

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: *Our outstanding organisation*
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

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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

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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

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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.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.2 CHIEF EXECUTIVE OFFICER'S UPDATE

File No: Audit Committee
Author: Manager, Strategy and Policy
Civic Governance

EXECUTIVE SUMMARY

The Audit Committee considers a regular report from the Chief Executive Officer outlining Council's performance in progressing the implementation of its corporate and operational plans.

This report provided information on the following items for consideration by the Audit Committee:

- Financial performance update as of 31 December 2023
- Capital Works Program delivery update as of 31 December 2023
- Workplace Health and Safety update as of 31 December 2023
- Significant achievements delivered between 1 October 2023 and 31 December 2023 (Quarter 2 of 2023/24) and
- Summary of Operational Plan performance by exception as of 31 December 2023.

Committee Recommendation (AC24/2)

Moved: Councillor E Hungerford
Seconded: P McCallum

*That the Audit Committee receive and note the report titled "**Chief Executive Officer's Update**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.3 FINANCE: PROGRAM OF WORK FOR ASSET VALUATION

File No: Audit Committee
Author: Coordinator Financial Accounting
Business Performance Group

EXECUTIVE SUMMARY

Council has a statutory obligation to prepare General Purpose Financial Statements on an annual basis in line with the *Local Government Act 2009*, *Local Government Regulation 2012* and the Australian Accounting Standards. These financial statements are audited by the Queensland Audit Office or their representative.

Council's Land, Buildings, Transportation, Stormwater and Other Infrastructure asset classes are recorded in the financial statements at fair value. Remaining financial asset classes i.e. Plant & Equipment and Intangibles are held at historical cost.

As per legislation and Australian Accounting Standards, Council is required to comprehensively revalue assets held at fair value at least once every 5 years or when a material change has occurred to an asset class as per industry indices. In the interim years, the index movement is reviewed.

Comprehensive asset revaluations for Stormwater and Other Infrastructure were required for the 2022/23 financial year, however, were unable to be completed satisfactorily, so indexation was applied to ensure the financial statements were materially correct.

As a result, Council will complete comprehensive asset revaluations for Stormwater and Other Infrastructure in 2023/24, along with Transportation which is also due this year. Indexation will be reviewed for Buildings and Land.

A monthly Asset Revaluation Update to the Independent Audit Committee members, Queensland Audit Office and the Executive Leadership Team has been established with the last update provided on 23 February 2024.

Regular updates will be provided to Queensland Audit Office and internal stakeholders to ensure risks are mitigated throughout the process.

Committee Recommendation (AC24/3)

Moved: M Petrie
Seconded: Councillor J Natoli

*That the Audit Committee receive and note the report titled "**Finance: Program of work for Asset Valuation**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.4 FINANCE: FINALISATION OF COUNCIL'S 2022/23 FINANCIAL STATEMENTS AUDIT PROCESS

File No: Audit Committee
Author: Coordinator Financial Accounting
Business Performance Group

EXECUTIVE SUMMARY

The Queensland Audit Office (QAO) has carried out its audit of Council's financial statements, including Council's controlled entities, for the year ended 30 June 2023, and has issued an unmodified audit opinion.

Committee Recommendation (AC24/4)

Moved: Councillor E Hungerford
Seconded: Councillor J Natoli

That the Audit Committee receive and note the report titled "Finance: Finalisation of Council's 2022/23 Financial Statements Audit Process".

Carried unanimously.

AUDIT COMMITTEE MINUTES

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**4.5 FINANCE: PLANNING FOR THE 2023/24 FINANCIAL STATEMENTS
AUDIT PROCESS**

File No: Audit Committee
Author: Coordinator Financial Accounting
Business Performance Group

EXECUTIVE SUMMARY

Queensland Audit Office conducted its 2023/24 Planning Audit during December 2023 and has issued its 2024 External Audit Plan for Audit Committee review and Chief Executive Officer sign-off.

Committee Recommendation (AC24/5)

Moved: P McCallum
Seconded: Councillor E Hungerford

That the Audit Committee receive and note the report titled "Finance: Planning for the 2023/24 Financial Statements Audit Process".

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.6 PEOPLE: WELLBEING, HEALTH AND SAFETY REPORT

File No: Audit Committee
Author: Group Executive
Business Performance Group

EXECUTIVE SUMMARY

The Wellbeing, Health and Safety Manager, joined Council on 8 January 2024, and has been familiarising himself with our people, workplaces and processes. The safety management system refresh project has continued, with eight operational procedures being drafted and undergoing consultation.

There were two major incidents during the quarter that were notifiable to Workplace Health and Safety Queensland.

Improvements to the safety management system and Council's safety culture have achieved ongoing reduction in Lost Time Injuries and Frequency Rates with:

- **75% reduction in Lost Time Injuries** recorded in Cintellate from the high in Q1 (n=16) to Q2 (n=4) in 2023 – 2024
- **48% reduction in severity rate** from high in September (n=124) to December (n=59.8) and 1.4% reduction in **Lost Time Injuries and Frequency Rates** from September (n=14.4 to December (n=13)

Committee Recommendation (AC24/6)

Moved: Councillor J Natoli
Seconded: Councillor E Hungerford

*That the Audit Committee receive and note the report titled "**People: Wellbeing, Health and Safety Report**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.7 PEOPLE: PAYROLL UPDATE REPORT

File No: Audit Committee
Author: Group Executive
Business Performance Group

EXECUTIVE SUMMARY

Since the Audit Committee meeting held on 9 November 2023, the payroll system performance issues have stabilised and the risk rating continues to be reviewed.

Focus has shifted to the ongoing verification of payroll function, initiating the payroll discovery phase of Council's Payroll Improvement Project.

A full-time Project Manager is being recruited to deliver the Payroll Discovery Project, a deep-dive into Council's payroll system's functionality and capability.

Committee Recommendation (AC24/7)

Moved: P McCallum
Seconded: Councillor E Hungerford

That the Audit Committee receive and note the report titled "People: Payroll Update Report".

Carried unanimously.

AUDIT COMMITTEE MINUTES

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4.8 GOVERNANCE: STRATEGIC RISK UPDATE

File No: Audit Committee
Author: Coordinator Corporate Risk & Insurance
Civic Governance

EXECUTIVE SUMMARY

The next step in the finalisation of the Strategic Risk Register is the review of the Mitigation Strategies and Controls for each risk. Meetings are being established with each Group Executive to complete this review and make any required amendments. This is in line with the progression of the Strategic Risk Roadmap. An updated Strategic Risk Register for 2024-2025 will be provided to the Audit Committee meeting in May 2024 for consideration.

A Risk Appetite Statement is being prepared based on the Risk Appetite Methodology proposed by Jardine Lloyd Thompson (JLT) for councils across Australia. The methodology covers four Groups of planning and decision making to develop a sound risk appetite statement.

- The Planning Group
- The Initial Decision-making Group
- The Prioritisation Group, and
- The Enhanced Decision-making Group.

Committee Recommendation (AC24/8)

Moved: P McCallum
Seconded: M Petrie

*That the Audit Committee receive and note the report titled "**Governance: Strategic Risk Update**".*

Carried unanimously.

Councillor J Natoli was absent for the discussion and vote on this item.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.9 GOVERNANCE: OPERATIONAL RISK PROFILE OVERVIEW

File No: Audit Committee
Author: Coordinator Corporate Risk & Insurance
Civic Governance

EXECUTIVE SUMMARY

As at 12 December 2023, all Operational Risk Register reviews have been completed. Risks identified as high have been combined into an Operational Risk Report and sent to each Group Executive for consideration and approval. The report provides the Group Executive a wholistic view of the risks that have currently been identified by their Branches as well the emerging risks that were discovered throughout this review. Action plans with further mitigations, will be reported to the Audit Committee, in May 2024.

There are growing trends highlighting the risk of skilled labour shortages, staff and contractor safety and the lack of integrated systems are affecting multiple operational areas in Council.

Committee Recommendation (AC24/9)

Moved: Councillor E Hungerford
Seconded: M Petrie

*That the Audit Committee receive and note the report titled "**Governance: Operational Risk Profile Overview**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

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4.10 GOVERNANCE: BUSINESS CONTINUITY UPDATE REPORT

File No: Audit Committee
Author: Coordinator Corporate Risk & Insurance
Civic Governance

EXECUTIVE SUMMARY

Council provides a range of essential operations and services, which encompass a wide range of responsibilities and risks. The existence of a well-structured business continuity management framework helps to facilitate Council's service resilience in the interests of being able to respond to community needs.

Council maintains a Master Business Continuity Plan and ten Branch Business Continuity Plans. In January 2022, Council engaged an external contractor, Marsh, to undertake a review of Council's business continuity preparedness in relation to a number of essential service delivery areas.

The review noted a comprehensive and effectively implemented set of preventative processes and procedures are in place. A gap analysis was subsequently undertaken in collaboration with internal stakeholders involved in the delivery of Council's essential services, resulting in the development of Business Continuity Plans for the Civil Asset Management and Parks & Gardens Branches.

Testing and review of Council's Business Continuity Plans occurs annually. In November 2023, a desktop test was undertaken of all active Business Continuity Plans based on a major fire event that would see the evacuation of one or more Council depots and facilities. The test was based on the October 2023 Beerwah fire incident where various lessons were identified.

Committee Recommendation (AC24/10)

Moved: Councillor E Hungerford
Seconded: Councillor J Natoli

*That the Audit Committee receive and note the report titled "**Governance: Business Continuity Update Report**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.11 GOVERNANCE: INTEGRITY REPORT

File No: Audit Committee
Author: Coordinator Integrity Management
Civic Governance

EXECUTIVE SUMMARY

Good governance should underpin all facets of Council's business – it is an integral component in building trust, confidence and value in the organisation and is inherently linked to the values and behaviours that have been implemented by Council since December 2022.

Good governance operates on a distributed ownership basis – namely, everyone has a role to play in the good governance of the organisation. A key focus of the work undertaken by the Civic Governance Group - in partnership with groups and branches across the organisation - is to build awareness and understanding on the importance of good governance in all that we do. Equally, the Civic Governance Group continues to work with its partners across Council to provide a sound and contemporary operating platform so that Council is suitably placed to discharge its statutory and service responsibilities on behalf of the community.

Key deliverables since November 2023 include:

- Complaint matters administered by the Civic Governance Group continue to be reviewed to inform the identification of any systemic concerns and relevant management action.
- Working in partnership with the Business Performance Group, officers finalised Council's response to requests from the Office of the Information Commissioner (OIC) to enable that Office to conclude its follow up audit on the 2021 *Compliance with the Information Privacy Act 2009 and the Right to Information Act 2009* Audit. The report on the follow up audit from the Office of the Information Commissioner was tabled in the Queensland Legislative Assembly on 28 November 2023.
- Collation of information regarding all strategic and organisational policies to inform the Policy Framework Review's policy 'health check'. This information will inform prioritisation and scheduling of reviews for all strategic and organisational policy documents, enabling full implementation of, and compliance with, the Council endorsed Policy Framework by the end of 2027.
- Completion of the Local Law Making process for amendments to *Subordinate Local Law No. 2 (Animal Management) 2011* to reconfigure animal access areas in line with the Council adopted Point Cartwright Reserve and La Balsa Park Master Plan.

AUDIT COMMITTEE MINUTES

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Committee Recommendation (AC24/11)

Moved: P McCallum
Seconded: Councillor E Hungerford

*That the Audit Committee receive and note the report titled "**Governance: Integrity Report**".*

Carried unanimously.

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4.12 GOVERNANCE: BIENNIAL INSURANCE REPORT

File No: Audit Committee
Author: Coordinator Corporate Risk & Insurance
Civic Governance

EXECUTIVE SUMMARY

Council's is committed to dealing with liability claims in a fair, confidential, prompt and respectful manner. It is also committed to providing a superior level of service to its customers. All liability claims received by Council are assessed and, where appropriate, thoroughly investigated by the Corporate Risk and Insurance Team.

Council's assessment of a liability claim is supported by the following principles:

- **Openness and transparency:** Council is committed to openness and transparency through the insurance liability claims procedure and process.
- **Timeliness:** Council will ensure that the insurance liability claims procedure and process is administered in a timely manner and in accordance with Council's Service Standards.
- **Legislative compliance:** Council recognises that legislation is in place to govern the actions of local governments.
- **Right to review:** A claimant in any Insurance liability claim made to Council has the right to Internal Review of any decisions made.
- **Accountability:** Council recognises its responsibilities and obligations as a local government in managing insurance liability claims ethically, fairly and without prejudice.

Committee Recommendation (AC24/12)

Moved: P McCallum
Seconded: Councillor J Natoli

*That the Audit Committee receive and note the report titled "**Governance: Biennial Insurance Report**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.13 DIS: CYBER SECURITY REPORT

File No: Audit Committee
Author: Information Technology Manager
Business Performance Group

EXECUTIVE SUMMARY

The reporting period is from 7 September 2023 to 16 January 2024. There were no notifiable breaches during this reporting period. Councils managed security partner Nexon Security found no major cyber events for the reporting period.

For the period of 1 September to 1 December 2023, Council security systems prevented over 1,442,694 malicious attacks via email and internet intrusion.

Council has an ongoing Cyber Security Program to continually improve the cyber maturity levels.

On 28 October 2023, the British Library encountered a Cyber breach to their website, catalogues, digital collections and customer data. Council's Cyber team reviewed Council's library services considering the British Library incident.

In November 2023 Council successfully tested the Business Continuity Plan with an exercise called "Fire Event" and updated continual improvements in the Business Continuity Plans.

Council has an active Cyber Security Awareness program, which is mandatory for all staff to promote cyber awareness. Councillors and the Executive leadership Team strongly support the program. The Cyber training program for 2024 was approved by the Security Work Group in December 2023 for the release of the first training module in March 2024.

Council continues to promote a positive Cyber Awareness Culture and introduced a new training module "Online Security Fundamentals", which was deployed across the organisation to help protect our communities' information and assets.

Committee Recommendation (AC24/13)

Moved: Councillor E Hungerford
Seconded: Councillor J Natoli

Moved: Councillor E Hungerford
Seconded: Councillor J Natoli

That the Audit Committee receive and note the report titled "DIS: Cyber Security Report".

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.14 GOVERNANCE: INTERNAL AUDIT PROGRAM OF WORK UPDATE

File No: Audit Committee
Author: Manager Audit, Assurance and Risk Advisory Services
 Civic Governance

EXECUTIVE SUMMARY

The subsequent tables provide the progress of Internal Audit engagements as at 18 January 2024. Key tables include the following:

Status	FY2023		FY2024	
Completed	8	73%	1	11%
Reporting	2	18%	2	22%
Fieldwork	0	0%		0%
Planning	1	9%	5	56%
Not Started	0	0%	1	11%
Total No. of A&A Activities	11	100%	9	100%

Committee Recommendation (AC24/14)

Moved: P McCallum
Seconded: Councillor E Hungerford

That the Audit Committee receive and note the report titled “Governance: Internal Audit Program of Work Update”.

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.15 GOVERNANCE: RECOMMENDATION MONITORING

File No: Audit Committee
Author: Manager Audit, Assurance and Risk Advisory Services
 Civic Governance

EXECUTIVE SUMMARY

As at 31 December 2023, there were 24 active audit recommendations. The table below summarises the status of Audit Recommendations.

		Number
Reconciliation	Audit Recommendations Being Reviewed and Monitored (ACTIVE at start of period)	24
	Due to be implemented by 31 December 2023, date extension approved by the responsible Group Executive (Open Audit Recommendation)	0
	Revised implementation date is proposed for recommendation to Chief Executive Officer Implementation date has been extended with completion due by 31 December 2023 and has not been completed. (Open Audit Recommendation)	4
	Implementation date not yet due (Open Audit Recommendation)	17
	Completed and marked as closed in period (Closed Audit Recommendation)	3
	Balance of Open Active Audit Recommendations (at end of period)	21
Balance	Added - new audit recommendations	0
	New Balance Active Audit Recommendations to follow-up for next quarter	21

Committee Recommendation (AC24/15)

Moved: P McCallum
Seconded: Councillor E Hungerford

That the Audit Committee:

- (a) receive and note the report titled "**Governance: Recommendation Monitoring**" and
- (b) support the revised due dates for recommendation to the Chief Executive Officer.

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

4.16 GOVERNANCE: INTERNAL AUDIT REPORTS

File No: Audit Committee
Author: Manager Audit, Assurance and Risk Advisory Services
Civic Governance

EXECUTIVE SUMMARY

Four reports have recently been completed addressing residual matters from the 2022-2023 Audit program and the current 2023-2024 Audit program.

In each case, audit recommendations have been submitted to and considered by the relevant Group Executive(s) and endorsed management comments have been reflected in each report. The assistance of the branch managers and their teams involved in each of these audit assignments and that of their respective Group Executives is appreciated.

The implementation of Management Actions is monitored on an ongoing basis by the Audit Committee and the Executive Leadership Team.

No.	Name of Review	Number of recs
1.	24-01 - Rates Waste Utility Charges and Waste Collection Contractor Payments - BDO	1
2.	24-06 - Fleet Vehicle Processes and procedures	6
3.	23-20 - Climate Performance Review	4
4.	23-21 Corp Safety Improvement program review	0

Committee Recommendation (AC24/16)

Moved: P McCallum
Seconded: Councillor J Natoli

*That the Audit Committee receive and note the report titled "**Governance: Internal Audit Reports**".*

Carried unanimously.

AUDIT COMMITTEE MINUTES

26 FEBRUARY 2024

5 NEXT MEETING

The next Ordinary Meeting will be held on 20 May 2024 Council Chambers, 54 First Avenue, Maroochydore.

6 MEETING CLOSURE

The meeting closed at 3:30pm.

