

DOUGLAS SHIRE COUNCIL

# AUDIT COMMITTEE MEETING

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## MINUTES

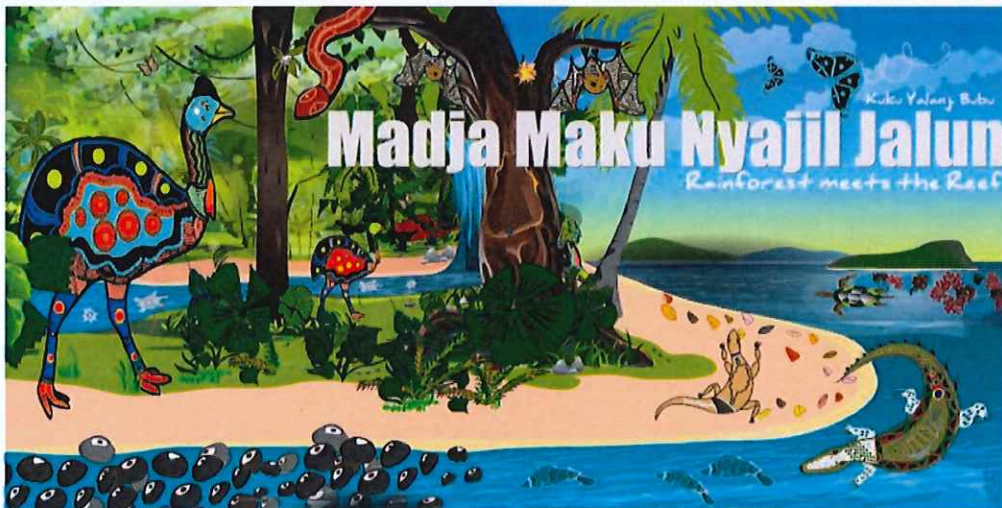
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**Monday 21 June 2021**

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**"

**1. WELCOME**

The Chair opened the meeting at 4:30pm welcomed the committee members and observers.

**2. ATTENDANCE AND APOLOGIES**

**Committee Members**

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

**Officers**

Chief Executive Officer	Mark Stoermer
Chief Financial Officer	Tara Killeen
Manager Governance	Juanita Holden
Manager Project Office	Scott Hahne
Team Leader Financial Accounting	Joanne Nicholson
Team Leader Management Accounting	Sandeep Tut
Asset Accountant	Katie Wilkinson
Senior Procurement Officer	Sean O'Connor – Via Teleconference

**Invited External Representatives**

Pacifica - Internal Auditor	Carolyn Eagle
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**Apologies**

There were no apologies noted.

**3. CONFIRMATION OF MINUTES OF COUNCIL MEETINGS**

**Committee Decision**

That the minutes of Douglas Shire Council Audit Committee meeting held 15 March 2021 be confirmed.

**4. CONFLICT OF INTEREST/MATERIAL PERSONAL INTEREST**

There were no Conflicts of Interest declared by any Councillor or Senior Council officer in relation to the items of business listed on the Agenda.

**5. ISSUES BROUGHT FORWARD FROM PREVIOUS MEETING**

The Manager Governance provided a status of the following action items.

Action	Description	Completed
Formal Induction	To be organised with WHS Officers	To be organised

**Committee Decision**

It was resolved that the Audit Committee receive and note the Issues brought forward from previous meeting.

## 6. REPORTS TO BE TABLED

### 6.1 FINANCE REPORT

The Chief Financial Officer presented the Finance Report:

#### General Update

- Presented the May and June Financial Statements
- Budget presented to Council on 15 June and adopted
- Come back to forecast end result ahead of budget – with aim to be in be back in balanced budget in Yr8
- 3.3% forecast across the board for rate increase – was dropped to 2.8%
- Have had a detailed rate model review during the period – targeted increases in specific areas rather than across the board

#### Questions from the Floor:

- Do Councillors receive an update on balance sheet and cashflow balances as a monthly report?
  - No. Report on operating result and Capital Works
- Is there a reason for this? For a balance sheet / cash flow, it would be good for Councillors to understand what the financial position is.
  - Have had a number of sessions with Councillors and have looked at the liquidity and how it works and about the constraints in the Capital Works

#### **Officers Recommendation**

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

#### **Committee Decision**

The Committee resolved to note the officer's recommendation.

### 6.2 NON-CURRENT ASSET VALUATION REPORT

The Asset Accountant presented the Non-Current Asset Valuation Report.

#### General Update:

- Overall fair value increase
- 100% of assets inspected and were deemed to be in a lot better condition that expected

#### Questions from the Floor:

- Explanations reasonable

#### **Officers Recommendation**

It is recommended that the Audit Committee receive and note the Non-current Asset Comprehensive Valuation Report.

#### **Committee Decision**

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

### 6.3 QAO UPDATE

The Chief Financial Officer presented the QAO Update Report:

#### General Update:

- Interim Audit Update received from QAO
- One significant deficiency identified but this was rectified as soon as identified
- Other items were prior years issues – 2 resolved and 1 was pending

Questions from the Floor:

- The above closes a number of issues that Council had

**Officers Recommendation**

It is recommended that the Audit Committee note and receive the QAO Update Report.

**Committee Decision**

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

**6.4 INTERNAL AUDIT PROGRESS REPORT**

The Director – Pacifica Chartered Accountant, presented the Internal Audit Progress Update Report.

General Update:

- All 3 projects now completed
- FY 21/22 – not discussed as yet
  - Will look at internal planning with officers
  - Aim to have draft at next Audit Committee Meeting
- Great access to staff during all the projects
- MT Responses – willingness to consider recommendations
- No concerns with findings
- CRM Performance – CEO/Mayor/Pacifica will discuss

Questions from the Floor:

- Nil

*The Chair noted that the external members of the committee have met with Pacifica.*

**Officers Recommendation**

It is recommended that the Audit Committee note and receive the Internal Audit Progress Update Report.

**Committee Decision**

The Committee resolve to note the officer's recommendation.

**6.5 GOVERNANCE REPORT**

The Manager Governance presented the Governance Report.

General Update:

- Main areas worked on this quarter
  - Register of Interests for Councillors and Senior Management. Policy being developed to formalise processes.
  - Conflict of Interest for Policy
  - Complaints Management. Working with Qld Ombudsman and undertaking training.
  - Delegations System. Council to CEO gets updated yearly and then CEO to Employee. Currently captured in a spreadsheet and is very time consuming keeping it updated so An electronic system

Questions from the Floor:

- Does the Conflict of Interest Policy for Employees also cover Contractors
  - Yes it does. It covers all employees (full-time, part-time, casual), contractors, volunteers. This is covered in the definition.

**Officers Recommendation**

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

**Committee Decision**

The Committee resolve to note the officer's recommendation.

#### 6.6 DAINTREE FERRY UPDATE REPORT

The Chair advised that this report contains information that is confidential and as such is subject to s171 Use of Information by Councillors, s199 Improper conduct by local government employees and s200 Use of information by local government employees of the *Local Government Act 2009*.

The Chief Executive Officer presented the Daintree Ferry Update Report.

##### **Officers Recommendation**

It is recommended that the Audit Committee note and receive the Daintree Ferry Update Report.

##### **Committee Decision**

The Committee resolve to note the officer's recommendation.

#### 6.7 RISK MANAGEMENT REPORT

The Manager Governance presented the Risk Management Report.

General Update:

- Risk Register hasn't been presented to Council this year and that was highlighted with QAO
- Discussion held at Management Team meeting recently and Register has been reformatted
- Any significant issues will be brought to Council and to Audit Committee
- Slight changes since adopted in 2019, Policy updated and the Framework updated where needed

Questions from the Floor:

- Risk appetite for WHS doesn't seem to align
  - There is WHS Register at an operational level but will discuss with MT to bring it across at a corporate level.

##### **Officers Recommendation**

It is recommended that the Audit Committee note and receive the Risk Management Report.

##### **Committee Decision**

The Committee resolve to note the officer's recommendation.

#### 6.8 CAPITAL WORKS PROGRESS REPORT

The Manager Project Office presented the Capital Works Progress Report.

General Update:

- 156 projects currently being delivered worth \$37 million
- 53 projects are completed worth \$20 million expended or committed
- 11 projects completed during the reporting period
- Progress target is 90%
- 26 projects anticipated as not being completed by 30 June 2021.

Questions from the Floor:

- Nil

##### **Officers Recommendation**

It is recommended that the Audit Committee note and receive the Capital Works Progress Report.

##### **Committee Decision**

The Committee resolve to note the officer's recommendation.

7. **OTHER BUSINESS**

7.1 **PROBITY AUDIT**

The Chair advised that this was an update on the process at this stage, and all officers were asked to leave the meeting. Committee members, Manager Governance and the Senior Procurement Officer who was presenting the Agenda were permitted to remain in the room.

The Senior Procurement Officer presented the Probity Audit Report.

**Officers Recommendation**

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

**Committee Decision**

The Committee resolve to note the officer's recommendation.

8. **NEXT MEETING**

The next scheduled meeting for the Audit Committee is 23 August 2021 commencing at 4:30pm however a Special Meeting may be called for the purpose of evaluating the responses received for the Probity Audit.

9. **CLOSURE OF MEETING**

The meeting closed at 6:02pm.



DR MARTIN FAHY  
CHAIR