7.7. AUDIT AND RISK COMMITTEE MEETING HELD ON 28 MAY 2026

REPORT AUTHOR	Governance and Information Officer
EXECUTIVE	General Manager Corporate and Communities
DEPARTMENT	Corporate and Communities
TEAM	Governance
DATE	27 July 2026

RECOMMENDATION

That Council note the report on the Audit and Risk Committee meeting held on 28 May 2026.

EXECUTIVE SUMMARY

Under Section 105 of the *Local Government Act 2009*, Council must establish an efficient and effective internal audit function. Council resolved to do this by establishing an Audit and Risk Committee (Committee).

A Committee meeting was held on 28 May 2026. In accordance with Section 211(1)(c) of the *Local Government Regulation 2012*, there is a requirement for the Chief Executive Officer (or delegate) to present a written report to Council about the matters reviewed at the Committee meeting and the recommendations made.

PREVIOUS COUNCIL CONSIDERATIONS / RESOLUTIONS

The last Committee report was presented to Council at the Ordinary Council meeting held on 28 April 2026.

REPORT / BACKGROUND

The role of the 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 of Council's:

- Financial statements
- Internal audit processes
- Effectiveness
- Engagement with external auditors
- Risk management
- Internal controls

- Legislative and policy compliance
- Governance

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

The Committee is required to meet at least twice each financial year and currently meets quarterly as per its annual work plan.

FINANCIAL AND RESOURCE IMPLICATIONS

Robust risk and audit assurance underpins and sustains Council's financial goals.

RISK MANAGEMENT IMPLICATIONS

The Committee is a source of expertise in the management of risk and assurance of risk appetite, strategic risk management, and reasonable risk thresholds.

The report is required to be provided to Council to ensure compliance with Section 211(1)(c) of the *Local Government Regulation 2012*.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

SOCIAL IMPLICATIONS

There are no social implications associated with this report.

CORPORATE AND OPERATIONAL PLAN

This report has been prepared in accordance with the following:

Corporate Plan 2025-2030 Initiatives:

Theme 3 - Service Delivery
We deliver Council services effectively and efficiently to meet community expectations, focusing on the wellbeing of both the community and our employees.
***3.7 -** Identify and manage risk.*

Operational Plan 2026-2027 Actions:

Legislative requirement.

LEGISLATION AND POLICY

- *Local Government Act 2009*
- *Local Government Regulation 2012*

- Audit and Risk Committee Policy
- Audit and Risk Committee Terms of Reference

CONSULTATION

Internal Consultation:

- Members of the Executive Leadership Team and relevant Managers prepared reports and attended the Committee meeting.

External Consultation:

- Two (2) external members form part of the Committee.
- A representative attended from the Queensland Audit Office
- A representative attended from Crowe Australasia.

CONCLUSION

In accordance with Section 211(1)(c) of the *Local Government Regulation 2012,* the report of the Audit and Risk Committee Meeting held on 28 May 2026 is presented to Council.

ATTACHMENTS

1. Report to Council of Audit and Risk Committee Meeting held 28 May 2026 [**7.7.1** - 4 pages]

REPORT TO COUNCIL

DOUGLAS SHIRE COUNCIL

Audit and Risk Committee Meeting – Thursday 28 May 2026	
Committee Attendees:	Chair – Dr Martin Fahy External Member – Drong Vue – via Teams Mayor Lisa Scomazzon Cr Michael Rees
Other Attendees:	Chief Executive Officer – Scott Osman General Manager Corporate & Communities – Arun Pratap General Manager Infrastructure – Derek Langman Interim Chief Financial Officer – Tamas Maffey-Stumpe Coordinator Procurement – Melinda Wythes Team Leader Corporate Accounting – Katie Wilkinson Asset Accountant – Kayle Catling Manager People, Safety and Culture – Susan Donoghue Team Leader ICT – Garry Mason Governance and Information Officer – Rachel Dunn Queensland Audit Office – William Cunningham – via Teams Crowe Australasia – Donna Sinanian – via Teams
Apologies:	Nil

In accordance with Council's Audit and Risk Committee Policy and s 211(1)(c) of the *Local Government Regulation 2012,* the following is a summary of the matters reviewed at the Audit and Risk Committee (Committee) meeting held on 28 May 2026 and the recommendations made.

1. FINANCIAL REPORTS – FEBRUARY TO APRIL 2026

The Team Leader Corporate Accounting tabled the February to April 2026 financial reports that were previously presented to Council at the 31 March 2026, 28 April 2026, and 26 May 2026 Ordinary Council Meetings.

Officer's Recommendation
That the Committee note the Financial Reports for February 2026, March 2026, and April 2026.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

2. NON-CURRENT ASSET COMPREHENSIVE REVALUATION INTERIM REPORT

The Asset Accountant tabled the Non-Current Asset Comprehensive Revaluation Interim Report for noting.

The Buildings and Other Structures, Land, Land Improvements and Water Asset classes have been comprehensively revalued by Council's external valuer for the year ended 30 June 2026.

The report contains the estimated interim results and may vary with accounting adjustments as part of the asset end of financial year processes. The valuation results are also subject to external audit which will commence in late June.

Officer's Recommendation
That the Committee receive and note the report titled Non-Current Asset Comprehensive Revaluation Interim Report.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

3. FUEL CRISIS – CONTRACTOR MANAGEMENT

The Interim Chief Financial Officer briefed the Committee on the executive actions taken by Council to support local suppliers during the fuel crisis and tabled a Workshop report for noting.

Officer's Recommendation
That the Committee note Council's approach in supporting local suppliers during the fuel crisis.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

4. PROCUREMENT COMPLIANCE DASHBOARD

The Interim Chief Financial Officer briefed the Committee on:

- The trend of purchase order compliance testing since November 2025.
- The results of purchase order compliance testing in March and April 2026.

The dashboard is designed to provide relevant stakeholders namely: the Committee; the Executive Leadership Team and the Senior Leadership Team with greater visibility over Council's compliance with its procurement policy, prevailing legislation, and other prescribed requirements.

Officer's Recommendation
That the Committee:
1. Note the Procurement Compliance Dashboard report.
2. Consider the proposed Management Actions.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

5. QUEENSLAND AUDIT OFFICE BRIEFING PAPER MAY 2026

The Queensland Audit Office (QAO) tabled their May 2026 Audit and Risk Committee Briefing Paper for noting.

Officer's Recommendation
That the Committee receive and note the QAO's Audit and Risk Committee Briefing Paper.

Committee Decision
The Committee resolved to accept the recommendation.

6. CUSTOMER SERVICE AND COMPLAINTS MANAGEMENT INTERNAL AUDIT UPDATE

Crowe Australasia provided a verbal update to the Committee on the progress of the Customer Service and Complaints Management Internal Audit.

Officers Recommendation
That the Committee note the progress of the Customer Service and Complaints Management Internal Audit.

Committee Decision
The Committee resolved to accept the recommendation.

7. CYBER SECURITY IMPROVEMENT PROGRAM 2026-2027

The Team Leader ICT tabled Council's proposed 2026-2027 Cyber Security Improvement Program for noting and endorsement.

The program represents the project work envisaged for the 2026-2027 financial year. This includes carry-over items plus new improvements.

Officers Recommendation
That the Committee note and endorse the proposed 2026-2027 Cyber Security Improvement Program.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

8. WORK HEALTH AND SAFETY QUARTERLY REPORT

The Manager People, Safety and Culture tabled the Work Health and Safety (WHS) Quarterly Report for noting.

Officers Recommendation
That the Committee note the WHS Quarterly Report.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

9. CAPITAL WORKS QUARTERLY REPORT

The General Manager Infrastructure tabled Council's Capital Works Quarterly Report for noting.

Each year, Council commits to upgrading its existing infrastructure as well as building new infrastructure. Projects are funded from several sources, being Council's own income and grant funding from the Queensland and Australian Governments.

This report is intended to provide the Committee with an update on major projects being undertaken by Council.

Officers Recommendation
That the Committee note the progress update on Council's Capital Works projects for 2025-2026.

Committee Decision
The Committee resolved to accept the Officer's recommendation.

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