

DOUGLAS SHIRE COUNCIL

AUDIT COMMITTEE MEETING

MINUTES

Monday 23 August 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 – Via Teams
Mayor	Cr Michael Kerr
Deputy Mayor	Cr Lisa Scomazzon

Officers

Acting Chief Executive Officer	Juanita Warner
Chief Financial Officer	Tara Killeen
Manager Project Office	Scott Hahne
Manager Infrastructure	Natasha Murray
Team Leader ICT	Garry Mason
Senior Governance Officer	Natalie Crimmins

Invited External Representatives

Nil

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 21 June 2021 be confirmed.

4. 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.

5. ISSUES BROUGHT FORWARD FROM PREVIOUS MEETING

The Acting Chief Executive 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. OFFICERS' REPORTS

6.1 CYBER SECURITY RISK UPDATE

The Chief Financial Officer and Team Leader ICT presented the Cyber Security Risk Update:

General Update

- Hackers are always one step ahead
- Users will be provided training in an electronic interactive online manner with questions throughout
- Management Team will do similar training

Questions from the Floor:

- Were there any findings of the penetration testing done on Water and Wastewater environment?
 - Yes. The penetration testing resulted in approximately 15 findings. There are plans for a complete rebuild of Water and Wastewater environment (SCADA) starting this year.
- The Australian Cyber Security Centre (Federal Government body) 'Essential Eight' is implemented at a Committee Members workplace. It's suggested looking at Maturity Assessment.
 - Yes. Plan to commence in the next financial year.

The Acting Chief Executive Officer advised that due to the sensitive information contained in the report attachments these will not be released to the public.

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 note the Cyber Security Risk Update.

Committee Decision

The Committee resolved to note the officer's recommendation.

6.2 FINANCIAL REPORT

The Chief Financial Officer presented the Financial Report.

General Update:

- Interim Financial Report for June 2021 – received by Council at 27 July 2021 Council Meeting
- Financial Report for July 2021 – to be received by Council at 31 August 2021 Council Meeting
- June report written before the end of year adjustments had been made
- Currently operating revenue is approximately \$400,000 ahead of budget

Questions from the Floor:

- Nil

The Chair noted that it is a very difficult time to forecast budgets with the current Covid situation.

Officers Recommendation

It is recommended that the Audit Committee receive and note the report titled Financial Report.

Committee Decision

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

6.3 CAPITAL WORKS PROGRESS REPORT

The Manager Project Officer presented the Capital Works Progress Report:

General Update:

- Capital Works program consisted of 157 projects valued at \$37.14M
- 107 projects completed
- \$29.473M expended or committed
- Overall financial progress of 81% for the total program and 95% for the current financial year program
- Considering a Covid year it's a pretty good result

The Chair thanked the Manager Project Office for the very detailed report.

Questions from the Floor:

- Very good report, easy to follow. Some projects status are over budget, is there an acceptable threshold?
 - Yes, a method for formulising overspends and underspends was endorsed by Management Team last week

The Acting Chief Executive Officer would like to acknowledge and thank the Manager Project Office for the work that goes into the Capital Program. A Capital Works Tracking meeting is held every three weeks where project status and any complex issues are discussed.

The Chair noted that everyone can be congratulated on the completed projects that have been achieved.

Officers Recommendation

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

Committee Decision

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

6.4 DAINTREE FERRY UPDATE

The Manager Infrastructure presented a verbal update on the Daintree Ferry.

General Update:

- Contract was awarded on 18 June 2021
- Handover was carried out at midnight on 30 June 2021 with the General Manager and Operational Manager of Entrada and Council representatives
- 5am on 1 July 2021 operation resumed as normal
- Ferry drivers are the same as who worked with the previous contractors
- 10 new staff members have been employed
- Everything has been operating smoothly since the change in contractor (e.g. ticketing, mechanics)
- The Operations Manager is living onsite in the house
- Progress Meetings have been held fortnightly
- School holidays were very busy but things have slowed down since then
- Condition assessments have been carried out – some issues have been found

Questions from the Floor:

- Were inspections done on the ferry prior to handover?
 - Yes. 2 inspections have been carried out by qualified marine specialists. The last assessment was done last week.

Officers Recommendation

It is recommended that the Audit Committee note the verbal report on the Daintree Ferry.

Committee Decision

The Committee resolve to note the officer's recommendation.

6.5 INTERNAL AUDIT

The Acting Chief Executive Officer presented the Internal Audit Plan Report.

General Update:

- The last Internal projects completed were CRM, Corporate Cards, and Environment Compliance
- In the past have done 3 projects a year but this year would like to focus on 2 projects this year due to resources
- Proposes to do Records Management Practices and Developer Contributions
- Pacifica will be engaged again – this is the last year of the current contract
- Next Step will be to provide Pacifica with a list of the two projects, they will then draft a plan which will go to Council in September for adoption.

Questions from the Floor:

- Nil

6.6 ENTERPRISE RISK MANAGEMENT

The Acting Chief Executive Officer presented the Enterprise Risk Management Update Report.

General Update:

- ERM has been placed on the Management Team Strategic Meeting agenda as a standing item. These meetings are held fortnightly
- The Chief Financial Officer has done a great job over the last three meetings updating the Risk Treatment Plans
- Good conversations are happening in the meetings with many ideas discussed

Questions from the Floor:

- Good approach to take, RTPs are very detailed. Suggest to consider adding the risk appetite into the Register.
 - Yes, will add that in.

7. OTHER BUSINESS

7.1 PROBITY REPORT

The Chair presented a verbal update on the Probity Audit.

General Update

- Local Buy was appointed to undertake the Probity Audit
- Weekly updates have been happening
- There has been large quantities of emails and documents sourced
- A timeline is being constructed
- Former staff have been very generous with their time and effort
- Approximately 3 weeks to go and then a report will be presented to Council
- Two reports will be released – one for the Audit Committee and Councillors and the other for the public
- This project has been an enormous task for staff internally

Officers Recommendation

It is recommended that the Audit Committee note the verbal report on the Probity Audit.

Committee Decision

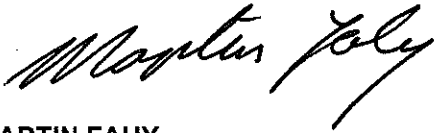
The Committee resolve to note the officer's recommendation.

8. **NEXT MEETING**

- To be confirmed. A Special Meeting will be called when the Probity Audit is finalised.

9. **CLOSURE OF MEETING**

- The Chair thanked all for their attendance.
- The meeting closed at 5:41pm.



DR MARTIN FAHY
CHAIR

CONFIRMED