

Late Item 8.2

Ordinary Meeting

Thursday, 7 March 2024

commencing at 9:00am

Sunshine Coast City Hall Chamber, 54 First Avenue, Maroochydore

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8 REPORTS DIRECT TO COUNCIL**8.2 AUDIT COMMITTEE MEETING 26 FEBRUARY 2024****File No:** Council Meetings**Author:** Manager Audit, Assurance and Risk Advisory Services
Civic Governance**Appendices:** App A - Audit Committee Minutes 26 February 2024..... 9  

PURPOSE

To provide Council with a report on matters reviewed at the Audit Committee (“the Committee”) meeting held on 26 February 2024 and recommendations made by the Committee to Council.

This report is provided in fulfillment of Council’s obligations under section 105 of the *Local Government Act 2009* and section 211 of the *Local Government Regulation 2012*.

The matters which are the substance of this report and the recommendations in this report do not constitute a major policy decision as prescribed under section 90B of the *Local Government Act 2009*. Accordingly, Council may proceed to consider and deliberate on this report during the local government caretaker period.

EXECUTIVE SUMMARY

Under section 105 (2) of the *Local Government Act 2009*, Council is required to establish and maintain an Audit Committee. Council’s Audit Committee is comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Ms Sue Tindal (Independent Member), Councillor E Hungerford and Councillor J Natoli.

Under Clause 6 of the Audit Committee Charter, the Committee meets (at a minimum) four times each year or as determined by Council or the Committee.

The agenda for the Audit Committee on 26 February 2024 covered a number of matters:

- Meeting Minutes and Audit Committee Resolutions/Action Items
- Chief Executive Officer's Update
- Finance: Program of Work for Asset Valuation (Update)
- Finance: Finalisation of Council's 2022/23 Financial Statements Audit Process
- Finance: Planning for the 2023/24 Financial Statements Audit Process
- People: Wellbeing Health and Safety Report
- People: Payroll Update Report
- Governance: Strategic Risk Update Report
- Governance: Operational Risk Update Report
- Governance: Business Continuity Update Report
- Governance - Integrity Report
- Governance - Insurance Report
- DIS: Cyber Security Report
- Governance: Internal Audit Program of Work update

- Governance: Recommendation Monitoring
- Governance: Internal Audit Reports

OFFICER RECOMMENDATION

That Council:

- (a) receive and note the report titled “Audit Committee Meeting 26 February 2024” and
- (b) endorse the Minutes of the Audit Committee meeting of 26 February 2024 at Appendix A to this report.

FINANCE AND RESOURCING

There are no financial or resourcing issues specifically associated with this report. The report fulfils the statutory reporting obligations of Council.

CORPORATE PLAN

Corporate Plan Goal:	<i>Our outstanding organisation</i>
Outcome:	We serve our community by providing this great service
Operational Activity:	S30 - Governance – providing internal leadership, legal opinion, governance and audit functions ensuring legislative accountability, transparency and ethical obligations are supported.

CONSULTATION

Councillor Consultation

Councillors J Natoli and E Hungerford attended and participated in the Audit Committee meeting on 26 February 2024.

All Councillors received the Audit Committee agenda and papers prior to the meeting.

Internal Consultation

The Chief Executive Officer and other Executive Leadership Team (ELT) members participated in the Committee meeting and contributed to the development of the Committee Agenda papers. Other officers consulted in the preparation of papers for consideration at the Audit Committee meeting on 26 February 2024 included:

- Chief Financial Officer
- Manager, Executive Management and Support Services
- Coordinator Financial Accounting
- Manager Asset Management Branch
- Wellbeing, Health and Safety Manager
- People Services Lead
- Chief Information Officer
- Coordinator Risk and Insurance
- Coordinator Integrity Management
- Manager Environment and Sustainability Policy

The Chief Executive Officer and all ELT members received the Audit Committee agenda and papers prior to the meeting.

External Consultation

The independent members of the Committee were present at the Committee meeting on 26 February 2024.

All attendees received the Audit Committee agenda and papers prior to the meeting.

PROPOSAL

Under section 105 (2) of the *Local Government Act 2009*, Council (as a large local government) must establish and maintain an Audit Committee. The Act provides the Audit Committee has the following functions:

- (a) monitors and reviews—
 - (i) the integrity of financial documents; and
 - (ii) the internal audit function; and
 - (iii) the effectiveness and objectivity of Council’s internal auditors; and
- (b) makes recommendations to Council about any matters that the Committee considers need action or improvement.

The Committee has no delegated decision-making authority. The Committee is, however, a source of independent advice to Council and the Chief Executive Officer.

The Committee is comprised of Mr Mitchell Petrie (Independent Chair), Mr Pat McCallum (Independent Member), Ms Sue Tindal (Independent Member), Councillor E Hungerford and Councillor J Natoli.

The overall objective of the Committee is to assist Council and the Chief Executive to discharge their responsibilities, in particular:

- corporate governance and responsibilities in relation to the organisation’s financial reporting, internal control structure, risk management systems and the external and internal audit functions
- maintain an independent and objective forum promoting transparency, accountability and an ethical culture throughout Council
- maintain open lines of communications with Council, Executive Management, External Audit and Internal Audit, to exchange information and views
- oversee and appraise the quality and efficiency of audits conducted by both the Internal and External Audit functions and
- ensure both the Internal and External Audit functions are independent and effective.

Under section 211 of the *Local Government Regulation 2012*, the Committee must provide Council with a written report about the matters reviewed at its meetings and make recommendations to Council on any matters the Committee considers need action or improvement. The Committee meets at least four times each year.

The most recent meeting of the Audit Committee took place on 26 February 2024. The minutes of the Committee meeting are provided at **Appendix A** to this report.

Legal

This report to Council has been developed in fulfillment of Council's statutory obligations under the *Local Government Act 2009* and *Local Government Regulation 2012*.

Risk

Specific risks associated with each matter contained in the Committee Agenda reports have been raised and addressed in the briefings to the Committee.

Previous Council Resolution**Ordinary Meeting 18 January 2024 (OM24/7)**

That Council:

- (a) *receive and note the report titled "**Appointment of Independent Audit Committee Member**"*
- (b) *approve the appointment of the independent Audit Committee member, as discussed in confidential session, for a term of three years from and including 18 January 2024 and concluding on 31 December 2026 and*
- (c) *authorise the Chief Executive Officer to publicly release the name of the person appointed as a member of the Audit Committee, should Council endorse the recommendations in this report.*

Ordinary Meeting 14 December 2023 (OM23/151)

That Council:

- (a) *receive and note the report titled "**Audit Committee Meeting 9 November 2023**" and*
- (b) *endorse the Minutes of the Audit Committee meeting of 9 November 2023 at Appendix A to this report.*

Ordinary Meeting 26 October 2023 (OM23/118)

That Council:

- (a) *receive and note the report titled "Audit Committee Meetings of 7 September 2023 and 6 October 2023"*
- (b) *endorse the Minutes of the Audit Committee meeting of 7 September 2023 at Appendix A to this report and*
- (c) *endorse the Minutes of the Audit Committee meeting of 6 October 2023 at Appendix B to this report*

Ordinary Meeting 22 June 2023 (OM23/60)

That Council:

- (a) *receive and note the report titled "**Audit Committee Meeting 22 May 2023**"*
- (b) *endorse the Minutes of the Audit Committee meeting of 22 May 2023 (Appendix A)*
- (c) *accept the recommendation of the Audit Committee dated 22 May 2023 that the proposed 2023 – 2024 Audit and Assurance Program of Work (Appendix B) and*
- (d) *approve the realigned annual meeting schedule for the Audit Committee as follows, to commence from 1 July 2023:*
 - *February*

- *May*
- *Late August/Early September*
- *October - teleconference to consider annual financial statements*
- *November*

Related Documentation

Audit Committee Agenda and papers for 26 February 2024.

Implementation

Implementation of the Audit Committee resolutions and the internal and external audit recommendations are overseen by the Chief Executive Officer and the Executive Leadership Team and monitored by the Audit Committee.



Minutes

Audit Committee

Monday, 26 February 2024

Sunshine Coast City Hall Chamber, 54 First Avenue, Maroochydore

AUDIT COMMITTEE MEMBERS

Councillor J Natoli	Division 4
Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair)
Mr P McCallum	External Member
Ms S Tindal	External Member

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

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Please Note: The resolutions as shown in italics throughout these minutes are the resolutions carried by the Audit Committee.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

1 DECLARATION OF OPENING

The Chair declared the meeting open at 1:06pm.

Councillor J Natoli acknowledged the Traditional Custodians of the land on which the meeting took place.

2 RECORD OF ATTENDANCE AND LEAVE OF ABSENCE

AUDIT COMMITTEE MEMBERS

Councillor J Natoli	Division 4
Councillor E Hungerford	Division 7
Mr M Petrie	External Member (Chair) (via Teams)
Mr P McCallum	External Member

COUNCIL OFFICERS

Chief Executive Officer
Group Executive Business Performance
Group Executive Civic Governance
Group Executive Customer and Planning Services
Group Executive Economic and Community Development
Group Executive Liveability and Natural Assets
Manager Asset Management, Built Infrastructure

APOLOGIES

Ms S Tindal External Member
Group Executive Built Infrastructure

ATTENDEES

Manager Queensland Audit Office
Senior Director Queensland Audit Office
Manager, Audit, Assurance and Risk Advisory Services
Acting Manager, Strategy and Policy
Manager, Governance and Executive Services
Chief Finance Officer
Manager, Wellbeing Health and Safety
Manager, Environment and Sustainability Policy
Coordinator, Financial Accounting
Coordinator, Corporate Risk & Insurance
Coordinator, Integrity Management
Information Technology Manager
Chief Information Officer
Principal Auditor, Audit, Assurance and Risk Advisory Services
Corporate Compliance Officer, Audit, Assurance and Risk Advisory Services

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

3 INFORMING OF CONFLICTS OF INTEREST

3.1 PRESCRIBED CONFLICTS OF INTEREST

Pursuant to Section 150EL of the *Local Government Act 2009*, no notifications of prescribed conflicts of interest were made during this meeting.

3.2 DECLARABLE CONFLICTS OF INTEREST

Pursuant to Section 150EQ of the *Local Government Act 2009*, no notification of declarable conflicts of interest were made during this meeting.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4 REPORTS DIRECT TO AUDIT COMMITTEE

4.1 AUDIT COMMITTEE: MEETING MINUTES AND RESOLUTIONS AND ACTION ITEMS

File No: Audit Committee

Author: Manager Audit, Assurance and Risk Advisory Services
Civic Governance

EXECUTIVE SUMMARY

Audit Committee Meeting Minutes

The Committee was advised that the minutes of the Committee meeting of 9 November 2023 were presented to Council for consideration at its Ordinary Meeting on 14 December 2023.

Audit Committee Resolutions and Action Items

Resolutions and action items recorded at Audit Committee meetings refer to specific approvals, recommendations, tasks, actions, or responsibilities assigned to individuals or teams.

Items are documented in meeting minutes and serve as a point of reference to ensure actions agreed are followed through and implemented effectively.

Queensland Audit Office (QAO) 2023 CLOSING REPORT

QAO presented their closing report for its annual audit of Sunshine Coast Regional Council ('SCRC' or 'Council') for the financial year ended 30 June 2023 via email on the day prior to the 6 October 2023 Audit Committee Meeting.

Committee Recommendation (AC24/1)

Moved: Councillor J Natoli
Seconded: Councillor E Hungerford

*That the Audit Committee receive and note the report titled "**Audit Committee: Meeting Minutes and Resolutions and Action Items**".*

Carried unanimously.

