

6.16. REPORT OF AUDIT AND RISK COMMITTEE MEETING HELD ON 19 MARCH 2025

REPORT AUTHOR	Acting Manager Governance
MANAGER	General Manager TC Jasper Corporate and Communities
DEPARTMENT	Governance

RECOMMENDATION

That council note the report on the Audit and Risk Committee meeting held on 19 March 2025.

EXECUTIVE SUMMARY

The Audit and Risk Committee (committee) meets regularly as identified within its annual work plan. In accordance with s211(1)(c) of the *Local Government Regulation 2012*, there is a requirement for the Chief Executive Officer (CEO) to present a report to council following each committee meeting. The report on the committee meeting held on 19 March 2025 is attached

BACKGROUND

The role of the Audit and Risk Committee is to provide independent assurance, oversight and advice to council and senior management.

The core functions and responsibilities of the committee include review and monitoring the appropriateness of councils:

- Integrity of financial statements/documents
- Internal audit
- Effectiveness
- Engagement with external audit
- Risk management
- Adequacy of internal controls
- Legislative and policy compliance, and
- Governance

The committee currently operates under a framework consisting of an Audit and Risk Committee policy and Audit and Risk Committee Terms of Reference.

COMMENTS

The report to council contains an executive summary of each matter considered by the committee at the meeting on 19 March, a summary of the discussion on the matter and the committee's recommendations.

PROPOSAL

That council note the report on the Audit and Risk Committee meeting held on 19 March 2025.

FINANCIAL/RESOURCE IMPLICATIONS

There are no financial/resource implications associated with this report

RISK MANAGEMENT IMPLICATIONS

If this report is not presented to council, there will be a non-compliance with the *Local Government Regulation 2012*.

SUSTAINABILITY IMPLICATIONS

Economic: Nil

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.*

Operational Plan 2024-2025 Actions:

Legislative requirement.

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:

Information Provider Council provides the community with important information on services, events, policies, rules, strategies, and any other relevant data that helps the community to stay informed. In performing this role, Council seeks to be open and transparent.

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.

CONSULTATION

Internal: ELT and relevant managers prepared reports and attended the committee meeting

External: Queensland Audit Office

COMMUNITY ENGAGEMENT

N/A

ATTACHMENTS

1. Report to Council Audit and Risk Committee meeting 19 March 2025 [**6.16.1** - 3 pages]

REPORT TO COUNCIL

Audit and Risk Committee Meeting – Wednesday 19 March 2025	
Committee Attendees:	Chair – Dr Martin Fahy – via Teams Independent Member – Drong Vue – via Teams Mayor Lisa Scmazzon Cr Michael Rees – via Teams
Other Attendees:	Chief Executive Officer - Scott Osman General Manager TC Jasper Corporate & Communities - Matthew Eastham Chief Engineer TC Jasper Infrastructure and Recovery – Derek Langman Chief Financial Officer - Tara Killeen Team Leader Financial Accounting - Joanne Nicholson Senior Accountant Financial Accounting - Katie Wilkinson via Teams Acting Manager Governance – Ross Higgins Senior Governance Officer - Natalie Crimmins – Minute Taker Acting Manager Project Office - Wayne Kristalyn Manager Water and Wastewater - Ben Baillie Queensland Audit Office - Alan Flynn – via Teams
Apologies:	Manager People, Safety & Culture - Susan Donoghue Queensland Audit Office - William Cunningham

In accordance with the Audit and Risk Committee Policy and s211 (1)(c) of the *Local Government Regulation 2012*, the following is a summary of the matters reviewed at the meeting and recommendations of the committee.

1. Managing Queensland's Regional Water Quality

The Audit and Risk Committee (Committee) noted a report from the Manager Water and Wastewater advising that Council had received a report from the Queensland Audit Office on Managing Queensland's Regional Water Quality and will self-assess its current performance against the recommendations provided in the QAO Report.

Any improvement actions to ensure effective management of water quality risks will be documented in Council's Drinking Water Quality Management Plan.

2. QAO Update

The Committee noted the report and briefing paper from the Queensland Audit Office on the current status of the 2024/2025 audit. Areas of audit focus for 2024/2025 audit will be:

- the valuation of infrastructure assets
- expenditure, including procurement and contract management, and
- related party disclosures.

3. Financial Reports - November 2024 to January 2025

Executive Summary

The report included the most recent January Financial Report detailing the progress of the 2024-25 annual budget for the period ended 31 January 2025.

Discussion Summary

The Chief Financial Officer discussed the financial report that had been presented at the February 2025 Ordinary Council meeting.

Officers Recommendation

That the Audit Committee receive and note the Financial Reports for November 2024 to 31 January 2025

Committee Decision

The Committee resolved to accept the officer's recommendation.

4. Cyber Security Risk

The report provided information on measures taken to mitigate the cyber security risk to Council which include a quarterly cyber improvement update to the Senior Leadership Team that focuses on systems identified that require priority attention.

Officers Recommendation

That the Audit Committee receive and note the Cyber Security Risk Update.

Committee Decision

The Committee resolved to accept the officer's recommendation.

5. Internal Audit

- a) The Committee noted a report from the Chief Financial Officer on the close out of an internal audit undertaken on corporate cards, fuel cards, standing accounts and staff reimbursements.
- b) The Committee noted a report from the Acting Manager Governance which provided the current position of the internal audit program for the Douglas Shire Council. Since the appointment of Crowe Australasia in 2023 as council's internal auditors, there has been the completion of a 3-year audit plan and internal audits undertaken on Data Collection and Management and Recruitment Practices. The next internal audit proposed will cover asset management.

6. Major Projects

The Committee noted the report providing a summary of major projects being undertaken by Council and which are been presented to councillors and the Senior Leadership Team on a monthly basis.

7. Workplace Health and Safety Report – March 2025

The report provides the Committee with an update, as at March 2025, on recent performance reporting, identified trends that are a priority to address and progress of priority action items following a recent external audit.

Officers Recommendation

That the Audit Committee notes the report.

Committee Decision

The Committee resolved to accept the officer's recommendation.

8. Enterprise Risk Management

The Committee noted a report on the actions taken to improve risk management practices within Council.

These actions include:

1. Collation of all documents relating to risk management.
2. Review of the Risk Management Policy in late 2024.
3. Review of the existing Enterprise Risk Management Framework and development of a revised framework.
4. Preliminary meetings with the NQ Regional Risk Coordinator from Local Government Mutual Services (LGMS) to develop an action activity plan to improve council's risk management processes and documentation.
5. Workshop on risk awareness with Senior Leadership Team and NQ Regional Risk Coordinator held on 25 February 2025.
