required - Regular participation in Regional organisations and active membership in relevant associations (FNQROC, LGMA, LGAQ, Technical networks and committees - Development of a sound reputation through participation in State and Commonwealth Government Inquiries 	1	2	Low L1/C2	<ul style="list-style-type: none"> - Develop an organisational culture of strategic awareness - - Support and encourage officer initiatives within an identified advocacy framework - Identify scheduled agency and regional meeting dates and ensure officer representation - Ensure ongoing close communication between Mayor and CEO regarding current policy and political issues - Prepare Mayoral briefing notes identifying key issues - Monitor feedback from representative organisations - Monitor and report feedback from Elected representatives and others. - Train relevant officers in advocacy and community engagement 	#432045
13	Absence of essential records (contractual, required by legislation, corporate knowledge)	Manager Governance	<ul style="list-style-type: none"> - Poor staff knowledge of requirements - Lack of consistent approach to record management (including records held by Councillors) - Records held in stand alone systems - Potential damage due to inappropriate physical storage - Inadequate training of staff - Inadequate policies and procedures regarding record filing and retention - Inappropriate ICT platform leading to inconsistent filing of records - Complex and unwieldy DMS will lead to staff to make their own procedures to get the job done 	<ul style="list-style-type: none"> - Inability to meet legislative requirements - Public image - Potential financial consequences - Potential litigation, fines - Contract litigation - loss of corporate knowledge - Time loss due to operating in deficient DMS environment 	4	4	High L4/C4	<ul style="list-style-type: none"> - Top down approach to correct record management practices - Review of record keeping practices - Review of record storage and back ups - Commitment and ongoing training of staff and Councillors - Increase user acceptance of EDRMS by structural improvements and a more flexible approach - Effective Councillor and staff Induction Programs 	3	3	High L3/C3	<ul style="list-style-type: none"> - Develop and adopt a more user friendly EDRMS - Review current record keeping processes including stand alone systems - Introduce more effective technology/systems making data capture easier and where possible automatic - Streamline processes in records acceptance (e.g. central email addresses) - Review current storage arrangements and retention - Progress archiving of records - Implement staff and Councillor training in record keeping legislation and Council's EDRMS 	#432046

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
14	Fraud and corruption	Chief Financial Officer	<ul style="list-style-type: none"> - Lack of strategic focus - Lack of or poor internal control measures - Inadequate management focus on internal controls - Organisational culture/staff attitudes - Outdated cultural norms - Enabling/modelling poor ethical behaviour - Confidentiality standards not maintained - Inadequate understanding of conflict of interest/material personal interest - Recruitment – lack of relevant checks e.g. police, refs - Inappropriate staffing/management - Ineffective policies and procedures - Poorly managed delegations - Lack of asset management systems - Inadequate training of staff - Malicious aggrieved employee (or ex-employee) 	<ul style="list-style-type: none"> - Financial loss - Further deterioration of organisational culture - Reputational damage 	4	4	High L4/C4	<ul style="list-style-type: none"> - Strong commitment demonstrated by the Management Team - Councillors promoting ethical behaviour to set the tone - Strong internal controls and documented procedures - Appropriate segregation of duties and delegations - Internal audit program with initial focus on high risk areas - External audit program - Mandatory Staff training and regular awareness sessions - Investigation of allegations undertaken by competent staff and/or industry professionals as required & followed through to disciplinary proceedings if required - Robust corporate induction program - Implement actions from Fraud and Corruption Control Plan - Audit Committee now up and running 2021 - Conflict of Interest (Staff) Policy adopted June 2021 & register maintained 	3	4	High L3/C4	<ul style="list-style-type: none"> - Maintain and review Fraud and Corruption Control Plan - Continual review and enhancement of internal controls - A relevant training program implemented – mandatory at induction and annually - Ongoing assistance through internal audit plans to enhance fraud and corruption controls/training - Audit Committee to do ongoing risk evaluations - Maintain Conflict of Interest (Staff) Policy, Process & Register - Implement an Asset Management System - commencing set up 21/22 year. - Engaging a GIS officer 21/22 year - Implement appropriate policies e.g. Motor Vehicle Use Policy (adopted 20/21) Use of Mobile Devices (drafted 20/21, to be finalised and implemented), Working from Home ICT Equipment Policy (to be drafted). - Update delegation form & align with Authority process -Review procurement policy & sole supplier register -Document processes using Pro-map and analyse for gaps -Rolling review of staff system access -Refine ABA file location security & access - System penetration testing by independent consultant -Where possible, restrict external portal access to DSC IP address only -Data breach process prevention and reporting development - Continued Cyber risk & Data Breach training for Managers and all staff - Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021 - Extension of 2 factor authentication as deemed necessary - Implement bank file verification software - Eftsure program - System penetration testing by independent consultant -Where possible, restrict external portal access to DSC IP address only - Set up and maintain a register of external portal access for all staff 	#767305

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
14	RE/PO	Fraud and Corruption
Accountable Officer	Management Team	

Date	Jan 2014	Date	Feb 2016	Mar 2017	Jun 2018	Jun 2019	July 2021
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	3 Possible
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	High

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Lack of strategic focus - Lack of or poor internal control measures - Inadequate management focus on internal controls - Organisational culture/staff attitudes - Outdated cultural norms - Enabling/modelling poor ethical behaviour - Confidentiality standards not maintained - Inadequate understanding of conflict of interest/material personal interest - Recruitment – lack of relevant checks e.g. police, refs - Inappropriate staffing/management - Ineffective policies and procedures - Poorly managed delegations - Lack of asset management systems - <u>Inadequate training of staff</u> - <u>External drivers (eg Covid)</u>
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - Strong commitment demonstrated by the Management Team - Councillors promoting ethical behaviour to set the tone - Strong internal controls and documented <u>procedures (security?)</u> - Appropriate segregation of duties and <u>delegations</u> - Internal audit program with initial focus on <u>high-risk-high-risk</u> areas - External audit program - Mandatory Staff <u>and Councillor</u> training and regular awareness sessions - <u>Investigation of allegations undertaken by competent staff and/or industry professionals as required & followed through to disciplinary proceedings if required</u> - <u>Investigation of electronic footprint</u> - Robust corporate induction program - Implement actions from Fraud and Corruption Control Plan - <u>Audit committee now up and running 20/21</u> - <u>Conflict of Interest Policy adopted June 21 (Staff) &</u>

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	<u>Register maintained</u>
Performance Measure: (How will you know the risk treatment is working?)	<ul style="list-style-type: none"> - Any reasonable suspicions of fraud/corruption promptly reported by staff - Zero instances of substantiated fraud and corruption conduct - <u>Audit feedback that internal controls are appropriate and effective</u> - <u>Audit committee satisfied with results of risk review and audit findings</u>
What is the plan?	<ul style="list-style-type: none"> - Maintain and review Fraud and Corruption Control Plan - <u>Continual review and enhancement of internal controls</u> - <u>Review Procurement Policy & Sole Supplier Register</u> - A relevant training program implemented – mandatory at induction and annually - Ongoing assistance through internal audit plans to enhance fraud and corruption controls/training - <u>Develop an Audit Committee to do ongoing risk evaluations</u> - <u>Maintain Conflict of interest policy, process & register</u> - <u>Implement an Asset Management System – commencing set up 21/22 year.</u> - <u>Engaging a GIS officer 21/22 year.</u> - <u>Implement appropriate policies e.g. Use of Mobile Devices (drafted 20/21 to be implemented, Motor Vehicle use Policy (adopted 20/21), Working from Home ICT Equipment Policy (to be drafted)</u> - <u>Update delegation form & align with Authority process</u> - <u>Implement Pro-map and do gap analysis for processes</u> - <u>Rolling review of staff system access internal and external (eg QRA portal)</u> - <u>Implement Eftsure AP fraud protection system</u> - <u>Refine ABA file location security & access</u> - <u>System penetration testing by independent consultant</u> - <u>Where possible, restrict external portal access to DSC IP address only</u> - <u>Data breach process prevention and reporting development</u> - <u>Continued Cyber risk & Data Breach training for Managers and all staff</u> - <u>Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021</u> - <u>Extension of 2 factor authentication as deemed necessary</u> - <u>System penetration testing by independent consultant</u> - <u>Implement Pro-map to assist with BCP process documentation & gap analysis.</u>
Resources Required: (What physical, human or financial resources required?)	<p>Training</p> <p>Professional assistance as required – <u>HR/IR, Legal, Professional Development</u></p>
Associated Documents: (InfoExpert Doc ID)	<p>Fraud General Policy (InfoXpert #402613)</p> <p>LGAQ - Local Government Fraud Prevention and Management Guide</p>

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	CCC – Fraud and Corruption Control Guidelines for Best Practice QAO – Fraud Management in Local Government (Report 19: 2014-15) SAI Global – Sirca 01-2003 Fraud Resistance: A Practical Guide Council’s Fraud and Corruption Control Plan
Timeline:	Ongoing

Matters arising from review 2019 : Establish an Audit Committee as per the Operational Plan 2019-20	
Date reviewed by MT:	20/8/2021
Matters arising from review: Audit committee now in place. Implement Asset Management System & engage GIS officer, adopt relevant asset usage policies (Mobile devices, Working from Home Equipment etc.), continue to improve induction and annual training, update delegation form and Authority process to align, review procurement policy & sole supplier register, implement pro-map & do gap analysis of processes, implement Eftsure, refine ABA file location security & access. Ongoing staff system access reviews, engage fixed term additional ICT staff member, extend 2 factor authentication.	
Date reviewed by MT:	20/08/2021
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

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APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
2		Inability to effectively respond to and recover from disaster events
Accountable Officer	Manager Environment & Planning	

Date	Jan 2014	Date	Mar 2015	Mar 2016	Sept 2017	Jun 2018	Jun 2019
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	2 Minor
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	Medium

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Planning and preparation not adequately undertaken - Poor communication to community and within Council - Community not aware of risk - lack of community resilience - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone / flood / fire proof - Risk assessment of hazards not undertaken - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone / flood / fire proof - Major / prolonged loss of power and telecommunications - Lack of trained staff - insufficient staff and resources - staff fatigue - Failure to plan and prepare - Failure to adequately identify vulnerable populations - Out of date or inadequate Disaster plans and sub plans - Cyclone shelter and evacuation centres not prepared or adequately identified - lack of appropriate equipment or inadequate maintenance - Insufficient or incorrect data intelligence - Demands from other agencies detracts from tasks at hand - Media sensationalism
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - Local Disaster Management Group - MOU with other NQ Councils - Preparation and annual reviews of Disaster Management Plan and sub plans - Trained personnel including backups for each position - Appointment of dedicated Disaster Management Officer - Dedicated resources including Council Incident Management Team and SES - Disaster Coordination Centre appropriately set up and resourced - Disaster management software (Guardian), Disaster Dashboard development, multiple communication mediums

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	<ul style="list-style-type: none"> for communication with community - Infrastructure to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures -Programs to build community resilience, planning and preparation -Alternative communication systems (two way radio system, sat. phones, sat. texting) -Staff trained in the Qld Reconstruction Authority methodologies -Exercising of disaster plans and building relationships with agencies -Community engagement and resilience development -Collaboration with other agencies -Local Disaster Management Officer Network -Get Ready Program for resilience training
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> -Exercising of plans and sub-plans -IGEM annual review of Disaster management Plans -IGEM Reviews of significant disaster events -Community surveys -Debriefs and reviews following events
<p>What is the plan?</p>	<ul style="list-style-type: none"> -Documentation of plans (Disaster management & Sub-plans), exercising of the plans and review and update of the plans -Continued recruitment activity for IMT and development of the IMT through training -LDMG selection and training -Employment of dedicated Disaster Management Officer -Councillor education -Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational -Development of communication systems including the Disaster Dashboard, text and email capacity -Improvements through cloud based disaster software (Guardian) -Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks -Disaster Coordination Centre appropriately set up and resourced -Continued development of multiple communication mediums for communication with community <ul style="list-style-type: none"> -Program of infrastructure development to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures -Programs to build community resilience, planning and preparation -Alternative communication systems within Council (two way radio system, sat. phones, sat. texting) -Staff trained in the Qld Reconstruction Authority methodologies -Exercising of disaster plans and building relationships with agencies -Development and use of forecasting system (including ne BOM methodologies)

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Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> -Capital and operational budgets -Adequate trained staff -Prioritisation/support from senior management and Council -External consultants
Associated Documents: <i>(InfoExpert Doc ID)</i>	<ul style="list-style-type: none"> Disaster Management Plan and sub-plans. MOU with other Councils Incident Management Team position descriptions Training of LDMG members and staff
Timeline:	

Matters arising from review: <u>DMO appointment</u> <u>Process/trigger to activate LDMG eg WW emergency/disaster</u> <u>Business Continuity Plan – all departments to update</u>		
Date reviewed by MT:	<u>10 January 2020</u>	
Matters arising from review:		
Date reviewed by MT:		
Matters arising from review:		
Date reviewed by MT:		
Matters arising from review:		
Date reviewed by MT:		
Risk Number	Category	Description
2		Inability to effectively prepare for, respond to and recover from disaster events
Accountable Officer	Manager Environment & Planning	

Date	Jan2014	Date	Mar 2015	Mar 2016	Sept 2017	Jun 2018	Jun 2019	??? 2021
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	2 Minor	
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major	
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	Medium	

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> • Pandemic Response and Recovery: Planning and preparation of disaster related procedures were postponed due to COVID-19 workload. • Lack of visibility: Of the LDMG and Incident Management Team in the community. • Equipped Local Disaster Coordination Centre: Absence of standalone, well equipped and fit for purpose training and Disaster Coordination Centre. • Skills and inadequate staffing: Lack of adequate skills to
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	<p>operate telecommunications and maintain flood assets.</p> <ul style="list-style-type: none"> • Excessive commitments: Demands from other agencies, state departments and internal stakeholders detracts from core business. • Lack of community resilience and ownership of Douglas Local Disaster Management Plan. • Insufficient or incorrect data intelligence. • Media sensationalism. • Inadequate Disaster funding (SH)
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> • Appointment of dedicated and permanent Disaster Management Officer in July 2019. • Local Disaster Management Group meetings and relevant sub-groups activated per event e.g., LDMG Pandemic sub-group during COVID-19. • MOU updated and renewed with other NQ Region Councils: currently valid for 2021 to 2026, which includes: Cassowary Coast Regional Council; Cairns Regional Council; Tablelands Regional Council; Hinchinbrook Shire Council; Townsville City Council; Burdekin Shire Council; Mareeba Shire Council; Douglas Shire Council; Charters Towers Regional Council; Mackay Shire Council; and Whitsundays Shire Council. • Actively maintaining an afterhours/availability roster for Easter/Christmas periods. • Annual review and moving to user-friendly checklists (paper light system) of Disaster Management Plan and sub-plans. • Improved communication to community and within Council via engagement sessions, CLLR FYI, via digital Douglas Disaster Noticeboards installed from Port Douglas to Cape Tribulation and establishment of the Douglas Disaster Facebook page. • Investment in Disaster incident management software (Guardian IMS), Disaster Dashboard development (such as bridge load limit tabs, a subscription button for real-time emergency notifications and a link to the latest COVID-19 information). • Opt in alert messaging • Increased community engagement such as awareness raising with PDNC, Douglas Shire Aged Care and stall holders at markets. • Damage to Disaster Recovery Centre (IT infrastructure), addressed by the procurement of a Pelicase and radio comms audit. • Increased training (QDMA, masterclass, DRFA, Dashboard and teambuilding) with the IMT to address their training needs and build their confidence. • Concept design drawings and construction estimate completed for a multi-purpose training and disaster coordination centre. • Providing regular reporting to relevant stakeholders.

Doc ID 431983

	<ul style="list-style-type: none"> • Procurement of mobile generator and training to Daintree Village RFS for operation in case of power failure. • Training with the Cyclone Shelter Management Team has been more robust over the last two years and shelter signage has been installed in Port Douglas. Shelter Manager and DMO present with Cyclone Shelter inspections and improvements. • Building Register for evacuation centres updated on an annual basis. • Five flood cameras, six rain/rivel level gauges and seven automatic road signs installed and are monitored to support LDMG decision making and community intelligence. • Active engagement on monthly basis with Far North Queensland peers via MS Teams and ad hoc via DMO Basecamp network with 119 members. • Implementation of technological innovation and establishment of Remote Pilot Aviation Systems (RPAS) committee, drone policy and publishing drone field guides. • Support to numerous agencies and departments in facilitating workshops ranging from pastoral care to grant writing. • Proactively managing Council's support of local State Emergency Service (SES) groups including recruitment of suitable leaders and volunteers; obtaining grants to replace older equipment. • Trained personnel including backups for each position. • Additional Media staff employed. Active involvement of Media Staff as Core Members of the LDMG. • Active Social media information generated for disaster events.
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> • Exercising of plans and sub-plans: functional exercise and desktop exercises e.g. desktop exercise held in 2019, various famil at the Cyclone Shelter and functional Exercise Zulu held in 2021. • Annual IGEM review of Disaster management Plans. • IGEM Reviews of significant disaster events. • Surveys: with the LDMG and the community (e.g. during 40 Days 40 Ways). • Debriefs and reviews following events. • Performance review of DMO. • Data analysis of media Dashboards/Analytics
<p>What is the plan?</p>	<ul style="list-style-type: none"> • Documentation of plans (Disaster management & Sub-plans), exercising of the plans (e.g. during Exercise Zulu Ozcare Port Douglas's Emergency Management Plan was utilised) and review and update of the plans. • Annual Plan of activities compiled, monitored, and implemented by the DMO. New LDMP process for generating relevant, succinct and user-friendly plans. • Annual recruitment activity for IMT and development of

Doc ID 431983

	<p>the IMT through training: improvements include active recruitment by Cyclone Shelter Manager for Cyclone Shelter Officer positions.</p> <ul style="list-style-type: none"> • LDMG core member and key advisor selection and training. • Development of communication systems including the cloud-based disaster software (Guardian), Disaster Dashboard, text, facebook and email capacity. • Disaster Coordination Centre appropriately set up and during Exercise Zulu and missed opportunities were identified that will be addressed by November 2021. • Infrastructure development and maintenance program to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures. • Programs to build community resilience, planning and preparation planned to be funded from July 2021 to December 2023 by the North Queensland Monsoon Trough Disaster Recovery funding. • Appointment of Resilience Officer for 30-month term from July 2021 • Councillor education • Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational • Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks. • Alternative communication systems within Council (two way radio system, sat. phones, sat. texting). • Exercising of disaster plans and building relationships with agencies. • Development and use of forecasting system (including new BOM methodologies) • Departmental BCP • Local catchment flood studies
<p>Resources Required: <i>(What physical, human or financial resources required?)</i></p>	<ul style="list-style-type: none"> • Ongoing maintenance costs, capital and operational budgets should be addressed by a disaster-levy. This is currently being investigated by the DMO. • Adequate number of trained staff, who receives the support from their managers/team leaders to participate in required training and meetings. • Prioritisation/support from senior management and Council. • External training and exercise facilitation. • Multi-purpose training and Local Disaster Coordination Centre. • External consultants.
<p>Associated Documents: <i>(InfoExpert Doc ID)</i></p>	<ul style="list-style-type: none"> • Disaster Management Plan and sub-plans. • MOU with other Councils. • MOU with external agencies (DTMR; SES; Red Cross; GIVIT; etc.). • Incident Management Team position descriptions. • Training of LDMG members and staff.

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Timeline:	
Matters arising from review:	
<ul style="list-style-type: none"> Recruitment and appointment of Disaster Resilience Officer to assist DMO in implementing Resilience Strategy, Community Based Risk Assessment workshops and implementing the North Queensland Monsoon Trough Recovery Grant. Disaster-specific levy to be pursued and implemented as part of the rates. Process/trigger to activate LDMG eg WW emergency/disaster. Business Continuity Plan – all departments to review their BCPs from March 2020. Business Continuity Framework – Manager Governance to complete and monitor. 	
Date reviewed by MT:	10 January 2020
Matters arising from review:	
Date reviewed by MT:	26 November 2021
Matters arising from review:	Refer to highlights in green and proposed disaster 'levy'.
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

Commented [BJ1]: wordsmith

6.5. AUDIT COMMITTEE POLICY

REPORT AUTHOR

Juanita Warner, Manager Governance

RECOMMENDATION

It is recommended that the Audit Committee note, receive, and endorse the Audit Committee Policy.

EXECUTIVE SUMMARY

The Audit Committee Policy is due for review and any updates to be made.

This Policy applies to all Councillors, external representatives and employees appointed to, and participate in, the Douglas Shire Audit Committee.

An Audit Committee acts as an advisory body to senior management and the Council on issues relating to internal and external audits, and financial and other accountability responsibilities. An Audit Committee complements the relationship between internal audit and the wider organisation, safeguarding internal audit's independence and further increasing the internal audit function's effectiveness and value to the Council.

The Audit Committee will receive the full support of the Council and the full cooperation, involvement and support of senior management. It will also have ready access to staff, information, expertise and other resources necessary to carry out its responsibilities.

BACKGROUND

The original Policy was adopted by Council in June 2019 and has not been reviewed since. This Policy is being presented to the Audit Committee for comment. An updated Policy will then be presented to Council for adoption.

COMMENTS

Attached is the Policy showing the tracked changes and a clean version of the updated policy.

ATTACHMENTS

1. Audit Committee Policy Tracked [6.5.1 - 4 pages]
2. Audit Committee Policy Clean [6.5.2 - 4 pages]

40. AUDIT COMMITTEE POLICY (Statutory)

Objective

To provide a framework in which Council's Audit Committee operates within all the functional areas of Council and meet all legislative requirements under the *Local Government Act 2009* and *Local Government Regulations 2012*.

Under Section 105(4) of the *Local Government Act 2009*, a large local government is required to establish an Audit Committee and in accordance with Sections 210 and 211 of the *Local Government Regulation 2012*, Council has resolved to establish an Audit Committee.

Scope

This Policy and the Audit Committee Charter applied to all Councillors, external representatives and employees appointed to, and participate in, the Douglas Shire Audit Committee.

An Audit Committee acts as an advisory body to senior management and the Council on issues relating to internal and external audits, and financial and other accountability responsibilities. An Audit Committee complements the relationship between internal audit and the wider organisation, safeguarding internal audit's independence and further increasing the internal audit function's effectiveness and value to the Council.

The Audit Committee will receive the full support of the Council and the full cooperation, involvement, and support of senior management. It will also have ready access to staff, information, expertise, and other resources necessary to carry out its responsibilities.

Policy Statement

The Audit Committee must meet at least twice each financial year and its responsibilities include, but are not limited to, the following aspects of the council's activities:

- a) Review each of the following matters:
 1. The internal audit plan for the internal audit for the current financial year
 2. The internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;

3. A draft of the local governments General Purpose Financial Statements for the preceding financial year before the statements are certified and given to the Auditor -General under Section 212 of the LGR; and
 4. The Auditor-General's audit report and the Auditor-Generals observation report about the local government's financial statements for the preceding financial year.
- b) Monitor the effectiveness of:
1. The Risk Management and Internal Control Framework
 2. The Corporate Risk Management System/risks
 3. Key Governance Processes; and
 4. Asset Management
- c) Review Reports on the activities and investigations of any significant fraud prevention and security matters;
- d) Review and monitor whether the audit process is effective;
- e) Ensure the objectivity and independence of all the audit functions;
- f) Critically review the timely and responsible implementation of management's agreed-upon responses to audit's recommendations, findings and advice;
- g) The Audit Committee will self-assess annually
- h) Review any other matters referred to it by Council or the Chief Executive Officer;
- i) Maintain an Annual Work Plan to facilitate (a)-(h) above and other responsibilities as per legislation; and
- j) As soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

The Audit Committee will operate in accordance with the Audit Committee Charter and the relevant legislation.

Membership of the Audit Committee

The Audit Committee will comprise:

- a) Four Members – two Councillor representatives and two suitably qualified external representatives (independent members);
- b) A representative from both the internal and external auditors shall attend a meeting of the Audit Committee by invitation, but shall not be members of the Audit Committee;
- c) The Chief Executive Officer shall attend the meetings of the Audit Committee by invitation, but shall not be a member of the Audit Committee.

Membership of the Audit Committee

The Chief Executive Officer has the delegated authority to make minor administrative changes to the Audit Committee Charter, such as formatting, position title references and members of the Committee as resolved by Council.

Legislation

- Local Government Act 2009
- Local Government Regulation 2012

Related Documents

- Audit Committee Charter
- Internal Audit Policy

Policy Details

Policy Name	Audit Committee Policy
Policy Number	40
Policy Version	2
Document Number	906816
Endorsed by	Chief Executive Officer & Audit Committee
Policy Type	Statutory
Approval Authority	Council
Date Adopted	
Time Period	3 years
Review Date	03/03/2022
Policy Department	Governance
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	Nil

This policy is to remain in force until otherwise determined by Council.



THIS WILL BE A SEPARATE DOCUMENT AND NOT ATTACHED

40. AUDIT COMMITTEE POLICY (Statutory)

Objective

To provide a framework in which Council's Audit Committee operates within all the functional areas of Council and meet all legislative requirements under the *Local Government Act 2009* and *Local Government Regulations 2012*.

Under Section 105(4) of the *Local Government Act 2009*, a large local government is required to establish an Audit Committee and in accordance with Sections 210 and 211 of the *Local Government Regulation 2012*, Council has resolved to establish an Audit Committee.

Scope

This Policy and the Audit Committee Charter applied to all Councillors, external representatives and employees appointed to, and participate in, the Douglas Shire Audit Committee.

An Audit Committee acts as an advisory body to senior management and the Council on issues relating to internal and external audits, and financial and other accountability responsibilities. An Audit Committee complements the relationship between internal audit and the wider organisation, safeguarding internal audit's independence and further increasing the internal audit function's effectiveness and value to the Council.

The Audit Committee will receive the full support of the Council and the full cooperation, involvement, and support of senior management. It will also have ready access to staff, information, expertise, and other resources necessary to carry out its responsibilities.

Policy Statement

The Audit Committee must meet at least twice each financial year and its responsibilities include, but are not limited to, the following aspects of the council's activities:

- a) Review each of the following matters:
 1. The internal audit plan for the internal audit for the current financial year
 2. The internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;

3. A draft of the local governments General Purpose Financial Statements for the preceding financial year before the statements are certified and given to the Auditor -General under Section 212 of the LGR; and
 4. The Auditor-General's audit report and the Auditor-Generals observation report about the local government's financial statements for the preceding financial year.
- b) Monitor the effectiveness of:
1. The Risk Management and Internal Control Framework
 2. The Corporate Risk Management System/risks
 3. Key Governance Processes; and
 4. Asset Management
- c) Review Reports on the activities and investigations of any significant fraud prevention and security matters;
- d) Review and monitor whether the audit process is effective;
- e) Ensure the objectivity and independence of all the audit functions;
- f) Critically review the timely and responsible implementation of management's agreed-upon responses to audit's recommendations, findings and advice;
- g) The Audit Committee will self-assess annually
- h) Review any other matters referred to it by Council or the Chief Executive Officer;
- i) Maintain an Annual Work Plan to facilitate (a)-(h) above and other responsibilities as per legislation; and
- j) As soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

The Audit Committee will operate in accordance with the Audit Committee Charter and the relevant legislation.

Membership of the Audit Committee

The Audit Committee will comprise:

- a) Four Members – two Councillor representatives and two suitably qualified external representatives (independent members);
- b) A representative from both the internal and external auditors shall attend a meeting of the Audit Committee by invitation, but shall not be members of the Audit Committee;
- c) The Chief Executive Officer shall attend the meetings of the Audit Committee by invitation, but shall not be a member of the Audit Committee.

Membership of the Audit Committee

The Chief Executive Officer has the delegated authority to make minor administrative changes to the Audit Committee Charter, such as formatting, position title references and members of the Committee as resolved by Council.

Legislation

- Local Government Act 2009
- Local Government Regulation 2012

Related Documents

- Audit Committee Charter
- Internal Audit Policy

Policy Details

Policy Name	Audit Committee Policy
Policy Number	40
Policy Version	2
Document Number	906816
Endorsed by	Chief Executive Officer & Audit Committee
Policy Type	Statutory
Approval Authority	Council
Date Adopted	
Time Period	3 years
Review Date	03/03/2022
Policy Department	Governance
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	Nil

This policy is to remain in force until otherwise determined by Council.



THIS WILL BE A SEPARATE DOCUMENT AND NOT ATTACHED

6.6. ANNUAL WORK PLAN

REPORT AUTHOR

Juanita Warner, Manager Governance

RECOMMENDATION

It is recommended that the Audit Committee note the Annual Work Plan for FY2022 & 2023.

EXECUTIVE SUMMARY

The Audit Committee must maintain an Annual Work Plan to facilitate their responsibilities.

COMMENTS

A draft Work Plan has been created for comment.

ATTACHMENTS

1. Annual Work Plan 2022 and 2023 [6.6.1 - 4 pages]

Annual Work Plan 2021-2022

Key Responsibilities	Considerations	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Financial Reporting (FR)	Review FR timetable/plan		Grey	Orange						Grey		Yellow	
	Review FR significant accounting and reporting issues		Grey	Orange						Grey		Yellow	
	Review Draft Pro-Forma Financial Statements		Grey	Orange						Grey		Yellow	
	Update on significant accounting and reporting issues		Yellow	Orange						Grey		Grey	
	Review of the financial reporting valuation of Council's assets		Grey	Orange						Grey		Yellow	
	Review Draft Financial Statements before they are certified and given to the Auditor-General for auditing		Yellow	Orange						Grey		Grey	
	Review Final Financial Statements		Grey	Orange		*				Grey		Grey	
External Audit (EA)	Review EA plan, including timetable and fees		Grey	Orange						Grey		Yellow	
	Review EA Interim Management Report		Grey	Orange						Grey		Yellow	
	Review the Auditor-General's audit report and observation report about the local government's financial statements		Grey	Yellow						Grey		Grey	
Internal Audit (IA)	Review annual IA plan and IA Charter/Policy		Yellow	Orange						Grey		Grey	
	Review IA progress report and recommendations on significant issues		Grey	Orange						Grey		Yellow	
Effectiveness of Audit Committee	Review committee and member performance		Grey	Orange						Yellow		Grey	
	Review/confirm audit committee charter		Grey	Orange						Yellow		Yellow	
Risk	Update on significant risks items		Yellow	Orange						Yellow		Yellow	
	Review strategic risk assessments		Grey	Orange						Yellow		Yellow	
	Review risk management framework		Grey	Orange						Grey		Yellow	
	Review fraud framework including policy and plan		Grey	Orange						Grey		Yellow	
	Review Council's business continuity plans		Grey	Orange						Grey		Yellow	
	Audit Committee Meeting												
	Major Focus of Meeting												
	Special Audit Committee Meeting												
*	Special Audit Committee Meeting – if material changes have been processed												

Annual Work Plan 2022-2023

Key Responsibilities	Considerations	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Financial Reporting (FR)	Review FR timetable/plan												
	Review FR significant accounting and reporting issues												
	Review Draft Pro-Forma Financial Statements												
	Update on significant accounting and reporting issues												
	Review of the financial reporting valuation of Council's assets												
	Review Draft Financial Statements before they are certified and given to the Auditor-General for auditing												
	Review Final Financial Statements				*								
External Audit (EA)	Review EA plan, including timetable and fees												
	Review EA Interim Management Report												
	Review the Auditor-General's audit report and observation report about the local government's financial statements												
Internal Audit (IA)	Review annual IA plan and IA Charter/Policy												
	Review IA progress report and recommendations on significant issues												
Effectiveness of Audit Committee	Review committee and member performance												
	Review/confirm audit committee charter												
Risk	Update on significant risks items												
	Review strategic risk assessments												
	Review risk management framework												
	Review fraud framework including policy and plan												
	Review Council's business continuity plans												
	Audit Committee Meeting												
	Major Focus of Meeting												
*	Special Audit Committee Meeting – if material changes have been processed												

6.7. AUDIT COMMITTEE ANNUAL SELF ASSESSMENT

REPORT AUTHOR

Juanita Warner, Manager Governance

RECOMMENDATION

That the Audit Committee undertakes the Annual Self-Assessment as per the Audit Committee Terms of Reference.

EXECUTIVE SUMMARY

Each Calendar year the Audit Committee shall undergo a self-assessment process to ensure all the functions and business of the Committee is being dealt with in an efficient and effective manner.

The assessment process shall include but not be restricted to the time of meetings, length of meetings, attendance at meetings, location of meetings, the content of meetings, results of recommendations on matters discussed, achievements and satisfaction rating of members.

An Audit Committee should assess its performance and achievements against its charter on an annual basis. This can be done in a number of different ways including the use of an external facilitator, by the Chair during the evaluation discussion meeting with stakeholders, by having members complete the questions individually and/or anonymously or by having the questions completed by the committee as a whole. Regardless of the method chosen, the self-assessment process should assist the committee to identify its strengths and weaknesses and recognise areas for future improvement. The results of the self-assessment should be provided to Council.

The questions have been tailored to suit the particular needs and circumstances of the Council and are based on the Audit Committee Terms of Reference. The questions are intended to provide guidance to the Audit Committee when assessing the key roles, responsibilities and general effectiveness of the Audit Committee. Any weaknesses should result in an action plan to improve performance to an acceptable level

COMMENTS

The Audit Committee to decide on how the Self-Assessment Process is to be undertaken.

The findings of this self-assessment are to be presented to the next Audit Committee Meeting for discussion.

Self-Assessment Questionnaire is attached.

ATTACHMENTS

1. Self Assessment Process [6.7.1 - 6 pages]
2. Audit Committee Terms of Reference [6.7.2 - 6 pages]

AUDIT COMMITTEE SELF ASSESSMENT QUESTIONNAIRE

An Audit Committee should assess its performance and achievements against its charter on an annual basis. This can be done in a number of different ways including the use of an external facilitator, by the Chair during the evaluation discussion meeting with stakeholders, by having members complete the questions individually and/or anonymously or by having the questions completed by the committee as a whole. Regardless of the method chosen, the self-assessment process should assist the committee to identify its strengths and weaknesses and recognise areas for future improvement. The results of the self-assessment should be provided to Council.

The questions have been tailored to suit the particular needs and circumstances of the Council and are based on the Audit Committee Terms of Reference. The questions are intended to provide guidance to the Audit Committee when assessing the key roles, responsibilities and general effectiveness of the Audit Committee. Any weaknesses should result in an action plan to improve performance to an acceptable level.

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Charter</p> <p>Are the Terms of Reference reviewed at least annually?</p> <p>Does the Terms of Reference ensure the committee is sufficiently independent from the management of the Council?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Authority and Independence</p> <p>Is the Committee able to request the attendance of all relevant employees at meetings and to obtain information it considers necessary?</p> <p>Is the committee able to engage consultants or other external experts to assist its activities?</p> <p>Does the committee have direct access to the external and internal auditors?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Role</p> <p>Has the role of the committee been clearly defined and communicated to all committee members?</p>		1 2 3 4 5	

* An evaluation of 1 or 2 should result in action being taken

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Understanding the Council</p> <p>Does the Committee have sufficient understanding and appreciation of the Council's:</p> <ul style="list-style-type: none"> • Risk Management Framework • Internal Controls to mitigate significant risks? • Financial and Statutory Reporting Requirements? • Legislative and Policy Compliance arrangements? <p>Does the Committee receive appropriate updates on existing and emerging risks, and developments in the area of:</p> <ul style="list-style-type: none"> • Auditing and Accounting Standards? • Financial Reporting? • The Environment in which the Council operates? 		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Duties and Responsibilities</p> <p>Are the duties and responsibilities of the Audit Committee reviewed at least annually by the Accountable Officer or Statutory Body and the Committee to ensure that the work of the Committee is aligned with the Council needs?</p> <p>During the past twelve months, did the committee adequately address all of its responsibilities as detailed in the Terms of Reference?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Financial Statements</p> <p>Has the Audit Committee obtained sufficient information to understand the key financial issues such as the application of critical accounting policies and disclosures, and the nature of complex transactions?</p> <p>Does the Committee request information from the external auditor on any significant disagreements with management and material audit adjustments?</p> <p>Does the Committee formally assess whether the draft financial statements are complex and consistent with information know to the Committee?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Risk Management</p> <p>Does the Committee monitor the continued effectiveness of the Council’s Risk Management?</p> <p>Does the Committee ensure Senior Management accountability for Risk Management through the ongoing effectiveness of the Risk Management System?</p> <p>Does the Committee review the resources provided for Risk Management to ensure they are adequate?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Internal Control</p> <p>Is the Committee aware of the Internal Control Framework for major risk areas within the agency?</p> <p>Is the Committee aware that the work of the Internal and External Audit cannot be relied upon to detect control weaknesses, errors and other irregularities?</p> <p>Does the Committee seek assurance from Management that the internal control structure is adequate and effective?</p> <p>Are processes in place to assess, at least annually, whether policies/procedures are compiled with (including the management and exercise of delegations)?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Management Input</p> <p>Does the Committee receive useful information from Management (nature, clarify, quality and timeliness) in respect of:</p> <ul style="list-style-type: none"> • Risk identification and assessment, including the process to identify risks for possible financial reporting implications? • The Internal Control Framework designed by Management to identify and mitigate risks, including fraud risks? • Arrangements established by Management to ensure compliance with Legislation and whole of Government Policy and Internal Policies? • Financial reporting processes and requirements? 		<p>1 2 3 4 5</p>	

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Internal Audit</p> <p>Does the Committee review and make recommendations to the accountable officer about the internal audit plan?</p> <p>Does the Committee appropriately review and make recommendations to the accountable officer on any significant changes to the Internal Audit Plan?</p> <p>Does the Committee review resources provided for Internal Audit to ensure they are adequate?</p> <p>Does the Audit Committee review the Internal Audit Report and recommendations to ensure appropriate action is being taken by Management?</p> <p>Does the Committee review the Internal Audit Terms of Reference to ensure that appropriate structures, authority, access and reporting arrangements are in place?</p> <p>Does the Committee consider the performance of Internal Audit?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>External Audit</p> <p>Does the Committee inquire into the degree of coordination between external and internal audit to determine reasons for any material overlap of functions?</p> <p>Does the Committee consider and understand the external Audit Plan?</p> <p>Does the Committee review External Audit Reports and Management letters and consider management responses to findings and recommendations?</p> <p>Does the Committee provide input and feedback on external audit coverage and performance?</p> <p>Does the Audit Committee actively engage with the external auditors throughout the year?</p> <p>Does the Committee monitor and review Management's responses to external audit findings and recommendations to ensure appropriate actions is taken?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Compliance Does the Committee have a clear understanding of where responsibilities lie for compliance with all of the relevant laws and regulations, and has this been documented in the Terms of Reference?</p> <p>Does the Committee monitor compliance with relevant laws and regulations by the agency as a whole?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Reporting Does the Committee submit an Annual Report to the Accountable Officer on its activities?</p> <p>Are the requirements of the Annual Report Requirements for the Council included in the Council's Annual Report?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Membership Have all Committee members been briefed on their roles and responsibilities in a Letter of Appointment?</p> <p>Is the Chair either external to the Council or a person internal to the Council who is independent of the areas within the Audit Committee's scope of review?</p> <p>Does the Committee possess an appropriate mix of skills and knowledge and have at least one member who has:</p> <ul style="list-style-type: none"> • 'Financial expertise'? • 'Risk Management expertise'? <p>Has the Committee been sufficiently probing and challenging in its deliberations?</p> <p>Do Committee members participate in some form of continuing education to stay abreast of changes in the financial accounting and reporting, regulatory and ethics areas?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	

CRITERIA	COMPLY Yes/No N/A	EVALUATION Poor 1 – Good 5	ACTION REQUIRED
<p>Meetings</p> <p>Do all members attend and actively contribute at meetings?</p> <p>Does the Committee meet at the right time of the year to properly discharge its duties?</p> <p>Are Audit Committee meetings long enough to cover all agenda items?</p> <p>Are the Committee agenda and supporting papers of sufficient clarity and quality to make informed decisions?</p> <p>Do the Audit Committee members participate in the development of an annual work plan and time for review to ensure that responsibilities are met?</p> <p>Is the Agenda prepared and distributed to all meetings with sufficient background information and time for review in advance of the meeting?</p> <p>Are Committee Meetings well run and productive?</p> <p>Are Committee Minutes appropriately maintained and of good quality?</p>		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Relationships</p> <p>Does the Committee meet privately with internal and External Audit?</p> <p>Does the Committee spend sufficient time discussing issues privately by itself?</p> <p>Does the Committee have a productive working relationship with?</p> <ul style="list-style-type: none"> • Internal Audit • External Audit • Management? 		<p>1 2 3 4 5</p> <p>1 2 3 4 5</p> <p>1 2 3 4 5</p>	
<p>Other</p> <p>Does the Committee have any suggestions to improve the Committee’s functioning, performance or process?</p>			

Reviewed by:

Tabled at Committee Meeting on:

AUDIT COMMITTEE TERMS OF REFERENCE

Background

Council has adopted the Audit Committee Policy to establish an Audit Committee in accordance with Section 208 of the *Local Government Regulation 2012* and Section 105(2) of the *Local Government Act 2009*.

Purpose

The Audit Committee provides an independent forum where representatives of Council, independent specialists and management work together to fulfill specific governance responsibilities as set out in this Terms of Reference.

The Audit Committee is an internal governance process, which is intended to contribute to the improved performance of the organisation. It plays a key role in assisting Council to fulfill its governance and oversight responsibilities in relation to a number of areas including, financial reporting, internal control systems, risk management, legal and regulatory compliance and audit functions.

The Audit Committee is an advisory body only and must keep Council informed of its activities.

The Audit Committee does not diminish management or a Councillor's individual or overall responsibilities.

Council intends to work progressively towards the achievement of better practice in a local government environment, and has included in the Terms of Reference an obligation for the Committee to develop its own skills for this purpose.

Authority

The Audit Committee reports to Council through the Chief Executive Officer.

The Audit Committee is an advisory body only and has no line of authority; however, the Committee has full right of access to all levels of management through the Chief Executive Officer.

This Terms of Reference sets out the specific responsibilities as defined in the Act and Regulations delegated by the Council to the Audit Committee.

At all times the Audit Committee is to maintain its independence from the day-to-day operations of the Council.

Composition of Committee

The membership of the Committee will comprise of the Mayor and Deputy Mayor (unless otherwise agreed) by Council and up to two external members (one being the Independent Chair of the Committee). In accordance with section 210 of the *Local Government Regulation 2012*, at least one member of the Committee will have skills in financial matters.

Council may appoint an 'alternate' member as provided for in Section 266 of the *Local Government Regulation 2012*. An *alternate member* of a Committee is a person who attends meetings of the Committee and acts as a member of the Committee only if another member of the Committee is absent from the meeting of the Committee.

Objectives

The main objectives of the Audit Committee are to monitor and review:

- a) the integrity of financial documents; and
- b) the internal audit function; and
- c) the effectiveness and objectivity of the internal auditors; and
- d) the effectiveness, independence and objectivity of external auditors.

Make recommendations to Council about any matters that the Audit Committee considers need action or improvement.

In addition, the Audit Committee shall:

- assess and contribute to the Council's processes related to the identification of risks and threats, taking into account the environment, financial and other frameworks through which the Council operates;
- monitor, oversee and enhance the Council's corporate governance, including its systems of internal control, risk management, legal and regulatory compliance;
- evaluate the quality and facilitate the practical discharge of the internal audit function, particularly in the areas of planning, monitoring and reporting; and
- consider the Council's financial and operational reporting.

The Audit Committee will, having regard to the systems and processes available within the Council, be pro-active with a view to pre-empting issues that may arise.

Scope of the Audit Committee

The scope of the Audit Committee includes but is not limited to the following aspects of the Council's activities:

- Governance processes
- Financial compliance
- Internal controls
- Internal audit
- External audit
- Risk management
- Legal and legislative compliance
- Referrals by Council
- Self-development of the Audit Committee and
- Self-assessment of the Audit Committee.

Furthermore, the Audit Committee must review each of the following:

- (1) the internal audit plan for internal audit for the current financial year;
- (2) the internal audit progress report and the actions to which recommendations relate;
- (3) the draft financial statements for the preceding financial year before the statement is certified and given to the Auditor General for auditing under section 212; and
- (4) the Auditor General's audit report and the Auditor General's observation report about the local governments financial statements for the preceding financial year.

From time to time, the Committee will focus its attention on matters referred to it by Council within its scope of responsibility.

Duties and Responsibilities

AUDIT COMMITTEE MEMBER:

- contributes to the assessment and Improvement of Council's corporate governance processes, including its systems of internal control, risk management and internal audit activities;
- is required to prepare for, attend and contribute as appropriate to all Audit Committee meetings;
- is to review key areas of risk to Council including internal controls, external reporting and compliance requirements, governance and probity;
- should review the activities of external and internal audit and provide guidance and direction as required;
- should be proactive in respect to any matters that would compromise the objectivity or independence of the Internal Audit Unit;
- should periodically engage with the Internal Audit Unit and the External Auditor independent of management;
- is responsible for reviewing and approving the Internal Audit policy, charter and plans;
- should ensure that all recommendations arising from audit sources are followed up and implemented appropriately (reasons should be obtained from management for inappropriate and untimely implementation);
- should verify minutes of meetings as an accurate record of Audit Committee meetings; and
- will refrain from making any public comment or issuing any information in any form, concerning matters of the Audit Committee or matters of interest to the Committee.

Chairperson

In addition to the duties and responsibilities as an Audit Committee member, the Audit Committee Chairperson shall:

- provide leadership and direction to the Audit Committee including providing meeting structure, professionalism and efficiency;
- ensure effective communication between the Audit Committee, Chief Executive Officer, management, QAO, Internal Audit and Council; and
- ensure the independence and objectivity of the Audit Committee and Internal Audit functions are maintained.

Self-Development of the Committee

- Council accepts that professional development of Committee members is necessary to skill the Committee and to maintain its competence. Accordingly, Council will give internal Committee members reasonable access to technical and professional development events to help them keep up to date with legislative, accounting and other relevant issues; and

- External members are expected to maintain their own professional self-development requirements.

Self-Assessment of the Committee and Review Committee Terms of Reference

- Each calendar year the Audit Committee shall undergo a self-assessment process to ensure all the functions and business of the Committee is being dealt with in an efficient and effective manner.
- The assessment process shall include but not be restricted to time of meetings, length of meetings, attendance at meetings, location of meetings, content of meetings, results of recommendations on matters discussed, achievements and satisfaction rating of members.
- The Committee shall review these Terms of Reference annually and recommend changes to the Council for adoption.

Term of Membership

The composition of the Audit Committee shall be in accordance with section 210 of the *Local Government Regulations 2012*. Council may alter the Committee's membership. (See composition of Committee)

A Councillor's membership of the Committee will automatically expire concurrent with the end of their term on Council. Councillors are eligible for re-appointment upon being re-elected.

The terms and conditions of the independent members shall be determined by Council on appointment.

Meetings

Committee meetings shall be held at least four times in each financial year and one Special meeting held annually to review and consider the Annual Financial Statements. Additional meetings shall be held at the request of Council or at the request of the Audit Committee Chair.

A set agenda will be prepared by the Chairperson and Manager Governance and will include an action item list, supporting business papers and will be distributed to Committee members seven (7) clear business days prior to the meeting unless all members agree to less notice.

Members may participate in a meeting by telephone or videoconference.

Urgent agenda items can be managed by convening a Special meeting or by flying minute.

Two voting members constitute a quorum. If the Chair is absent the members present shall elect a person to preside at the meeting. The person presiding at any meeting shall have a casting vote.

The Committee reserves the right to meet with only voting members in attendance. Proceedings of the meetings shall be minuted and signed by the Chair when confirmed. The Executive Support Officer is responsible for, recording all proceedings, attending to meeting arrangements, distributing minutes of all meetings and record keeping practices.

Access

The Audit Committee shall have access to the necessary information to enable it to carry out its responsibilities under these Terms of Reference.

The Chief Executive Officer will ensure management and staff cooperate fully with the Audit Committee.

With the approval of Council or if within the approved budget, external experts may be consulted if considered necessary for independent advice and to assist the Audit Committee to carry out its duties.

Reporting Requirements

The Chief Executive Officer will submit to Council a copy of the meeting report of each Audit Committee meeting.

The Audit Committee Chair shall prepare an annual report to Council, which:

- summarises its activities and achievements;
- assesses the Committee's performance;
- comments on its compliance with its Terms of Reference; and
- outlines the proposed activities for the following year.

Confidentiality

The Audit Committee's role of analysing and recommending improvements to the Council's financial reporting, risk management, compliance and internal control systems makes the business of the Committee highly confidential.

Public discussion of that business would prejudice the interests of the Council.

Therefore, the Council resolves that all meetings of the Audit Committee are to be closed meetings pursuant to section 275(1) (h) of the *Local Government Regulation 2012*.

All agendas, reports, minutes and other proceedings of the Audit Committee are to be considered and held confidential by Councillor's and staff until Council otherwise decides.

Conflicts of Interest

Audit Committee members shall absent themselves from meeting when a conflict of interest agenda is raised. The member will remain absent from the meeting until the agenda item has been appropriately addressed by the Committee.

Related Documents

- Audit Committee Policy - Doc # 906816
- Audit Committee Framework – Doc #923103

Related Legislation

- Local Government Act 2009
- Local Government Regulations 2012

Review

This Terms of Reference will be reviewed annually.

Policy Details

Policy Name	Audit Committee Terms of Reference
Policy Number	
Policy Version	1
Document Number	
Endorsed by	Chief Executive Officer
Policy Type	Council
Approval Authority	Council
Date Adopted	10/09/2019
Time Period	Annually
Review Date	01/09/2019
Policy Department	Governance
Link to Corporate Plan	Robust Governance and Efficient Service Delivery
Revoked/Superseded	Nil

This policy is to remain in force until otherwise determined by Council.