

Additional Information

Item 8.1, 8.5, 8.8, 8.11 & 8.12

Ordinary Meeting

Thursday, 21 November 2024

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
8.1	SUNSHINE COAST COUNCIL ANNUAL REPORT 2023-24	
	ATTACHMENT 1 ADDITIONAL INFORMATION.....	5
8.5	TRANSPORT LEVY ANNUAL REPORT 2023-24	
	ATTACHMENT 2 ADDITIONAL INFORMATION.....	7
8.8	APPLICATION FOR PRELIMINARY APPROVAL INCLUDING A VARIATION REQUEST FOR MATERIAL CHANGE OF USE OF PREMISES TO VARY THE EFFECT OF THE SUNSHINE COAST PLANNING SCHEME 2014 FOR A MASTER PLANNED DEVELOPMENT (BLI BLI NORTHERN VILLAGE - PARKLAKES 3)	
	ATTACHMENT 4 ADDITIONAL INFORMATION.....	9
8.11	OCTOBER 2024 FINANCIAL PERFORMANCE REPORT	
	ATTACHMENT 3 ADDITIONAL INFORMATION.....	19
8.12	2023-24 FINANCIAL STATEMENTS AND COMMUNITY FINANCIAL REPORT	
	ATTACHMENT 7 ADDITIONAL INFORMATION.....	21

Related Report / Additional Information

Meeting:	Ordinary Meeting	Date:	21 November 2024
Requesting Councillor:	Cr Winston Johnson		
Item:	8.1 Sunshine Coast Council Annual Report		
Circulation	19 November 2024		
Officer :	Head of People & Culture	Approving GE :	Group Executive Business Performance

In response to a question raised by Councillor Johnston, please note the following additional information for your consideration.

Question:

Please provide a breakdown of the 902 offers of employment.

Response:

As provided in the Sunshine Coast Council Annual Report 2023-24 there were 902 offers for employment accepted with Council across the year. This is broken down as follows:

Employee Class	Number of offers accepted
Above-Award Contract or Non-Award Contract	46
Permanent	370
Maximum Term	364
Casual	115
Other / Apprentice / Trainee	7
TOTAL	902

Related Report / Additional Information

Meeting:	Ordinary Meeting	Date:	21 November 2024
Requesting Councillor:	Madam Mayor		
Item:	8.5 – Transport Levy Annual Report		
Circulation			
Officer :	Coordinator Transport Strategy & Policy	Approving GE (title):	Group Executive Customer & Planning Services (Acting)

In response to a question raised by Madam Mayor, please note the following additional information for your consideration.

Question:

Was all Transport Levy money used by 30 June 2024? How much was directed into the Futures Fund?

Response:

In the 2023/24 financial year, a total of \$1,883,329 of the levy funding for that year was unexpended and was therefore directed to the Transport Futures Fund.

Related Report / Additional Information

Meeting:	Ordinary Meeting	Date:	21 November 2024
Requesting Councillor:	Councillors		
Item:	8.8 - Application for Preliminary Approval including a Variation Request for Material Change of Use of Premises to vary the effect of the Sunshine Coast Planning Scheme 2014 for a Master Planned Development (Bli Bli Northern Village - Parklakes 3)		
Circulation	15/11/2024		
Officer :	Principal Development Planner	Approving GE:	Group Executive Customer and Planning Services (Acting)

In response to questions raised by Councillors, please note the following additional information for your consideration.

Question:

Provide a plan showing the extent of the Blue Heart in relation to the subject site.

Response:

Please refer attached map titled *Blue Heart Project Area*

Question:

Provide a map showing the location of submitters.

Response:

Please refer to Attachment

MCU22/0033 – ParkLakes 3 Development Application - Submissions, shows the submissions within the Bli Bli Local Area and nearby surrounds.

MCU22/0033 – ParkLakes 3 Development Application - Submissions, shows the submissions within the Sunshine Coast Council Local Government area. 19 submissions were received from outside the Sunshine Coast Council Local Government Area.

MCU22/0033 – ParkLakes 3 Development Application - Submissions HeatMap, shows a heat map of submissions across the Sunshine Coast Council Local Government area.

Related Report / Additional Information

Question:

Provide a plan showing the Flood hazard overlay mapping with the proposed development footprint.

Response:

Please refer *Plan showing the Flood hazard overlay mapping (based on Sunshine Coast Planning Scheme 2014) with the proposed development footprint.*

Question:

The Assessment Report states that considering the site in isolation, there is a 29% loss of floodplain storage capacity during the 1% AEP event under 2100 climate conditions. As the figure included in the report is for a 10% cumulative loss, please provide the cumulative effect of a 29% loss of storage.

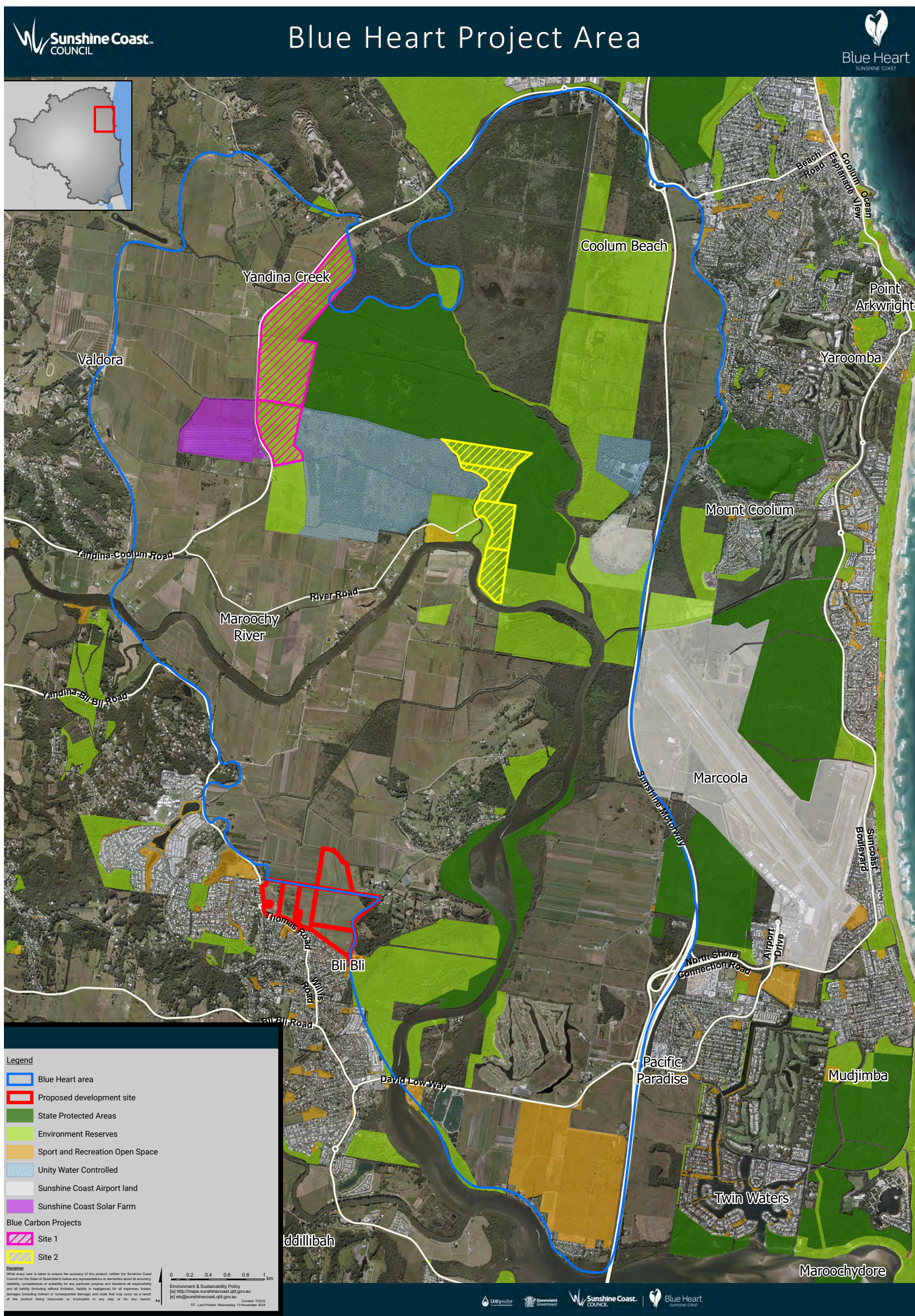
Response:

Please refer *Change in Peak Flood Level: 1% AEP+CC (2100) with Storm Tide, 30% Storage Loss* of the attached Package. This figure, from the Maroochy River Flood Storage Sensitivity Analysis dated 24 June 2024, shows the flood impact from the 30% loss of storage during the 1% AEP event under projected 2100 climate conditions. Further, below is the table from the report showing the increase in flood level at various reporting points.

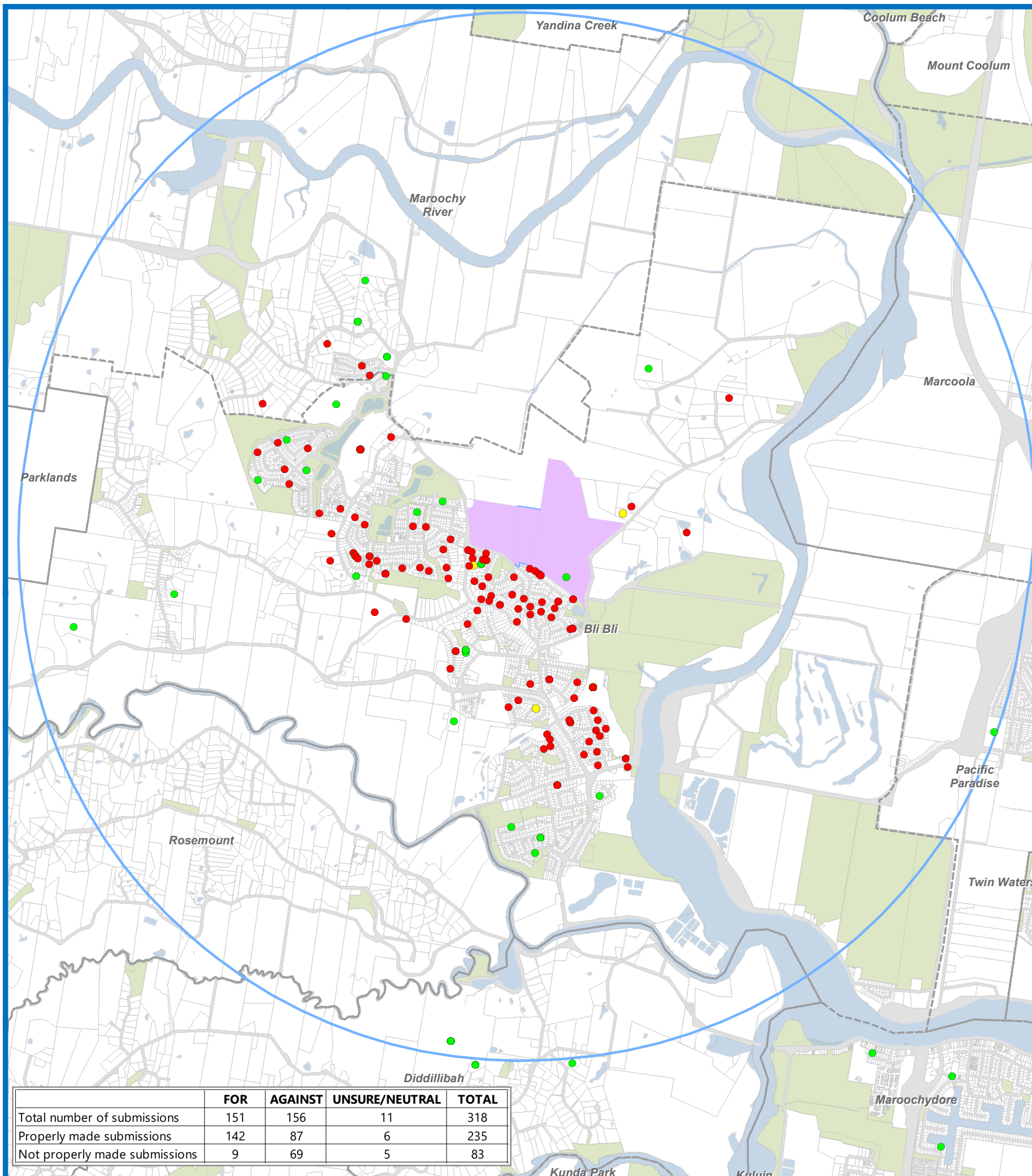
Related Report / Additional Information

Table 2.7 Change in Peak Flood Level (From Base Case) at Reporting Locations (1% AEP+CC (2100) Storm Tide)

Reporting Location ID	Location Description	Peak Water Level (mAHD) / Loss of Storage (%)						
		0%	10%	20%	30%	50%	75%	90%
1	Maroochy River at Kuluin	-	0.07	0.14	0.22	0.37	0.60	0.73
2	Bridge at Petrie Creek-David Low Way	-	0.03	0.07	0.12	0.23	0.40	0.51
3	Maroochy River - Coolum Creek Confluence	-	0.09	0.17	0.26	0.43	0.66	0.78
4	Sunshine Coast Solar Farm	-	0.09	0.18	0.28	0.47	0.71	0.84
5	Maroochy River at Maroochydore	-	0.06	0.13	0.20	0.34	0.52	0.62
6	Stumers Creek - Yandina Coolum Road crossing	-	0.10	0.22	0.32	0.52	0.77	0.90
7	Entrance to Quanda Park Industrial Estate	-	0.09	0.18	0.27	0.45	0.68	0.81
8	Stumers Creek - David Low Way Bridge	-	0.08	0.19	0.29	0.49	0.72	0.83
9	Marcoola Township (East of Bund)	-	0.08	0.17	0.26	0.43	0.65	0.76
10	Drain South of Sunshine Coast Airport (near Mudjimba)	-	0.09	0.19	0.29	0.49	0.75	0.90
11	South Maroochy River at Bruce Highway	-	0.00	0.01	0.02	0.05	0.12	0.17



MCU22/0033 - ParkLakes 3 Development Application - Submissions



	FOR	AGAINST	UNSURE/NEUTRAL	TOTAL
Total number of submissions	151	156	11	318
Properly made submissions	142	87	6	235
Not properly made submissions	9	69	5	83

Legend

- Subject Lots
- 4 km Radius on Lot2 on RP207422
- For
- Against
- Unsure
- Neutral
- Land Parcels
- Waterbodies
- OpenSpace
- Localities



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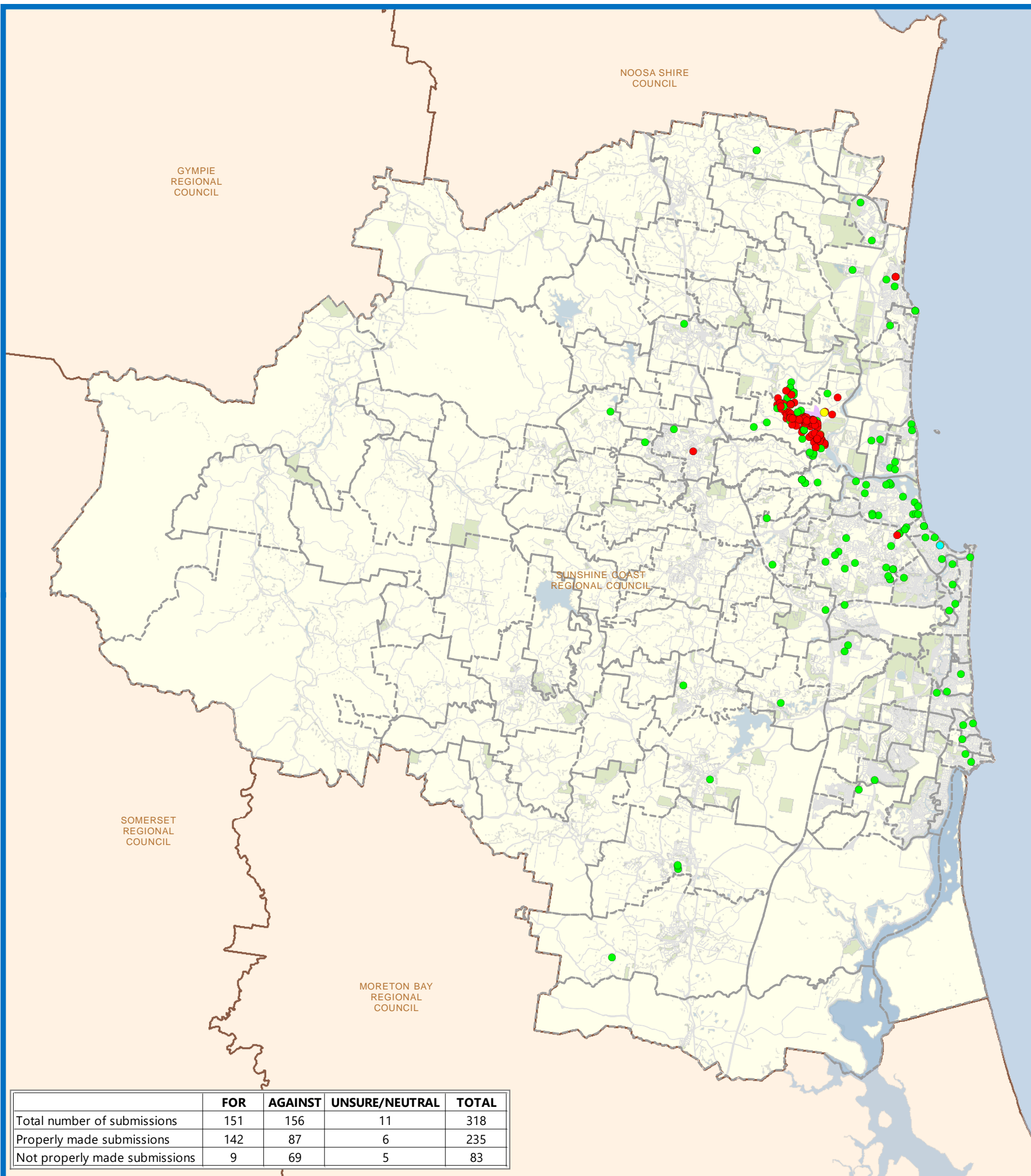
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MCU22/0033 - ParkLakes 3 Development Application - Submissions



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Legend

- Subject Lots
- Waterbodies
- OpenSpace
- Localities
- For
- Against
- Unsure
- Neutral

Sunshine Coast COUNCIL
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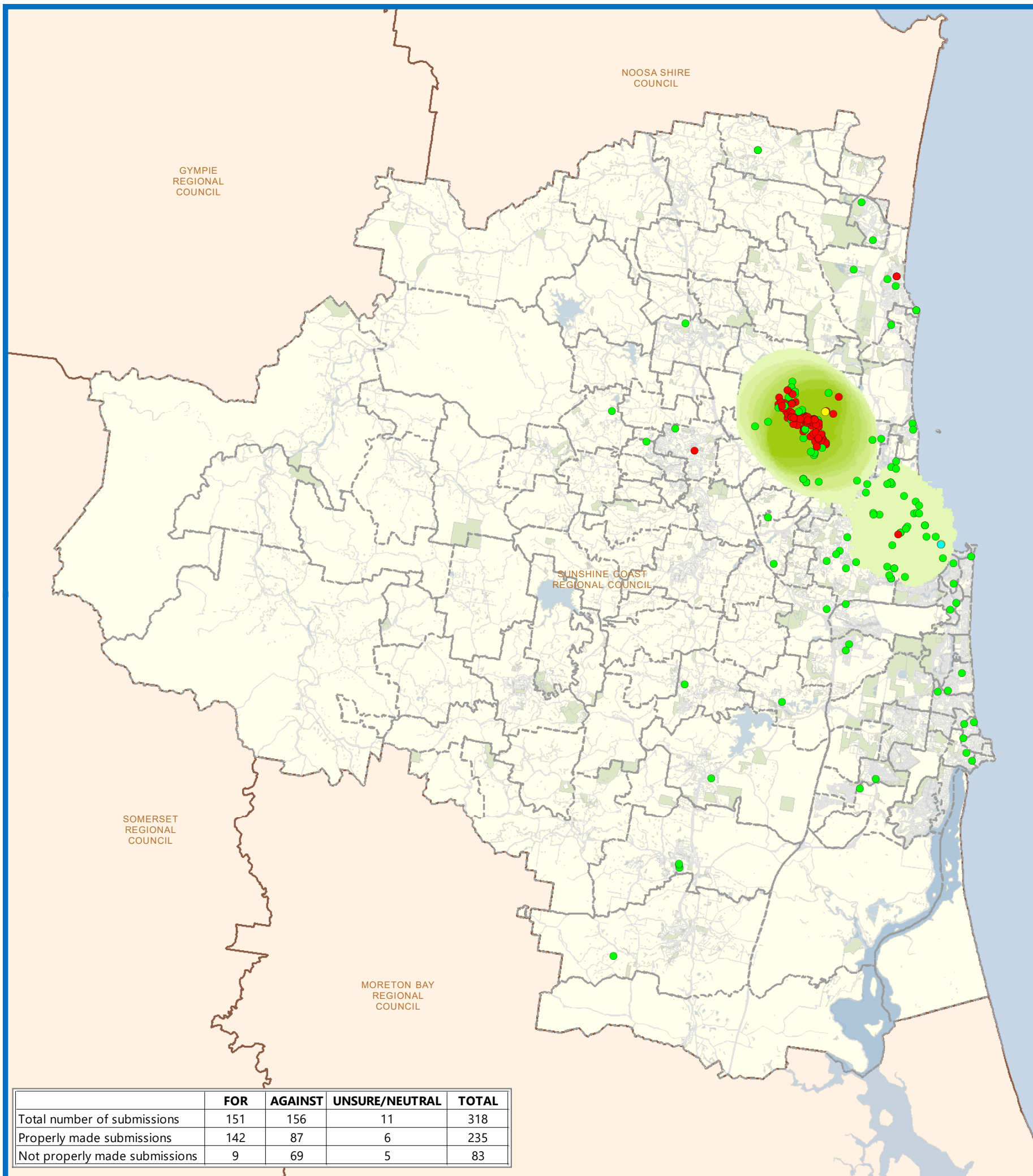
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0 1 2 3 4 km Scale: 1:236,842



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MCU22/0033 - ParkLakes 3 Development Application - Submissions Heatmap



Legend

Submissions

- For
- Against
- Unsure
- Neutral

- Waterbodies
- OpenSpace
- Localities



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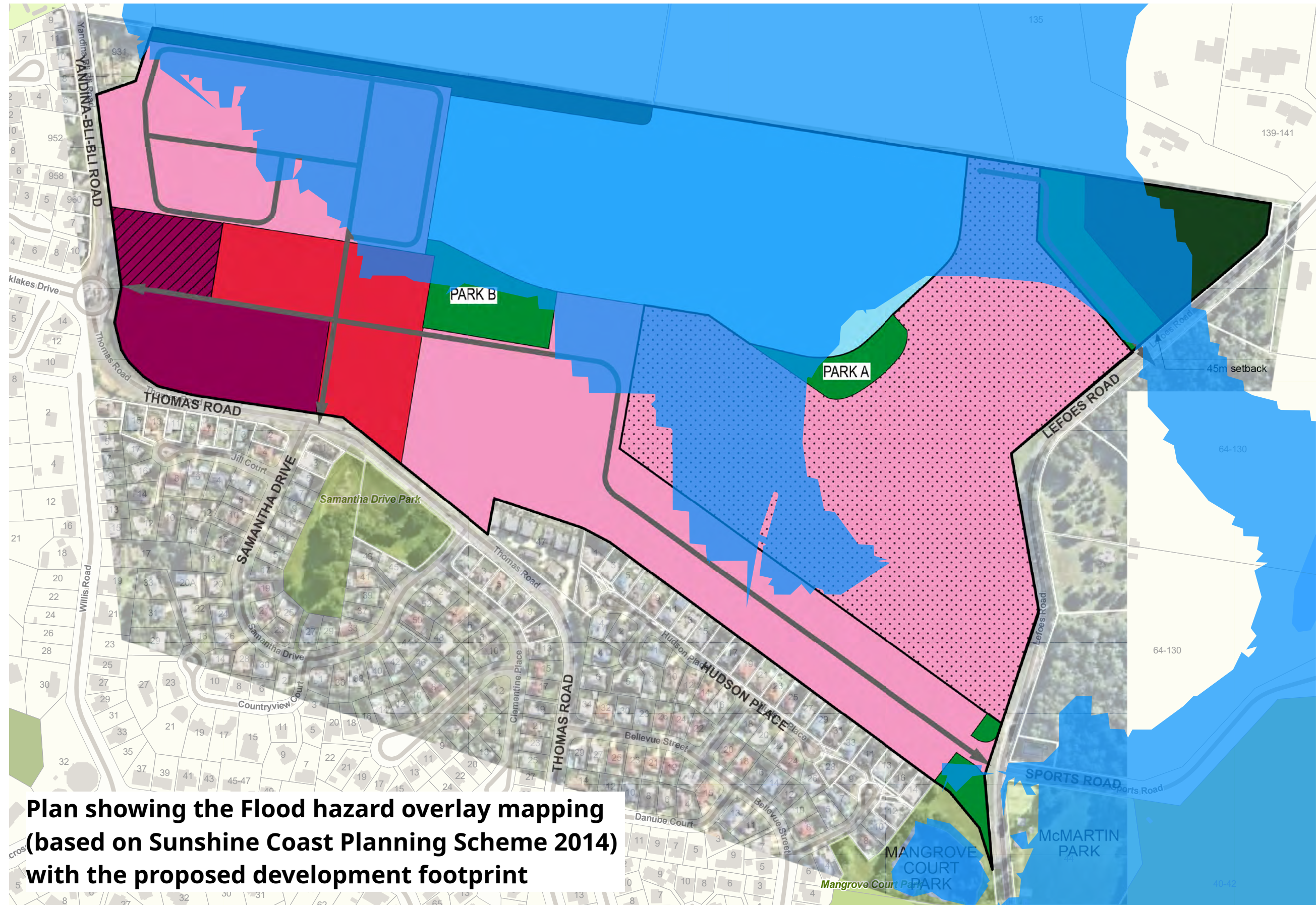
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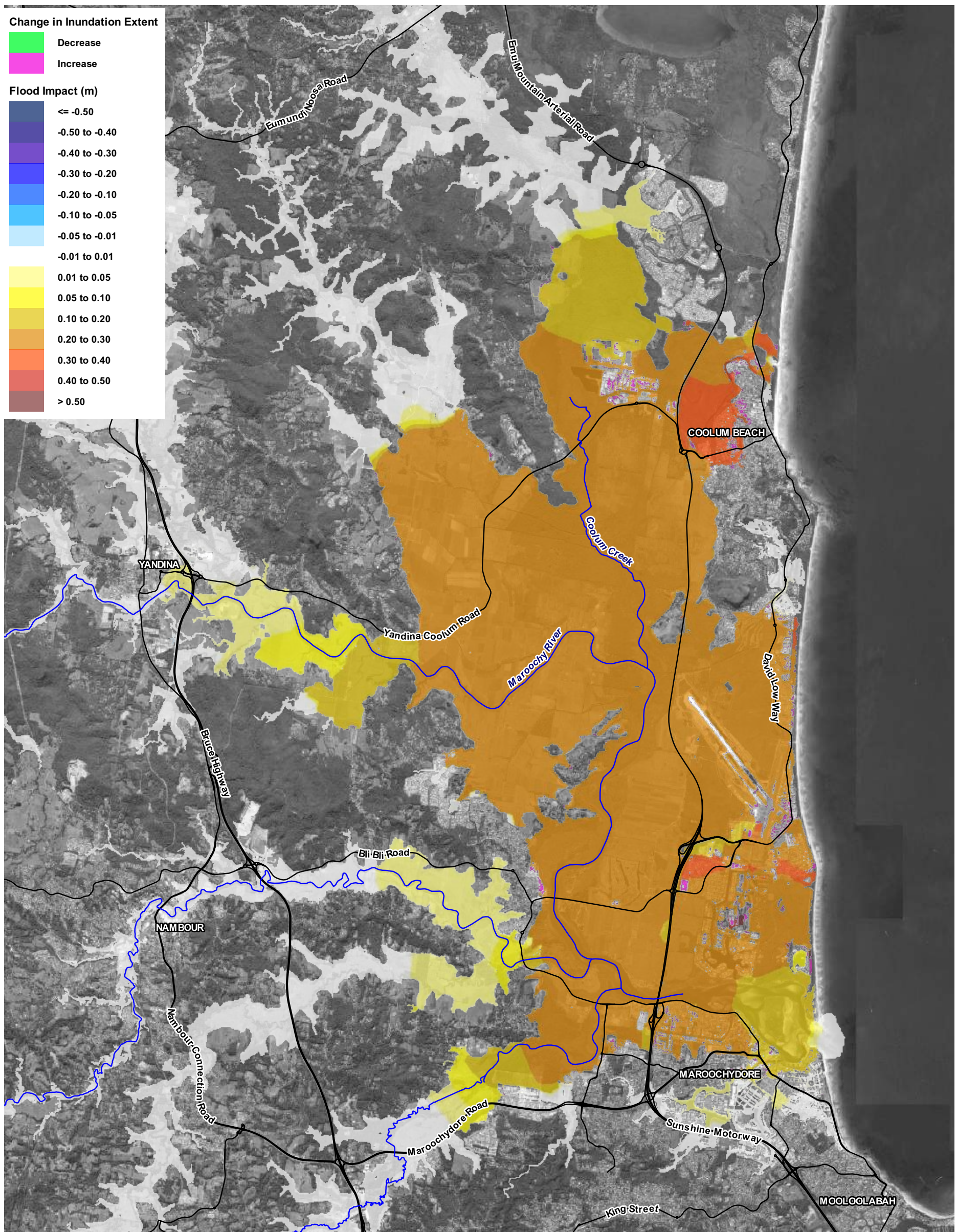
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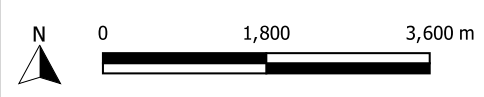
LEGEND

- Major Waterways
- Major Roads

Title:
Change in Peak Flood Level: 1% AEP+CC (2100) with Storm Tide, 30% Storage Loss

Drawing: **C-3** Rev: **A**

BMT endeavours to ensure that the information provided in this map is correct at the time of publication. BMT does not warrant, guarantee or make representations regarding the currency and accuracy of information contained in this map.



Related Report / Additional Information

Meeting:	Ordinary Meeting	Date:	21 November 2024
Requesting Councillor:	Councillor E Hungerford		
Item:	8.11 Financial Performance Report – October 2024		
Circulation	19 November 2024		
Officer:	Chief Financial Officer	Approving GE (title):	Group Executive Business Performance

In response to a question raised by Councillor E Hungerford, please note the following additional information for your consideration.

Question: Provide a breakdown of the restricted and unrestricted cash.

Response:

The October 2024 Financial Performance Report included cash balance of \$196.6 million, as at 31 October 2024. The breakdown of the restricted and unrestricted cash as follows:

- \$140.0 million restricted cash
- \$56.6 million unrestricted cash



2024 FINAL MANAGEMENT REPORT

Sunshine Coast Regional Council

20 November 2024

SENSITIVE



Ms R Natoli
Mayor
Sunshine Coast Regional Council

Dear Ms Natoli

Final management report for Sunshine Coast Regional Council

We have completed our 2024 financial audit for Sunshine Coast Regional Council. QAO has issued an unmodified audit opinion on your financial statements.

The purpose of this report is to update you on any matters that have arisen since we presented our closing report to the audit committee on 28 October 2024.

Reporting on issues identified after the closing report

I can confirm that we have not identified significant issues since the presentation of our closing report to the audit committee. The issues and other matters we have formally reported to management and an update on management's actions taken to resolve these issues is included as Appendix A.

Please note that under section 213 of the Local Government Regulation 2012, you must present a copy of this report at your council's next ordinary meeting.

Report to parliament

Each year, we report the results of all financial audits and significant issues to parliament.

We intend to include the results of our audit of Sunshine Coast Regional Council in our report to parliament *Local Government 2024*. We will comment on the results of our audit, any significant internal control issues, and the overall results for the sector, including major transactions and events. We will discuss the proposed report content with your entity contact and continue to consult as we draft it. Formally, entities have an opportunity to comment on our report, and for these comments to be included in the final version tabled in parliament.

Audit fee

The final audit fee for this year is \$376,312, exclusive of GST. This fee is higher than the \$317,900 estimated in our external audit plan. We have discussed the key factors contributing to the fee variation with your chief financial officer. In summary, these matters were largely due to complexities and delays experienced in relation to the three comprehensive revaluations that were undertaken in the financial year.

We would like to thank you and your staff for your engagement in the audit this year and look forward to working with your team again next year.

If you have any questions about this report or would like to discuss any matters regarding our services and engagement, please do not hesitate to contact me on 3149 6211.

Yours sincerely

David Adams
Senior Director

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2024 Final management report

Appendix A – Matters previously reported

The following table summarises all control deficiencies, financial reporting issues and other matters that have previously been raised but are not yet resolved. The listing includes issues from our reports this year and those issues raised in prior years.

Our risk ratings are as follows. For more information and detail on our rating definitions, please see the webpage here: www.gao.qld.gov.au/information-internal-controls or scan the QR code.



Ref.	Rating	Issue	Status and comment	QAO Recommendation
24CR-1	D	<p>Comprehensive PP&E revaluations and techniques adopted to estimate fair value</p> <p>We noted that Council has adopted a range of measurement techniques to revalue Property, Plant & Equipment (PP&E) that were planned to be comprehensively revalued as at 30 June 2024. Our understanding is that varying techniques are required to align asset data in the Corporate Asset Management System (CONFIRM) and the FAR before proceeding to apply a comprehensive revaluation technique in the FAR. Complexities, data completeness and accuracy, resource allocation and time constraints impeded Council from achieving its original objective. While a material proportion of assets in the FAR were comprehensively revalued there remains assets in each class where indexation has been applied because of an absence of sufficient appropriate data to validate the completeness and accuracy of the attributes of these assets as recorded in the FAR.</p>	<p>Work in progress</p> <p>a) Management agrees with the recommendation to continue to align its asset data and information between the CONFIRM and FAR systems. The ongoing issues regarding alignment of data between the CONFIRM and FAR systems is the symptom requiring rectification. Additional resources have been expended over this and previous audits to rectify long standing data and system issues. Council currently has 9 systems supporting asset recognition processes with minimal to no automated integrations between them. A solution is required to implement a comprehensive, integrated asset system which provides end to end asset solutions for not only the revaluation process but also all components of the asset recognition process.</p> <p>b) In terms of the recommendation to comprehensively revalue only one asset class in any given year, this is Council's normal practice. 2023–24 was an unusual year in that Council was required to catch up on asset classes that were not previously able to be comprehensively revalued, and in response to Significant Deficiency 23CR-1 – Comprehensive valuation process. Management will also revisit the comprehensive asset revaluation schedule given that 3 revaluations were completed this year.</p> <p>Responsible officer: Chief Financial Officer Action date: 30/06/2025</p>	<p>a) Council accelerate its program to align its asset data and information between CONFIRM and FAR systems and increase the number of assets that are valued using more precise valuation techniques</p> <p>b) Review the programming of comprehensive revaluations by asset class, so that in any given financial year, only one major class is subject to comprehensive revaluation techniques.</p>

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Ref.	Rating	Issue	Status and comment	QAO Recommendation
24CR-2	D	<p>Adoption of unit rates provided by engaged external expert</p> <p>An external expert and registered valuer was engaged to provide fair value estimates for swimming pools, parks and sports field, shelters and other assets in the other infrastructure asset class. Management was unable to thoroughly analyse and assess all the fair value estimates provided by the valuer and as a result, has elected not to adopt the fair value estimates and instead indexed 31% of assets within the asset class.</p> <p>There has also been delays extended into October in obtaining finalised valuation reports from the valuer and scheduling discussions about the outcomes of the valuation results.</p>	<p>Work in progress</p> <p>Management agrees with this recommendation noting the requirement to direct Asset Accounting resources to work on data alignment/reconciliation between Council's corporate asset register (Confirm) and the financial asset register (FAR), coupled with the requirement to complete 3 comprehensive revaluations in the year, prevented some fair value estimates for the Other Infrastructure asset class from being processed due to time constraints, requiring indexation to be applied.</p> <p>This risk was always present and therefore a risk-based, top down approach was adopted to ensure that the highest value assets requiring comprehensive revaluation were attended to first (i.e. Transportation and Stormwater), resulting in 57% of the Other Infrastructure asset class being valued using unit rate estimates or values as appropriate.</p> <p>For 2024–25, a comprehensive revaluation of the Buildings asset class will be completed, noting that this is has already commenced.</p> <p>Responsible officer: Chief Financial Officer Action date: 30/06/2025</p>	<p>We recommend:</p> <ol style="list-style-type: none"> Engagement of valuers earlier in the financial year as this provides management with greater confidence that valuers can complete their engagement on time and mitigate risks if unexpected delays are encountered by either party. Consideration to be given to reviewing the programming of comprehensive revaluation by asset class, so that in any given financial year, only one class is subject to comprehensive revaluation techniques.
24IR-1	D	<p>Unknown reason for parking revenue reconciliation revenue reconciliation discrepancies between parking meter management system and TechOne general ledger</p> <p>Our review of the reconciliations between parking revenue (per the TechOne general ledger) and the parking meter management system identified unreconciled amounts. While management are aware of the reconciliation variances, the cause of the discrepancy is unknown.</p>	<p>Work in progress</p> <p>Council is in the final stages of compiling a Request for Quote (RFQ) document for the review.</p> <p>The RFQ has been tranching to ensure a progressive review, and then termination of suitable changes to business practices/processes to ensure the discrepancies are reduced and/or removed. This includes ensuring future reporting has more transparency in terms of reconciliation between the parking revenue and the parking meter management system.</p> <p>The RFQ is requiring the review to be completed and outcomes reportable by the action date of 31 December 2024. Any adjustments to this date will be provided in due course as the project progresses.</p> <p>Responsible officer: Manager Transport Network Management Action date: 31 December 2024</p>	<ol style="list-style-type: none"> We recommend that management identify the underlying reasons for discrepancies in parking meter revenue between the two systems to ensure that only parking revenue collected and earned it recorded in the general ledger.

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Ref.	Rating	Issue	Status and comment	QAO Recommendation
24IR-2	S	<p>Vendor Masterfile changes for new, existing and grant creditor vendors are not appropriately reviewed and documented</p> <p>Exceptions identified in terms of the operating effectiveness of this control including:</p> <ul style="list-style-type: none"> lack of evidence that changes had been appropriately authorised via the completion and certification of required forms lack of evidence that required processes had been followed to independently validate changes to vendors bank account details including recording that such processes have been conducted, in the relevant Council system. 	<p>Resolved pending verification</p> <p>Council agrees with and has implemented the recommendations. In response to the exceptions identified:</p> <ul style="list-style-type: none"> All Creditor/Supplier Creation / Maintenance forms will not be accepted by the Accounts Payable team unless signed by the requesting Council officer and authorised by the Branch Manager. <p>Previously, on occasion, the team would accept the email request from the business area as the approved source document.</p> <ul style="list-style-type: none"> It is already standard practice for file notes to be added to the Creditor in the system when bank changes are made and confirmed by phone by the Accounts Payable team. The exception flagged in this audit was the result of a contingent worker not following the process. The Accounts Payable and Grants teams implemented a process change whereby all bank changes to Grants Creditors will be confirmed and managed by the Grants team. <p>Responsible officer: Accounts Payable Team Leader Action date: 30 June 2024 Audit assessment: QAO will test the design and implementation of the revised controls and procedures in the planning stages of the FY25 audit.</p>	<p>We recommend that management:</p> <ol style="list-style-type: none"> Check that changes made to vendors identified as exceptions above are valid changes. Remind key staff of the risks when key vendors controls are not operating effectively.

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2024 Final management report

Ref.	Rating	Issue	Status and comment	QAO Recommendation
24IR-3	D	<p>Controls and processes to mitigate risks arising from incomplete/inaccurate data in Corporate Asset Management Systems</p> <p>Observed absences or errors in key data fields in CONFIRM which resultantly impacts on the estimation of Current Replacement Cost of items of PP&E measured under the Cost Approach. Recommendation made that controls and processes be implemented to improve data quality in this system.</p>	<p>Work in progress</p> <p>The need for improved data quality controls and reporting has been recognised as part of a project reviewing the implementation of CONFIRM and the business processes that supports.</p> <p>Council is also developing an Asset Information Framework, including specific components regarding Asset Information Requirements and Monitoring and Assurance. The Asset Information Framework is due for completion as part of the Asset Management Transformation Program by 30 June 2025.</p> <p>An outcome of these two projects will be an agreed and prioritised program of Data QA improvements to be implemented over the next 3 years and aligned with a documented asset revaluation approach.</p> <p>Responsible officer: Manager Asset Management Action date: 30 June 2025</p>	<p>For asset attribute data already captured within CONFIRM, Council seek to adopt measures to mitigate risk and formalise processes for identifying and correcting current inaccuracies or absences in key fields within CONFIRM. This includes determining which fields and measures within the system are paramount and mandatory from an asset management and asset accounting perspective then developing a framework to ensure that these fields are reviewed for completeness and accuracy and amended where necessary. The framework should also include considerations for substitution where key data is unknown and ensuring substitution, if necessitated represents reasonable estimates in the absence of observable/measurable inputs.</p> <p>For the creation and entry of new asset data in CONFIRM, controls and processes to prevent or detect the occurrence of erroneous data entry should be implemented.</p>

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Ref.	Rating	Issue	Status and comment	QAO Recommendation
23CR-1	S	<p>Comprehensive valuation process</p> <p>Planned Comprehensive revaluation of Stormwater and Other Infrastructure classes of Property, Plant & Equipment was not achieved in FY 2023. The duration between comprehensive revaluations for Stormwater and Other Infrastructure assets classes is now 5 and 8 years respectively. By not periodically completing comprehensive valuations in accordance with Council's stated asset accounting policies (every 3 to 5 years or when material movement has been identified in a class) there is a risk that the carrying values of assets may be materially misstated and not conform with the principles of AASB 116 <i>Property, Plant & Equipment</i>.</p>	<p>Work in progress</p> <p>Council has implemented a project to identify and correct a) Assets in the Financial Asset Register not matched in Confirm, and b) Assets in Confirm not currently able to be recognised in the FAR (due to insufficient data), which encompasses FAR assets that cannot be revalued using unit rates due to insufficient attribute information.</p> <p>This project is being carried out internally using a risk-based approach and focussing on the asset classes being comprehensively revalued this year.</p> <p>Due to the significant workload required on the data quality issues between the 2 asset registers Confirm and FAR, Council is outsourcing the provision of unit rates for revaluation purposes.</p> <p>Stormwater and Transportation will be delivered together for the 2nd Interim Audit in June 2024.</p> <p>Other Infrastructure will be segmented by appropriate asset group and delivered in stages with all completed for the Final Audit in September 2024.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2024</p> <p>Management update:</p> <p>The Stormwater asset class revaluation based on gross replacement cost was outsourced to Stantec Australia Pty Ltd and audited during the 2nd Interim Audit in June 2024.</p> <p>Other Infrastructure revaluations have been segmented and outsourced to Stantec Australia Pty Ltd for electrical, waste and marine assets, and to Marsh Pty Ltd for swimming pools, park and sports-field assets, shelters and other structures.</p> <p>Audit update 28/10/2024:</p> <p>Managements intent was to apply unit rates supplied by external valuers to most assets within Stormwater, Transportation and other infrastructure. Unit rates were applied using a risk-based approach ensuring the most material assets were revalued first. Due to time constraints only 57% of other infrastructure assets were revalued using unit rates.</p>	<p>We recommend that council:</p> <ol style="list-style-type: none"> Continue with its plan to finalise all relevant aspect of its revaluation process for stormwater and other infrastructure assets in FY24. Apply more effective project management disciplines (including governance and communication attributes) to the comprehensive revaluation process to ensure outcomes are achieved, including within agreed timeframes and to a quality standard (e.g. revaluation results are peer reviewed, approved and reported to executive management and the audit committee). Consider using other sources including internal audit of other LG networks to benchmark unit rate processes and results.

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Ref.	Rating	Issue	Status and comment	QAO Recommendation
23CR-2	D	<p>Delays in recognising contributed assets</p> <p>Delays in the timely recognition of contributed assets has been a recurring issue for Council. Such delays increase the risk that revenue, assets, and depreciation expense will be materially misstated in the financial report and or result in the reporting of material prior period errors and retrospective restatements.</p>	<p>Work in progress</p> <p>The Asset Management Transformation Program has reviewed the current Contributed Asset Process flow through consultation with all internal stakeholders and process maps are complete.</p> <p>Solutions workshops have occurred noting that notifications received in relation to the on maintenance of State controlled and administered developments are outside of Council's control.</p> <p>In an effort to address this issue, Council stakeholders involved in the Asset management Transformation program met with the State Government with the aim of achieving an agreed process to mitigate the risk of delays in notifications.</p> <p>For 2024, approximately \$30 million worth of contributed assets are relating to prior year(s) due to delays in notifications. A position paper, including a root cause analysis, will be prepared for the final audit.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2025</p> <p>Management update:</p> <p>Council recognised \$71.4 million prior period adjustment due to delays in recognising contributed assets.</p> <p>Of that amount, \$38.2 million related to electrical assets with the balance relating to constructed water bodies (\$20.2 million), State controlled developments (\$10.8 million) and other.</p>	<p>We recommend that council:</p> <ul style="list-style-type: none"> a) Revisit its current reconciliation process between the development application numbering and the on-maintenance letters and aim to develop processes and measures to better ensure that the on-maintenance letters are reconciled to the appropriate development applications. b) Ensures the timely recording of contributed asset information into council's systems to ensure revenue, assets and depreciation expense are not materially misstated in the financial report. c) Consider year-end adjusting entries to avoid prior period error.

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2024 Final management report

Ref.	Rating	Issue	Status and comment	QAO Recommendation
23CR-3	D	<p>Assets not previously recognised</p> <p>Management have identified prior period errors relating to asset records which have not been previously recognised in the primary financial system as well as erroneous records which have required removal from the financial asset register.</p> <p>These errors are primarily attributable to an absence of key system information on these assets preceding the transition to the Confirm asset management system and spatial data capture inconsistencies</p>	<p>Work in progress</p> <p>Through the work carried out by the Asset Accounting Team for the revaluation deliverables, the attributes and units of measure required for valuation purposes have been clearly documented to inform what is required to be captured against each asset group and asset type to enable financial recognition.</p> <p>A significant amount of work has been completed by the Asset Accounting Team to reconcile Financial Asset Register (FAR) assets which currently are not aligned to Confirm. This enabled the assets in Confirm that aren't represented in the FAR to be able to be recognised where those records in Confirm have the required attributes populated.</p> <p>Capitalisation occurs throughout the year and has limited impact on assets discovered in the field. The source is further upstream where assets are not captured into Council's corporate asset register (Confirm) in a timely fashion which results in field officers "finding" assets and entering those discoveries into Confirm. The AMTP (Asset Management Transformation Program) is underway and is looking at this specific issue.</p> <p>Ongoing validation of asset data occurs as part of condition audits, State of the Assets Reporting and business as usual.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2025</p>	<p>We recommend that council:</p> <ol style="list-style-type: none"> Continue with its existing improvement plans to progress the quality of its asset information in the system. Ensure that the capitalisation process for assets is performed regularly throughout the financial year Ensure that cost effective stocktakes are performed to verify the completeness and existence of assets.

SENSITIVE

2024 Final management report

Ref.	Rating	Issue	Status and comment	QAO Recommendation
23CR-4	D	<p>Delays in classifying project costs to operating expense</p> <p>Council performs its capitalisation analysis processes monthly to determine whether the classification of capital costs to a project is appropriate and or whether costs failing to satisfy recognition criteria should be classified as operating expenditure.</p> <p>There are issues with the timeliness of these processes and as a result the recognition of re-classified expenses in their correct reporting period.</p>	<p>Work in progress</p> <p>Costs charged to natural accounts in capital projects that are operational in nature e.g. tree pruning, conference attendance etc. are reviewed monthly and transferred to the X (operational project) ledger.</p> <p>A Management Accountant was seconded to the Asset Accounting team for 6 months, and in which time older projects that had not been finalised by Project Managers were reviewed and costs moved to X ledger where appropriate.</p> <p>For 2024, approximately \$10 million worth of project costs were transferred to operating relating to prior year(s). As this amount exceeds the QAO overall materiality for 2024 of \$8.4 million, a position paper has been prepared, including a root cause analysis, for QAO review. The \$10 million is currently included in Council's 2024 operating expenses, however following review by QAO, the amount is likely to be recognised as a prior period adjustment.</p> <p>The monthly review to identify obvious operating costs in capital work in progress will continue, and this will reduce future prior period adjustments relating to project costs transferred to operating.</p> <p>However, some operating costs are only discovered during the capitalisation process when invoices are reviewed, and costs allocated.</p> <p>In the long term, through the Asset Management Transformation Program, clear guidelines will be established to assist at a project's inception in determining at what point in time project costs are capital in nature, along with types of costs, that are to be charged to the Capital Project Ledger, and other project costs outside of these guidelines to be expensed, when incurred, to the Operating Ledger.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2025</p> <p>Management update:</p> <p>The \$10 million has now been recognised as a prior period adjustment.</p>	<p>We recommend that council:</p> <p>a) Consider revising its approach (including developing a cost-effective internal control) to analyse WIP projects to identify operational expense components of each project in a more regular manner.</p>


SENSITIVE

2024 Final management report

Ref.	Rating	Issue	Status and comment	QAO Recommendation
22IR-8	D	<p>Other infrastructure asset class – comprehensive</p> <p>The comprehensive revaluation of the 'Other Infrastructure class of Property, Plant & Equipment was not performed at the 5 years interval in accord with Council's asset accounting policies.</p>	<p>Partially resolved</p> <p>The comprehensive revaluation for this asset class has been unable to be completed in previous audits due to reconciliation issues of the asset registers (Financial Asset Register and Confirm) and data completeness as well as the availability of unit rate data.</p> <p>For this year, the asset register completeness has been addressed via reconciliation between the 2 asset registers, Confirm and the Financial Asset Register (FAR) as well as asset recognition as required. Data completeness is to be resolved through data augmentation. As all of the above has been carried out in house, the Other Infrastructure asset class revaluation has been segmented and outsourced to Stantec Australia Pty for electrical, waste and marine assets, and to Marsh Pty Ltd for swimming pools, park and sports field assets, shelters and other structures.</p> <p>Application of the comprehensive revaluation, incorporating the impacts of the useful life review, is on track for completion by the final audit in September 2024.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Original action date: 30 June 2022</p> <p>Revised action date No.1: 30 June 2023</p> <p>Revised action date No.2: 30 June 2024</p> <p>Revised action date No. 3: September 2024</p> <p>Management update:</p> <p>Approximately 57% of the Other Infrastructure asset class has been comprehensively revalued using external valuers Stantec and Marsh, with the balance having an applicable index applied.</p> <p>Audit assessment:</p> <p>Approximately 57% of Other Infrastructure asset class has been comprehensively revalued in FY24. We have changed the status of this issue to 'Partially resolved' as unit's rates were not applied as originally planned to most of the class. We have estimated as reasonably possible with the information provided, a range for a judgemental uncorrected misstatement for not applying unit rates to the rest of the class.</p>	<p>We recommend that Council comprehensive revalue the remaining 43% of other infrastructure that was unable to be completed during FY24.</p>

SENSITIVE

2024 Final management report

Ref.	Rating	Issue	Status and comment	QAO Recommendation
22FR-1		<p>Formal review of remaining useful lives for assets is required</p> <p>No formal review of assets' remaining useful lives and, no formal assessments of assets for indicators of impairment</p>	<p>Resolved pending audit clearance</p> <p>Council has implemented a formal review of assets' remaining useful lives and formal assessment of assets' impairment indicators in accordance with the provisions of AASB 116.</p> <p>Responsible officer: Chief Financial Officer</p> <p>Action date: 30 June 2024</p> <p>Management update:</p> <p>The results of the 2024 UL review have been incorporated into application of the 2024 asset revaluations.</p> <p>Audit update:</p> <p>Per inquiry with management the results of the 2024 Useful Life review have been incorporated into the application of the 2024 asset revaluations. Due to the complexity of the newly implemented formal useful life review we are unable to comment whether the review has been appropriately implemented into management financial statement preparation procedures.</p>	<p>We recommend that council:</p> <p>a) Implement a practical process to ensure the useful life of property, plant and equipment and intangible assets are reviewed annually.</p>

SENSITIVE

2024 Final management report

Appendix A3 – Climate-related financial disclosures

Next year audit planning considerations	Potential effect on your reporting obligations	Potential effect on your audit
<p>On 9 September 2024, the Australian Parliament passed legislation to enact Australia's mandatory climate-related financial disclosure regime.</p> <p>Entities that report under the Corporations Act 2001 and meet specific criteria are required to comply with the legislation and the reporting requirements in the standards</p>	<p>Queensland Treasury will determine the application to Queensland public sector entities that aren't reporting under the Corporations Act, such as departments and statutory bodies.</p> <p>Councils are not included in the scope of the Commonwealth legislation. Therefore, you are not a mandatory reporting entity. However once Queensland Treasury issues advice on this reporting, the Department of Housing, Local Government, Planning and Public Works may issue their own guidance for councils to follow.</p>	<p>We will work with management to assess Queensland Treasury and Department of Housing, Local Government, Planning and Public Works requirements and guidance, as applicable.</p>



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