

FINANCE AND GOVERNANCE COMMITTEE SUPPLEMENTARY REPORTS

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** Item includes confidential papers

FINANCE AND GOVERNANCE COMMITTEE NO. 6

14 NOVEMBER 2024

SUPPLEMENTARY REPORTS

8. **INVESTIGATION POLICY**

This is a report concerning required amendments to the Investigation Policy following recent legislative reform. Council is required to adopt an Investigation Policy in accordance with section 150AE(1) of the *Local Government Act 2009*.

RECOMMENDATION

- A. That Council repeal the existing Investigations Policy as detailed in Attachment 1.
 - B. That Council adopt the revised Investigation Policy as detailed in Attachment 2.
-

9. **MONTHLY FINANCIAL PERFORMANCE REPORT - OCTOBER 2024**

This is a report concerning Council's financial performance for the period ending 31 October 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION

That the report on Council's financial performance for the period ending 31 October 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*, be considered and noted by Council.

10. **QUEENSLAND AUDIT OFFICE 2024 FINAL AUDIT REPORT**

This is a report concerning the Queensland Audit Office findings and recommendations from the 2023-2024 external audit of Ipswich City Council.

RECOMMENDATION

That the 2023-2024 final management report Ipswich City Council, as detailed in Attachment 1, be received and the contents noted.

Doc ID No: A10918211

This matter has been determined to be of a significant nature and approval has been given to refer this report to the Finance and Governance Committee as a supplementary item.

ITEM: 8

SUBJECT: INVESTIGATION POLICY

AUTHOR: MANAGER, EXECUTIVE SERVICES

DATE: 8 NOVEMBER 2024

EXECUTIVE SUMMARY

This is a report concerning required amendments to the Investigation Policy following recent legislative reform. Council is required to adopt an Investigation Policy in accordance with section 150AE(1) of the *Local Government Act 2009*.

RECOMMENDATION/S

- A. That Council repeal the existing Investigations Policy as detailed in Attachment 1.**
- B. That Council adopt the revised Investigation Policy as detailed in Attachment 2.**

RELATED PARTIES

The adoption of an investigation policy is prescribed by section 254AB(a) of the *Local Government Regulation 2012* (the Regulation) as an 'ordinary business matter' for Councillor conflict of interest purposes under section 150EF(1)(d) of the Act.

IFUTURE THEME

A Trusted and Leading Organisation

PURPOSE OF REPORT/BACKGROUND

Section 150AE (1) of the Local Government Act 2009 (the Act) requires Council to adopt, by resolution, an Investigation Policy. The Investigation Policy outlines how Council will deal with suspected conduct breaches of Councillors referred to Council by the Office of the Independent Assessor (OIA).

The Local Government (Councillor Conduct) and Other Legislation Amendment Act 2023 was passed by the Queensland Legislative Assembly on 15 November 2023 and commenced on 22 November 2023. Council is required to ensure its Investigation Policy meets the requirements of the revised legislation.

The policy must outline how Council deals with suspected conduct breaches of Councillors referred to it by the Independent Assessor. The revised Investigation Policy also must:

- Include a procedure for investigating suspected conduct breaches of Councillors

- state the circumstances in which another entity may investigate the conduct (i.e. misconduct and corrupt conduct)
- be consistent with the principles of natural justice
- require a report, called an investigation report, to be prepared about each investigation
- require Councillors and complainants to be given notice about the outcome of investigations, and
- include a procedure about when Council may decide not to start, or to discontinue, an investigation.

The Investigation Policy must require Council to:

- give the Councillor information about the suspected conduct breach, including details about the evidence of the conduct,
- give the Councillor and the complainant (if contact details known) notice if an investigation is not started or is discontinued,
- give the Councillor the preliminary findings of the investigation and allow the Councillor to give evidence or a written statement about the suspected conduct breach and preliminary findings before preparing an investigation report,
- consider any evidence and written statements given by the Councillor in preparing the investigation report, and
- include a summary of any evidence and full copy of any written statement by the Councillor in the investigation report.

Proposed variations to the example policy are limited to layout and formatting, and removal of the exclusion of costs (expenses) of the subject Councillor as this is in conflict with the provisions within the Councillor Expenses Reimbursement and Administrative Support Policy where legal support is available for Councillors and costs may be recovered only where there is a sustained conduct breach.

The example policy requires that where the local government meeting loses quorum due to conflicts of interest of Councillors or absent Councillors, then the conduct matter must be delegated to the Mayor or a standing committee to make a decision. If the referral notice is about the suspected conduct breach by the Mayor, then the matter must be delegated to a standing committee. The example policy also requires that the committee be in place prior to receipt of a referral. As Council has a number of standing committees already in place, there is no recommendation to setup a standing committee for this purpose and the delegation can be determined on a case-by-case basis. Alternatively, Council can setup a specific conduct standing committee for this purpose with all Councillors as members.

LEGAL IMPLICATIONS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Local Government Regulation 2012

POLICY IMPLICATIONS

Meeting Procedures Policy

Meeting Conduct Policy

RISK MANAGEMENT IMPLICATIONS

Council is required by legislation to adopt an investigation policy. The example policy provided by the state should be considered suitable subject to any amendments that Council considers appropriate and remains consistent with legislation.

FINANCIAL/RESOURCE IMPLICATIONS

There are minor resource and financial implications as a result of the proposed policy. The mandatory requirement for an investigation will result in increased costs when matters are referred to Council for investigation. No specific annual budget has been allocated previously to conduct investigations. Council has only undertaken one investigation previously in 2021 at a cost of \$2,824.14, not including staff or administration costs.

COMMUNITY AND OTHER CONSULTATION

Councillors have been provided with a copy of the example policy from the state.

Councillors will be briefed on 12 November 2024 regarding the proposed example policy and legislative reforms.

CONCLUSION

A local government must adopt, by resolution, an investigation policy about how it deals with the suspected conduct breach of Councillors referred, by the Office of the Independent Assessor to the local government to be dealt with.




Noting the significant nature of the changes and that both the current and proposed version are heavily modelled on the example policy that has been provided by the state, it is proposed that a repeal of the existing policy and adoption of the new version would be the clearest approach.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS
NON-DISCRETIONARY DECISION
Recommendation A and B that Council adopt the Investigation Policy states that Council has no ability to act differently/make a different decision because of the requirement to

adopt an investigation policy in accordance with s150AE of the Local Government Act 2009. Therefore, while the proposed decision may not be compatible with human rights Council’s decision will not be unlawful under the *Human Rights Act 2019*.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

- | | |
|----|---|
| 1. | Current Investigations Policy ↓  |
| 2. | Investigation Policy - New ↓  |
| 3. | Example Investigation Policy ↓  |

Wade Wilson
MANAGER, EXECUTIVE SERVICES

I concur with the recommendations contained in this report.

Sonia Cooper
CHIEF EXECUTIVE OFFICER

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Investigations Policy

 Collaboration

 Communication

 Integrity

 Efficiency

 Leadership

Version Control and Objective ID	Version No: 2	Objective ID: A6677349
Adopted at Council Ordinary Meeting on	10 December 2020	
Date of Review	10 December 2024	

1. Statement

Council is committed to providing a statutory complaints process for dealing with complaints relating to alleged inappropriate conduct of a Councillor.

2. Purpose and Principles

The purpose of this policy is to outline the process that applies to investigations and determinations of a complaint about the alleged inappropriate conduct of a Councillor which has been referred by the Independent Assessor.

Council will achieve its policy commitment by:

- Complying with legislation;
- Maintaining ethical and legal behaviour of councillors;
- Ensuring transparent and effective processes and decision making in the public interest.

3. Strategic Plan Links

This policy aligns with the following iFuture 2021-2026 Corporate Plan theme:

- A Trusted and Leading Organisation

4. Regulatory Authority

Section 150AE of the *Local Government Act 2009*
Councillors Code of Conduct
Crime and Corruption Act 2001
Ipswich City Council Meeting Procedures Policy

5. Human Rights Commitment

Ipswich City Council (Council) has considered the human rights protected under the *Human Rights Act 2019 (Qld)* (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

IPSWICH CITY COUNCIL | Investigations Policy

6. Scope

This investigation policy applies to the management of how complaints about the inappropriate conduct of Councillors will be dealt with as required by the *Local Government Act 2009*; however this policy does not relate to more serious Councillor conduct such as misconduct or corrupt conduct.

7. Roles and Responsibilities

Under this policy the Chief Executive Officer has responsibility:

- to advise the Mayor and Councillors on receipt of a referral notice from the Independent Assessor;
- to refer suspected inappropriate conduct that the Mayor believes is in the best interest to refer to the President of the Tribunal;
- for updating the councillor conduct register;
- for advising the assessor about instances of possible misconduct;
- for advising the Crime and Corruption Commission about instances of possible corrupt conduct.

8. Confidentiality

Matters of suspected inappropriate conduct of a Councillor are confidential except as otherwise specifically provided for either in the *Local Government Act 2009* or this investigation policy.

Note: It must be kept in mind that the matter is an allegation only and not yet proven. Further, there will be circumstances where the detail of the referral will need to remain confidential to the Local Government. Any release of confidential information that a Councillor knows, or should reasonably know, to be confidential to the local government may be contrary to section 171(3) of the Local Government Act 2009 and dealt with as misconduct.

9. Natural Justice

Any investigation of suspected inappropriate conduct of a Councillor must be carried out in accordance with natural justice.

"Natural justice" or procedural fairness, refers to three key principles:

- the person being investigated has a chance to have his or her say before adverse formal findings are made and before any adverse action is taken (fair hearing);
- the investigator(s) should be objective and impartial (absence of bias); and
- any action taken is based on evidence (not suspicion or speculation).

A fair hearing means the Councillor who is the subject of the suspected inappropriate conduct matter must be told of the case against them including any evidence and be provided with an opportunity to put their case in writing with the investigation report provided to the Councillors as part of the meeting agenda.

An absence of bias means that any investigation must not be biased or be seen to be biased in any way. This principle embodies the concept of impartiality.

Doc ID No: A10905956

This matter has been determined to be of a significant nature and approval has been given to refer this report to the Finance and Governance Committee as a supplementary item.

ITEM: 9

SUBJECT: MONTHLY FINANCIAL PERFORMANCE REPORT - OCTOBER 2024

AUTHOR: FINANCIAL ACCOUNTING MANAGER

DATE: 5 NOVEMBER 2024

EXECUTIVE SUMMARY

This is a report concerning Council's financial performance for the period ending 31 October 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION/S

That the report on Council's financial performance for the period ending 31 October 2024, submitted in accordance with section 204 of the *Local Government Regulation 2012*, be considered and noted by Council.

RELATED PARTIES

Not applicable

IFUTURE THEME

A Trusted and Leading Organisation

PURPOSE OF REPORT/BACKGROUND

This report outlines the financial results for Ipswich City Council as at 31 October 2024.

The total net result (including capital revenue) for Ipswich City Council as at 31 October 2024 is a surplus of \$81.8 million compared to the year to date (YTD) budget surplus of \$54.7 million.

Council's YTD operating surplus (excluding capital revenue) is approximately \$6.3 million compared to the budgeted YTD surplus of \$789K. The explanations are outlined further in the report.

Overall, capital expenditure including the Nicholas Street Redevelopment YTD but excluding the voluntary home buy-back is \$16.6 million below budget YTD. Asset donations as at 31 October 2024 are \$26.0 million above the YTD budget.

Revenue

Operating revenue is \$5.2 million above the YTD budget which is mainly due to fees and charges for animal management and waste services, operational flood recovery grants and UU tax revenue. Interest revenue YTD is \$1.3 million higher than budget due to cash being slightly higher than budget, and investment interest rates remaining high.

Expenses

Overall operating expenses are approximately \$417k below YTD budget.

Employee expenses (including labour contracts) are over budget by \$346k which is due to greater than budgeted labour contracts. Council had also budgeted for a salary increase effective from 1 October, which remains part of on-going Enterprise Bargaining Agreement negotiations.

Materials and services (excluding labour contracts) are underbudget by \$1.6 million. This is mainly due to the timing of expenditure, and it is expected that this variance will reduce over the coming months as works are initiated.

Depreciation is in line with budget and will continue to be monitored during the financial year as capital works are undertaken and construction projects are capitalised.

Capital

The total YTD capital expenditure (including the Nicholas Street Redevelopment and excluding voluntary home buy back and disaster recovery) is \$41.6 million compared to the YTD budget of \$58.2 million.

The Nicholas Street Precinct Redevelopment is tracking under budget by approximately \$8.6 million. This variance will reduce over the coming months as construction costs are finalised and contractor claims submitted.

Asset and Infrastructure Services Infrastructure Program YTD capital expenditure (excluding voluntary home buy back and disaster recovery) is \$26.0 million compared to budget of \$30.3 million.

Due to the timing of the Finance and Governance Committee detailed capital expenditure commentary is unavailable. The capital expenditure results will be reviewed and discussed by the leadership team over the coming weeks.

Please note that the capital expenditure forecast provided in the attachment reflects the September forecast. It is not expected that the October forecast would be materially different to the September forecast.

Cash Balances

Council's cash and cash equivalents balance as at 31 October 2024 was \$147.8 million and slightly above forecasts.

LEGAL IMPLICATIONS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Regulation 2012

POLICY IMPLICATIONS

Council's financial position is managed in accordance with the Financial Management Policy.

RISK MANAGEMENT IMPLICATIONS

The favourable operating result of a \$6.4 million surplus against a budgeted surplus of \$789K is mainly driven by higher operating revenues and lower materials and services expenditure. The underspends in materials and services are expected to reduce over the coming months as works are initiated. This will continue to be monitored as the year progresses.

FINANCIAL/RESOURCE IMPLICATIONS

There are no specific financial implications as a result of this report.

COMMUNITY AND OTHER CONSULTATION

The contents of this report did not require any community consultation. Analysis and explanations of the variances are undertaken in conjunction with the various departments.



CONCLUSION

Regular reporting and monitoring of expenditure will continue during the financial year as part of Council's regular governance and reporting process.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS
RECEIVE AND NOTE REPORT
The Recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Monthly Financial Performance Report - October 2024  
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Christina Binoya
FINANCIAL ACCOUNTING MANAGER

I concur with the recommendations contained in this report.

Jeffrey Keech
CHIEF FINANCIAL OFFICER

I concur with the recommendations contained in this report.

Matt Smith
GENERAL MANAGER (CORPORATE SERVICES)

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Doc ID No: A10915807

This matter has been determined to be of a significant nature and approval has been given to refer this report to the Finance and Governance Committee as a supplementary item.

ITEM: 10

SUBJECT: QUEENSLAND AUDIT OFFICE 2024 FINAL AUDIT REPORT

AUTHOR: FINANCIAL ACCOUNTING MANAGER

DATE: 7 NOVEMBER 2024

EXECUTIVE SUMMARY

This is a report concerning the Queensland Audit Office findings and recommendations from the 2023-2024 external audit of Ipswich City Council.

RECOMMENDATION/S

That the 2023-2024 final management report Ipswich City Council, as detailed in Attachment 1, be received and the contents noted.

RELATED PARTIES

There are no related parties.

IFUTURE THEME

A Trusted and Leading Organisation

PURPOSE OF REPORT/BACKGROUND

The Queensland Audit Office (QAO) has completed its external audit of Ipswich City Council for the 2023-2024 financial year. The Auditor-General has now written to the Mayor providing a copy of the final management report comprising a summary of issues formally reported to management relating to internal controls and financial reporting matters for attention.

Section 213 of the *Local Government Regulation 2012* provides as follows:

- (1) This section applies if the Auditor-General gives the Mayor of a local government a copy of the Auditor-General's observation report about an audit of the local government's financial statements.
- (2) An Auditor-General's observation report, about an audit of a local government's financial statements, is a report about the audit prepared under section 54 of the *Auditor-General Act 2009* that includes observations and suggestions made by the Auditor-General about anything arising out of the audit.

- (3) The Mayor must present a copy of the report at the next ordinary meeting of the local government.

The QAO raised three new significant deficiencies relating to user accounts and accesses to council's systems. One of these significant deficiencies has been resolved.

The QAO also raised new control deficiencies that are detailed in the report. Eight of these deficiencies relate to system accesses and configurations, with two of these issues resolved pending audit verification. One issue related to procurement contracts and tendering documentation, which is resolved pending audit verification.

This report also provides an update on previous matters raised of which three issues remain work in progress and all other matters are resolved.

LEGAL IMPLICATIONS

This report and its recommendations are consistent with the following legislative provisions:

Local Government Act 2009

Local Government Regulation 2012

Australian Accounting Standards

POLICY IMPLICATIONS

There are no policy implications.

RISK MANAGEMENT IMPLICATIONS

The QAO has raised internal control issues that require action and implementation by management to ensure effective controls, processes and procedures and continued improved governance, to minimise the risk of misstatement in the financial statements or non-compliance with policies and procedures.

FINANCIAL/RESOURCE IMPLICATIONS

As set out in the covering letter from QAO, the audit fees of \$360,000 are in line with QAO's external audit plan and is included in Council's adopted budget. \$25,000 of the increase relates to the one-off cost for the audit of the finance system implementation.

COMMUNITY AND OTHER CONSULTATION

Community consultation has not been undertaken in relation to this report.

The summary of issues detailed in the final management report were also detailed in the QAO's Closing Report presented to the Audit and Risk Management Committee (ARMC) on 9 October 2024 for their consideration and further recommendations as to follow-up action.

CONCLUSION


Following the annual external audit of Ipswich City Council by the QAO the attached final management report is to be received and noted.

The final management report includes observations and suggestions made by the QAO about matters arising out of the external audit.

HUMAN RIGHTS IMPLICATIONS

HUMAN RIGHTS IMPACTS
RECEIVE AND NOTE REPORT
The Recommendation states that the report be received and the contents noted. The decision to receive and note the report does not limit human rights. Therefore, the decision is compatible with human rights.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	2023-2024 QAO Final Management Report ↓ 
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Christina Binoya
FINANCIAL ACCOUNTING MANAGER

I concur with the recommendations contained in this report.

Jeffrey Keech
CHIEF FINANCIAL OFFICER

I concur with the recommendations contained in this report.

Matt Smith
GENERAL MANAGER (CORPORATE SERVICES)

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