ATTACHMENTS UNDER SEPARATE COVER

ITEM   ATTACHMENT DETAILS

A.   OFFICERS' REPORTS:

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AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(04)

9 OCTOBER 2019

REPORT

MEMBERS' ATTENDANCE:	Dr Annette Quayle (Acting Chairperson and External Member); Greg Chemello (Interim Administrator), Robert Jones (Interim Management Committee)
MEMBERS' APOLOGIES:	Graeme Stratford (Chairperson and External Member), Stan Gallo (Interim Management Committee)
OTHER ATTENDANCE:	David Farmer (Chief Executive Officer), Jeff Keech (Acting General Manager – Corporate Services), Freddy Beck (Chief Audit Executive), Lisa Fraser (Queensland Audit Office), Patrick Flemming (Queensland Audit Office) and Tony Welsh (Interim ICT Management Support)

1. REPORT - AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(03) OF 28 AUGUST 2019

   This is the report of the Audit and Risk Management Committee No. 2019(03) of 28 August 2019.

   RECOMMENDATION

   That the report be received and the contents noted.

   _____

2. INFORMATION SECURITY CONTROLS REMEDIATION WORKS

   This is a report providing an update on remediation work across a range of Information Security Controls requested by the Audit and Risk Management Committee at the 28 August 2019 meeting.

   RECOMMENDATION

   That the Interim Administrator of Ipswich City Council resolve:

   That the report be received and the contents noted.

   _____

3. QUEENSLAND AUDIT OFFICE CLOSING REPORT

   This is a report by the Queensland Audit Office concerning the Queensland Audit

   _____

Office Report as at 4 October 2019.

"The attachment/s to this report are confidential in accordance with section 275(1)(h) of the Local Government Regulation 2012."

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

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4. 2018-2019 ANNUAL FINANCIAL STATEMENTS AND 2018-2019 MANAGEMENT REPRESENTATION LETTER

This is a report concerning the 2018-2019 annual financial statements and 2018-2019 management representation letter.

"The attachment/s to this report are confidential in accordance with section 275(1)(h) of the Local Government Regulation 2012."

RECOMMENDATION

The Audit and Risk Management Committee endorses the recommendations that the Interim Administrator of Ipswich City Council resolves:

A. That the 2018-2019 annual financial statements as detailed in Attachment 1 to the report of the Principal Financial Accountant dated 2 October 2019, including changes to the note disclosures as detailed in the report by the Acting General Manager (Corporate Services) tabled at the meeting (Item 6 of these minutes), be approved for certification by the Interim Administrator and Chief Executive Officer.

B. That the 2018-2019 management representation letter as detailed in Attachment 2 to the report of the Principal Financial Accountant dated 2 October 2019 be approved for certification by the Interim Administrator and Chief Executive Officer.

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5. 2018-2019 ANNUAL FINANCIAL STATEMENT FOR CONTROLLED ENTITIES

This is a report concerning the 2018-2019 Annual Financial Statements and associated documents for the following controlled entities of Ipswich City Council (Council):

- Ipswich City Properties Pty Ltd

- Ipswich City Developments Pty Ltd

- Ipswich City Enterprises Pty Ltd

- Ipswich City Enterprises Investments Pty Ltd

"The attachment/s to this report are confidential in accordance with section 275(1)(h) of the Local Government Regulation 2012."

RECOMMENDATION

That the Audit and Risk Management Committee resolve:

> That the report of the Treasury Accounting Manager dated 3 October 2019 be received and the contents noted.

6. UPDATED CHANGES TO 2018-2019 FINANCIAL STATEMENTS

This is a report by the Acting General Manager (Corporate Services) outlining recommended changes to the 2018-2019 financial statements included in the Agenda for the Audit and Risk Committee of 9 October 2019 following further review by the Queensland Audit Office and Committee members.

RECOMMENDATION

The Audit and Risk Management Committee endorses the recommendation that the Interim Administrator of Ipswich City Council resolve:

> That the suggested changes outlined in this report be made to the 2018-2019 financial statements for finalisation and certification.

Attachments

1. [Updated changes to 2018-2019 Financial Statements

7. NEXT MEETING

The next meeting is scheduled for Wednesday, 6 November 2019.

8. GENERAL BUSINESS

The Acting General Manager (Corporate Services) thanked the Queensland Audit Office for all their support and work with regards to the financial statements

PROCEDURAL MOTIONS AND FORMAL MATTERS

Page 3 of 4

Item N.3 / Attachment 1.1

9 OCTOBER 2019   AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(04)]

The meeting commenced at 9.45am.

The meeting closed at 11.22am.

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Doc ID No: A5868982

ITEM: 2

SUBJECT: ICT STRATEGY UPDATE

AUTHOR: INTERIM INFORMATION AND COMMUNICATIONS MANAGEMENT AND
            SUPPORT MANAGER

DATE: 28 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report providing an update on implementation progress against the ICT Strategy approved by the Executive Leadership Team (ELT) on 8 August 2019. This update has been requested for the November Audit and Risk Management Committee (ARMC) meeting. .

RECOMMENDATION/S

That the schedule, progress and reported matters in the attached ICT Strategy Implementation Status Update, be noted.

Comments added at Committee 6/11/19

Rob Jones queried whether this strategy will be incorporated into a transformational project moving forward. The Interim ICT Manager stated that there has been some discussion around business improvement however at this stage this has not been progressed.

Rob Jones stated that an update should be provided at each meeting of the Audit and Risk Management Committee to give members an understanding of how the strategy is progressing.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

Council developed an ICT Strategy in response to the Transformation Program (TP#17). This strategy was supported by a cross-council working group and approved by ELT on 8 August

Item 2 – Page 1 of 3

2019. The Implementation Plan presented in the ICT Strategy identified 24 discrete initiatives, spanning 3 years.

The Audit and Risk Management Committee has requested an update on progress, outcomes and issues impacting on the ICT Strategy implementation plan. This is the first report provided on the mobilisation of ICT Strategy implementation initiatives. An overview of the planned implementation initiatives, and progress to date, is attached.

Most initiatives that rely on BAU resourcing have mobilised well:
- Disaster Recovery Enablement (ITSM06)
- Staff Plan - Phase 1 (Leadership & Engagement) (ITCAP01)
- Staff Plan - Phase 2 (Job Restructuring) (ITCAP02)

The new ICT Steering Committee has been established to include all members of ELT, Finance Manager and ICT Leadership with the Chief Audit Executive invited to observe. The inaugural meeting will be scheduled for the end of November.

Resource constraints are slowing the mobilisation of:
- Rebuild ICT Governance & Controls Function (ITGOV02)
- ICT Directives Overhaul (ITGOV05)
- Platform of the Future (PotF) (BP07) Phase 1: Platform Research & Requirements
- Architecture and Application Portfolio Management Uplift (ITCAP04)

Four initiatives that need wider organisational design consideration and alignment will be taken to the IT Steering Committee for guidance:
- Digital / SmartCity / ICT Operating Model (ITGOV03) (Consulting Engagement Brief drafted)
- Digital Services UX Uplift (BP06) (On-Hold)
- Information Management Operating Model (ITGOV04)
- GIS & Spatial Systems Operating Model & Architecture (BP05) (Consulting Engagement Brief drafted)

The most pressing issue for the Audit and Risk Management Committee to note is resourcing and mobilising the first phase (scoping and planning) for the Platform of the Future (PotF). The PotF is the most significant aspect of the ICT Strategy and planning and management of this transformational, cross-enterprise program will challenge Council change maturity. It will enable new structures and roles in ICT Branch and the newly formed Coordination and Performance (Business Improvement) team, which aims to take lead accountability for all Council transformational projects. Barbara Dart (Manager, Performance in the Coordination and Performance Department) has been engaged and work is underway to resolve how PotF may be approached as a business led transformation project.

LEGAL/POLICY BASIS

Not applicable

COUNCIL
MEETING AGENDA

19 NOVEMBER
2019

Item N.3 / Attachment 1.2

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

RISK MANAGEMENT IMPLICATIONS

A risk profile has been assessed for approximately 47 Initiatives that form the Roadmap Phased Plan in the ICT Strategy.

FINANCIAL/RESOURCE IMPLICATIONS

Financial and other resource estimates have been provided as part of the ICT Strategy. These estimates will be refined as more information becomes available from research and market testing. Estimates have been reflected in ICT capital and operating budgets.

COMMUNITY AND OTHER CONSULTATION

Internal stakeholders from Council have been consulted extensively throughout the preparation of the ICT Strategy. In particular, all key deliverables have been reviewed and endorsed by an appointed business Reference Group (BRG), the Whole of Council TP Steering Committee, ELT and IMC.

CONCLUSION

A new ICT Steering Committee will meet regularly from November to govern the implementation of the ICT Strategy.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	ICT Strategy Update
2.	ICT Strategy Highlights

Tony Welsh
INTERIM INFORMATION AND COMMUNICATIONS MANAGEMENT AND SUPPORT MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
GENERAL MANAGER - CORPORATE SERVICES

"Together, we proudly enhance the quality of life for our community"

Attachment 1: ICT Strategy Implementation Initiatives Status Report (12 Nov 19)

Item	Description	Target Date	Last Report	This Report	Status/Comments
1.1	**ICT Steering Committee (ITGOV01)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
1.1.1	Draft ICT Steering Committee ToR	13-Sep-19		●	ToR drafted and provided to GM Corporate Service. Additional effort to consider and align new governance forum "ICT Strategy Governance Board" not anticipated in ICT Strategy
1.1.2	Nominations (Branch Manager Level) for membership, one each per Department	20-Sep-19		●	Communication to GMs seeking nominees drafted, on hold pending resolution of 1.1
1.1.3	Inaugural ICT Steering Committee (then monthly)	30-Sep-19		◐	Looking to schedule inaugural ICTSC last week Nov, delays due to extra effort defining and accomodating ICT Strategy Governance Board
1.1.4	6 Month effectiveness check-point / re-alignment	30-Mar-20		○	
1.2	**Rebuild ICT Governance & Controls Function (ITGOV02)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
1.2.1	New PDs approved (x4)	18-Aug-19		●	Significant delays in Mercer grading and approvals, full compliment of Strategy, Architecture and Governance tem now approved, recruiting underway
1.2.2	Recruitment complete on all 4 positions	8-Sep-19		◔	Flow-on delays from 1.2.1.
1.2.3	Directives review and prioritisation	1-Nov-19		○	
1.2.4	Current State Project stage gate controls re-implemented	22-Nov-19		○	
1.2.5					
1.3	**Digital / SmartCity / ICT Operating Model (ITGOV03)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
1.3.1	Socialise & finalise Engagement Brief	18-Oct-19		◔	Engagement Brief drafted and provided to ICT Management Team 17/09/19
1.3.2	RFP to market	8-Nov-19		○	
1.3.3	Evaluate responses and engage consultancy	22-Nov-19		○	
1.3.4	Engagement completion	28-Feb-20		○	
1.3.5					
1.4	**Information Management Operating Model (ITGOV04)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
1.4.1	ToR for TOM to ICTSC	30-Nov-19		○	Guidance from Manager Legal and Governance (Tony Dunleavy) on his expectations and approach to "Records and Knowledge"
1.4.2	Engagement Brief for external consulting resource	22-Dec-19		○	
1.4.3	Develop IM TOM	Feb-20		○	
1.4.4	Approval of IM TOM by ICTSGB	Mar-20		○	
1.4.5					
1.5	**ICT Directives Overhaul (ITGOV05)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
1.5.1	Pre-Requisite: Clarity on IM/IG related Policies and Capabilities (1.4.1.)	1-Dec-19		◉	Confirmed InfoSec Policy (draft complete), ongoing discussion for Open Data
1.5.2	Pre-Requisite: Recruit roles 1.2.2.	25-Oct-19		◔	Policy level ok, delays to Directives anticipated
1.5.3	Review current family of ICT Directives	20-Dec-19		○	
1.5.4	Target State structure of new library of ICT Directives and assign ownership	31-Jan-20		○	
1.5.5	New Directives complete	28-Feb-20		○	
2.1	**Oracle EBS EoL Risk Management Plan (BP01)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.1.1	Collate a list of the Oracle eBusiness components, current level of vendor service and service level expiry dates for	31-Oct-19		○	
2.1.2	Draft a Risk Management Plan with associated mitigation activities.	30-Nov-19		○	These activities need to cater for the current on premise Oracle eBusiness Suite solution being required until it's replacement is in place.
2.1.3	Implement the required mitigations.	31-Dec-22		○	It is anticipated there will be periodic tasks up to when decommission of the existing on premise Oracle eBusiness Suite is completed, with activities ranging from support level negotiations through to module and component updates.
2.1.4					
2.1.5					
2.2	**Interim Dashboard and Data Lake (BP02)** Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.2.1	Draft Dashboard & Data Lake Option paper	24-Dec-19		○	
2.2.2	Endorse option	31-Jan-20		○	
2.2.3					
2.2.4					
2.2.5					

Attachment 1: ICT Strategy Implementation Initiatives Status Report (12 Nov 19)

Item	Description	Target Date	Last Report	This Report	Status/Comments
2.3	**Information Management / Information Governance Enablers (BP03)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.3.1	Dependency on 1.4.4.	16-Mar-20		○	
2.3.2	Position paper on IM/IG capabilities to ICTSGB and resolution/direction on IM/IG capability from ICTSGB	16-Mar-20		○	
2.3.3	Clear ownership and accountability for IM/IG and statement of capability development/roadmap	30-Mar-20		○	
2.3.4	Funding submissions for IM/IG enablers into FY20/21 budget	24-Apr-20		○	
2.3.5	Tranche 1 of capability development	31-Jul-20		○	
2.4	**Internet of Things (IoT) Platform (BP04)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.4.1	Draft Business Case Production Internet of Things (IoT) Platform			○	On hold pending outcome of ITGOV03
2.4.2				○	
2.4.3					
2.4.4					
2.4.5					
2.5	**GIS & Spatial Systems Operating Model & Architecture (BP05)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.5.1	Draft Consultant Engagement Spatial Digital Operating Model	30-Nov-19		◑	Engagement Brief drafted and provided to ICT Management Team 23/09/19
2.5.2	Socialise & finalise Engagement Brief	20-Dec-19		○	
2.5.3	RFP complete and preferred supplier engaged	9-Mar-20		○	
2.5.5	Engagement commencement	9-Mar-20		○	
2.5.6	Engagement completion	29-May-20		○	
2.6	**Digital Services UX Uplift (BP06)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.6.1	Draft Digital Services UX Uplift Options Paper	TBD		○	On hold pending outcome of ITGOV03
2.6.2					
2.6.3					
2.6.4					
2.6.5					
2.7	**Platform of the Future (PotF) (BP07)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
2.7.1	Phase 1: Platform Research & Requirements	31-Jan-20		○	Scheduled to start Nov 19, delays with recruiting and on-boarding Enterprise Archtect, anticipate requiring 2 x additional FTE (Project Manager and Functional Analyst)
2.7.2	Phase 2: RFP Development	6-Jun-20		○	
2.7.3	Phase 3: RFP Evaluation and Selection	28-Aug-20		○	
2.7.4	Phase 3: Engagement and Roadmap	1-Jan-21		○	
2.7.5	Phase 4: Platform Implementation - Tranche 1	8-Oct-21		○	
3.1	**ICT Service Catalogue, SLA & Reporting Uplift (ITSM01)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.1.1	Vendor OLAs	30-Oct-19		◑	Datacom to Telstra and Datacom to DXC OLAs now drafted and ready to release for Vendor agreement
3.1.2	Establish performance baseline				
3.1.3	ICC Customer OLA	30-Nov-19		○	Complete OLA with ICC Business - Im not sure what this means - is this agrements between the nusiness units?
3.1.4	Datacom SLA Reporting	30-Oct-19		◕	Datacom Monthly Service is showing 99% with the report to show 70% fixed on first, we are curretnly finializing by next week 31st October
3.1.5	Datacom Contract	31-Jan-20		◑	Datacom have agreed to 100 day plan with Council and Strategic Driections involement - No Date set as yet to the 100 day plan -
3.2	**Outsourcing Model & Service Partner Optimisation (ITSM02)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.2.1	Stabilise Datacom Service Delivery	31-Dec-19		◑	Strategic Directions Final Report delivered, 100 day action plan being formulated, these will be added to the existing SIP actions ICC has raised - Progress is being made on all fronts - capacity, availability and performance. Estimated timeline 40 days
3.2.2	Stabilise Telstra Service Delivery	31-Dec-19		◑	Continue to work with Telstra to improve their Monthly Reporting to ensure they demonstrate a level of reactiveness in their service delivery - the report is missing the risks side of the report - taking this up with Roland Thursday
3.2.3	Review current DXC Services and explore options	31-Dec-19		◕	Initially a Request for Proposal will be sent to Datacom and Telstra for F5 BI-IP Management currently under the DXC scope to commence the de-scoping of their services / Refer to Michael / Tony for the next steps of the services and vendor services
3.2.4					
3.2.5					

Item N.3 / Attachment 1.2.1

Attachment 1: ICT Strategy Implementation Initiatives Status Report (12 Nov 19)

Item	Description	Target Date	Last Report	This Report	Status/Comments
3.3	**Restructure InfoSec Controls (ITSM03)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.3.1	Concept for restructured InfoSec Controls delivery agreed	11-Oct-19		◕	Briefing Note to initiate DXC Transition Out drafted however on-hold pending direction/resolution from legal on dispute resolution with DXC
3.3.2	Engage PM resource to manage	4-Nov-19		◑	Assignemtn Brief drafeted, however on-hold pending 3.3.1.
3.3.3	Remediation plan for DXC Edge Security Services (ESS)	18-Nov-19		○	
3.3.4	Transition/migrate/remediate ESS	28-Mar-20		○	
3.3.5					
3.4	**Identity Management (ITSM04)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.4.1	Concept Brief complete	11-Oct-19		●	
3.4.2	Recruited and engage PM/SME	25-Oct-19		●	
3.4.3	Phase 1-3 Complete	10-Jan-20		◕	Current state analysis underway
3.4.4	Funding proposal for Phase 4 in FY 20/21	27-Mar-20		○	
3.4.5	Phase 4 (iPaaS) Start	6-Jul-20		○	
3.5	**Capacity Management & Application Performance Monitoring (ITSM05)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.5.1	Datacom Capacity and Availability Management Obligations	30-Nov-19		◑	Datacom are currently in the progress of building an enviroment for Council to be able to use a protal webpage view of our infrastructure, estimated timeline is 60days January 2020
3.5.2	Telstra Capacity Management Obligations	31-Dec-19		◑	Telstra Monthly Reporting now includes Device and Link Utilisation information, work with Telstra to provide this information into a proactive capacity planning view of the ICC environment - working with Roland no eta at present.
3.5.3	Toolset review of Application Performance Monitoring Platforms	31-Mar-20		◕	Explore APM Toolsets for ICC suitability e.g. Dynatrace, Solarwinds, etc. to provide a single end to end view of ICC end user application performance, it should have API integration to Service Now - Working with Datacom at present around the 100 day plan
3.5.4					
3.6	**DR Enablement (ITSM06)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.6.1	Datacom Proposal for interim DR Plan	20-Dec-19		◑	Working with Datacom at present in 3rd draft, with a proposal presented to council in the next 30 days - 15 core applications within 24 hours avaialable and remaining operations within 7 days. Estimated costs $35k
3.6.2	Service Continuity Test	31-Mar-20		◕	Annual Test of the Interim DR Plan
3.6.3					
3.6.4					
3.7	**Desktop Virtualisation / DaaS (ITSM07)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.7.1					
3.7.2					
3.7.3					
3.7.4					
3.8	**Cloud iPaaS/aPaaS Needs Analysis & Roadmap (ITSM08)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
3.8.1	Concept Brief approved by ICT5C	18-Dec-20		○	
3.8.2	Consultancy engaged	29-Jan-21		○	
3.8.3	Reference architecture, draft business case	19-Feb-21		○	
3.8.4					
3.8.5					
4.1	**Staff Plan - Phase 1 (Leadership & Engagement) (ITCAP01)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
4.1.1	Culture Change - Preliminary Workshops	30-Oct-19		◑	A Guiding Coalition has been formed and preliminary workshops have been completed. Initial improvement opportunities are currently being actioned. Target 30 October 2019
4.1.2	Culture Change - Performance Management Framework	31-Mar-20		◕	Establish Framework and identify performance targets and development plans for all ICT Management and staff. Target 30 November 2019. Delayed awaiting Corporate Performance Framework
4.1.3	ICT Operational & Governance Model - Design	28-Feb-20		◕	Design and refine ICT Operations and Governance Model to accommodate Centre-led operations, accommodate bimodal and adaptive business engagement 30 November 2019. ICT Governance Model agreed but Centre-led model delayed awaiting ICT Steering
4.1.4	ICT Operational & Governance Model - Implementation	31-Mar-20		○	Implement and refine an new ICT Operating and Governance Model. Target 31 December 2019
4.1.5	ICT Leadership Capability Assessment & Development	31-Mar-20		○	Identify Priority Leadership capabilities and gaps and provide essential training and development. Target 31 December 2019
4.2	**Staff Plan - Phase 2 (Job Restructuring) (ITCAP02)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
4.2.1	Identify core capability requirements needed irrespective of the Platform of the Future (PotF)	1-Nov-19		◕	Address critical and high-priority workforce job design, skills and accountabilities issues raised in the last Staff Culture Survey
4.2.2	Develop a Workforce Plan together with job redesigns to include hard and soft skills development	28-Feb-20		◕	Develop a workforce plan (job design, skills, staff development) to guide ongoing people development for ICT Branch as required to address technology and organisational changes

Attachment 1: ICT Strategy Implementation Initiatives Status Report (12 Nov 19)

Item	Description	Target Date	Last Report	This Report	Status/Comments
4.2.3	Conduct Gap Analysis to reflect capability deficit	Mar-20		◑	There are anticipated to be significant gaps between ICT Branch's current capability profile and the desired future profile including in respect of the PotF.
4.2.4	Prepare an ICT Sourcing Strategy to identify future sources of skill and capabilities	Sep-20		○	Once the capability gap has been quantified, we will need to determine where to recruit, outsource, contract-in or procure ICT as a Service.
4.2.5	Augment ICT Operational Model - Design	1-Dec-20		○	The new ICT operating model will need to be augmented to reflect capabilities required to support the PotF

Attachment 1: ICT Strategy Implementation Initiatives Status Report (12 Nov 19)

Item	Description	Target Date	Last Report	This Report	Status/Comments
4.3	**Staff Plan - Phase 3 (Capability & Skills Uplift) (ITCAP03)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
4.3.1	Define Stakeholder Engagement mindset, process and competencies to reflect customer-centric operations	1-Feb-20		◑	This task is about making it easier for customers engage with ICT Branch and improving our understanding of our customers' business to enable us to better service their needs as a trusted advisor
4.3.2	Develop 'soft skills' to complement technical competencies and to adapt to a creative and agile way of working	1-Mar-20		◑	Develop skills such as agile techniques, adaptive engagement, process management, design thinking and enterprise architecture. Such skills will be relevant irrespective of the PotF
4.3.3	Define and embed a positive and proactive, high performance culture throughout ICT Branch	1-Jun-20		◑	In line with our culture change initiative this task will seek to redefine the way we work to create a positive, vibrant and mutually supportive alliance with our customers and our staff
4.3.4	Develop 'hard skills' to reflect and enable transition to and operation of the PotF and the new ICT Portfolio	Dec-20		○	Once the PotF is known to us, we will get specific about the 'hard' skills that we will breed to support and sustain that platform environment and manage the resulting portfolio
4.4	**Architecture and Application Portfolio Management Uplift (ITCAP04)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
4.4.1	**Dependency:** Recruit positions 1.2.2.	4-Oct-19		◐	
4.4.2	Develop APM approach and key tracking tools (Technology Portfolio Summary, KTSR, App Roadmap)	25-Oct-19		◕	
4.4.3	Embed practices across ICT Support Teams	29-Nov-19		○	
4.4.4	1st Portfolio Health report to ITSC	27-Dec-19		○	
4.4.5	FY 20/21 Budget Plan	27-Mar-20		○	
4.5	**ICT Project Lifecycle Uplift (Bi-Modal) (ITCAP05)**				
	Sep-19 Oct-19 Nov-19 Dec-19 Jan-20 Feb-20 Mar-20 Apr-20 May-20 Jun-20 Jul-20 Aug-20 Sep-20 Oct-20 Nov-20 Dec-20 Jan-21 Feb-21				
4.5.1					
4.5.2					
4.5.3					
4.5.4					

ICT Strategy Executive Summary (as at 8th August, 2019)

"Enhancing the delivery of smart, simple and seamless services to the city of Ipswich"

The ICT Strategy 2019-24 lays out a roadmap to guide the organisation towards harnessing digital technologies, adaptive approaches, innovative capabilities and enabling platforms. By taking a citizen-centric approach to service design and by aligning people, process, information and technology we will help ourselves to build an exemplary, progressive and digitally-enabled Council, serving the city of Ipswich. Some of the highlights follow:

1. Ipswich City Council's Information will be managed as an asset

ICC will work to consolidate fragmented systems and create single source of truth for HR, asset, operational financial and spatial data. We will also develop analytics and reporting capabilities that will enable proactive decision support and empower knowledge and field workers to service the community promptly and accurately anywhere and at any time.

3.4	Guiding Principles – Information is an Asset
4.2.2	ICT Operating Model - Information Management
5.1.4	Information Management Operating Model (ITGOV04)
5.2.2	Interim Dashboard and Data Lake (BP02)
5.2.3	Information Management / Information Governance Enablers (BP03)

Implications

Good practice standards for data and information management will be applied to enhance and ensure the accuracy and reliability of the Council's information assets. Custodians will be given responsibility and authority to develop the integrity of information in order to safeguard corporate knowledge reserves.

2. The Strategy involves material effort and investment to execute but is expected to enable OPEX savings and operational improvements to offset

Estimates in the Strategy identify ~9000 FTE days of work and a further investment of approximately $10.5m into the ICT portfolio. Estimates provided are not final, endorsed or automatically provisioned; they are simply rough estimates and are intended to provide high-level guidance to stakeholders on the potential magnitude for each initiative.

5.6	Financial and Resource Perspective (Transition Costs per Phase)

Implications

All initiatives are expected to develop a business case (as per project governance requirements) and be subject to both annual budget planning cycles and screening, gating and prioritisation by the ICT Steering Committee.

3. Digital and ICT investments will support strategic business objectives

Five strategic themes encapsulate the new Digital & ICT Strategy:
   a. Secure, stable and measured ICT Services
   b. Unlocking the value of information
   c. Simplify, streamline and leverage ICT for business value
   d. Innovation in operations and workforce
   e. Digital Products and Services

3.3	Key Trends & Influences - Business Capability-Based Planning and Design
3.4	Guiding Principles – Business Value
4.2.4	ICT Practice Capabilities - Manage IT Like a Business
4.2.4	ICT Practice Capabilities - Manage Business Value
5.1.1	ICT Steering Committee (ITGOV01)

Implications

Unless strategic fit can be ensured and positive business cases can be demonstrated, ICT initiatives will not be considered by Council. Initiatives should demonstrate value to Council as a whole and ultimately to the Ipswich community.

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4. A single, integrated platform will form the heart of ICC's Digital & ICT environment

The most significant aspect of the new ICC Digital and ICT Strategy a move towards a single ICT Platform to accommodate the majority of Council's requirements. This will aim to:

a. Build "One Council"
b. Consolidate applications and reduce systems complexity and costs
c. Standardise the look and feel and customer user interface
d. Enforce industry good practice
e. Achieve functional 'fit for purpose"

3.4   Guiding Principles – Common & Open Platform
3.5   ICT Strategy Map – Platform by Design
4.2.3 ICT Portfolio - Platform Architecture
5.2.7 Platform of the Future (PotF) (BP07)

Implications

Once Council's ICT Platform of the Future has been identified, this will form the basis of our core systems. Departure from this platform will be by exception only and strong governance will be necessary to ensure that we collectively draw benefit from the cost and standardisation advantages.

5. A Business-led ICT Steering Committee ensures compliance with the ICT Strategy and governs future spending on ICT

The focus of the ICT Steering Committee will be on:

a. Prioritising new projects/investments
b. Approving business cases
c. Applying ICT Principles and good practices to protect platform and systems integrity
d. Seeking independent advice on Digital and ICT directions
e. Fast-tracking digital initiatives to deliver quick wins

3.3   Key Trends & Influences - Future of IT Governance Roles
3.3   Key Trends & Influences - Business Capability-Based Planning and Design
3.4   Guiding Principles – Business Value
4.2.1 ICT Governance – Corporate Governance System
4.2.1 ICT Governance – Governance Committees
5.1.1 ICT Steering Committee (ITGOV01)

Implications

Business leadership will determine the priority and the relative value of ICT initiatives for Council with ICT Branch acting as a trusted advisor. ICT initiatives will complement and enable business led change under the direction of an Enterprise Program Management Office (EPMO).

6. A Centre-led ICT operating model will be implemented

Satellite ICT teams will be formally connected to the centralised ICT Branch. Federated decision making will be adopted for line-of-business specific activities where:

a. ICC's preferred platform(s) will not service a particular business need
b. The business case stacks up
c. The particular requirements can't reasonably be accommodated by another solution already in use at Council

All solutions will need to comply with ICC's approved enterprise architecture and Information Security requirements with approval being obtained through the ICT Steering Committee.

3.4   Guiding Principles – Governed and Centre-led
4.2.2 ICT Operating Model - Information Management
5.1.4 Information Management Operating Model
4.2.2 ICT Operating Model - Service Provider Model

Implications

ICT Branch will preside over a Centre-led Digital & ICT operating Model in Council. Satellite ICT Teams will be formally connected to an ICT Branch Section, whilst residing in business areas. They will retain a dotted line reporting relationship with the business owner.

7. ICC's digital future will reside in the cloud

A 'cloud-first' model will be promoted for all future Digital and ICT capability. An exemption from the ICT Steering Committee will be needed prior to procurement of any on premise solutions. Likewise, ICT Requirements for cloud services have been prepared as a guideline for business units looking to adopt cloud services and provides specific guidelines for ensuring compatibility, sustainability and security of Council's ICT portfolio, specifically where these services move to the cloud.

3.4 Guiding Principles – Cloud First
4.2.2 ICT Operating Model – Sourcing Model
4.2.3 ICT Portfolio – Platform Architecture
5.2.7 Platform of the Future (PotF) (BP07)

Implications

ICT is trending towards the cloud with ICT as a Service becoming commonplace. The future will see more subscription-based (operational expenditure) and less capital investment on ICT.

8. Technology will enable ICC to become an agile and adaptive organisation

A focus on Digital Business will be encouraged to embrace agile and iterative techniques and adaptive skills and mindset to create simple and intuitive customer experiences. Offering more channels for service delivery with access from any device will define the normal mode of operation not the exception.

3.4 Guiding Principles – Innovative, Agile & Responsive
4.2.2 ICT Operating Model - Project/ Portfolio Management
4.2.4 ICT Practice Capabilities - Solution Delivery Methods & Tools
5.4.3 Staff Plan - Phase 3 (Capability & Skills Uplift) (ITCAP03)
5.4.5 ICT Project Lifecycle Uplift (Bi-Modal) (ITCAP05)

Implications

Less focus on large projects and waterfall delivery methodologies and more emphasis on agile and iterative techniques will mark the difference. Multi-functional, self-managed teams will be deployed to deliver digital products to reap low hanging fruit quickly.

Doc ID No: A5857238

ITEM: 3

SUBJECT: UPDATE ON QUEENSLAND AUDIT OFFICE RECOMMENDATIONS (PLANNING
               AND REGULATORY SERVICES DEPARTMENT)

AUTHOR: SENIOR BUSINESS SUPPORT OFFICER

DATE: 22 OCTOBER 2019

EXECUTIVE SUMMARY

This is a progress report outlining the Planning and Regulatory Services Department's actions
in complying with the Queensland Audit Office (QAO) recommendations outlined in *QAO
2018 Closing Report* (adopted by Council on 4 December 2018).

RECOMMENDATION/S

That the report be received and the contents noted.

RELATED PARTIES

Queensland Audit Office. There was no declaration of conflicts of interest.

ADVANCE IPSWICH THEME

Managing growth and delivering key infrastructure

PURPOSE OF REPORT/BACKGROUND

Following QAO's 2018 audit of Ipswich City Council's financial records and processes,
Planning and Regulatory Services Department have undertaken a body of work to comply
with the QAO's recommendations. Issues identified by the QAO that relate to the (former)
Planning and Development Department included:

1. No policies or procedures in relation to developer infrastructure contributions;
2. Reconciliation of Infrastructure Charges Notice (ICN) Register to Pathway for
   outstanding developer infrastructure contributions; and
3. Lack of transparency in calculation of fee variations.

Item 3 – Page 1 of 4

As advised in the previous Audit and Risk Management Committee report on 28 August 2019, items 1 and 3 have been addressed. Item 2 regarding entries in the Infrastructure Charges Notice Register has now also been resolved with outstanding infrastructure contributions reconciling between the Register and Pathway. To maintain the integrity of this data, detailed work instructions will need to be prepared to outline the processes for managing the Register and Pathway moving forward, including:

- Inserting contributions into the Infrastructure Charges Register;
- Recording payments, refunds, offsets and credits utilised in the Register; and
- Reconciling the Infrastructure Charges Register with Pathway.

The last update provided to Audit and Risk Management Committee in August identified a $97.3 million reduction of outstanding contributions since October 2018, with a total of $206.7 million outstanding. While these contributions show as outstanding in Pathway, at least $177 million of this total were not payable as the development had not commenced or is under construction.

The current balance of outstanding contributions for the same period (since 15 October 2018) is now $147 million. The below table shows the comparison of outstanding infrastructure contributions between June, August and October 2019 as well as the breakdown of contributions not yet payable and contributions legitimately outstanding.

	JUNE 2019		AUGUST 2019		OCTOBER 2019	
	No. of applications	Contributions	No. of applications	Contributions	No. of applications	Contributions
Development not commenced (contributions not payable)	296	$93,999,499 (41.9%)	288	$86,985,427 (42%)	263	$70,555,742 (48%)
Under construction/ staged development (contributions not payable)	122	$93,322,535 (41.6%)	116	$90,187,639 (44%)	99	$68,964,184 (47%)
Audit underway (contributions outstanding)	76	$37,243,826 (16.5%)	63	$29,566,811 (14%)	35	$7,625,023 (5%)
Development completed (contributions not collected)	1*	$11,026 (<1%)	1*	$11,026 (<1%)	1*	$10,818 (<1%)
TOTAL	495	$224,576,886	468	$206,750,903	398	$147,155,767

*Note: this application relates to a development at Braeside road, Bundamba where legal assistance has been sought, and contributions continue to remain outstanding. A recalculation of these contributions was completed which accounts for the different figure in October.

Of the $59.6 million reduction since August 2019, approximately $42.2 million of these contributions have been reduced through the process of reconciling credits across various Infrastructure Agreement Registers and Cross Crediting Registers within Pathway. The process of reconciling these registers is progressing, with 22 of the 31 Infrastructure

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Agreement Registers reconciled, another 7 Register audits in progress and 2 Registers not yet started.

While the reconciliation of the Infrastructure Charges Register with Pathway finalises the recommendations that QAO identified for Planning and Regulatory Services Department, a subsequent body of work is required to maintain and refine the management of outstanding infrastructure contributions:

- Continued reconciliation of offsets and credit transactions between ICN Register, the Infrastructure Agreements Registers and Pathway;
- Continued auditing of contributions paid and credits utilised in the Infrastructure Agreements Registers;
- Monthly reporting to the General Manager on the progress of development compliance audits for applications that have outstanding infrastructure contributions;
- Monthly reconciliations between the ICN Register and Pathway to ensure completeness and accuracy of outstanding infrastructure contributions;
- Investigation of a software program to manage infrastructure charging through a dedicated software package that coordinates with existing systems;
- Develop a series of processes for:
  - managing the Infrastructure Charges Notice Register, including instructions on how to insert new entries, record payments and reconcile the Register with Pathway.
  - recording and monitoring outstanding infrastructure contributions that are being paid under an agreed payment plan.
  - monitoring outstanding infrastructure contributions in relation to Reconfiguring a Lot applications.
  - auditing and maintaining bank guarantees held for developer contributions by the Planning and Regulatory Services Department.
- Identify instances where contributions have not been inserted into Pathway through a review of all decided development applications without infrastructure charges recorded; and
- Expand the scope of the *Variation of Development Applications Fees Procedure* to incorporate fee variations applied to (former) Health and Regulatory Services fees and include:
  - clear wording to state that all information in relation to the request and reasons for the decision are to be recorded in Council's corporate information systems.
  - a process to review the decision if the applicant chooses to appeal.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Planning Act 2016

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RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report (as it is for noting only), however there are risk management implications with not complying with the QAO recommendations related to this matter.

FINANCIAL/RESOURCE IMPLICATIONS

All costs associated with completing the QAO recommendations have been absorbed within the Planning and Regulatory Services Department operational budget. Therefore, there are no financial implications associated with this update report.

COMMUNITY AND OTHER CONSULTATION

The contents of this report do not require community consultation.

CONCLUSION

The Planning and Regulatory Services Department have complied with all of the QAO recommendations as outlined in the *QAO 2018 Closing Report*. To ensure systems are adequately maintained moving forward, work will continue to complete the work already commenced and refine the processes around managing infrastructure contributions and fee variations.

Trish Standen
SENIOR BUSINESS SUPPORT OFFICER

I concur with the recommendations contained in this report.

Nicole Yiannou
BUSINESS SUPPORT MANAGER

I concur with the recommendations contained in this report.

Brett Davey
ACTING GENERAL MANAGER - PLANNING AND REGULATORY SERVICES

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AUDIT AND RISK MANAGEMENT COMMITTEE
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Doc ID No: A5863913

ITEM:	4
SUBJECT:	PLANNED AGENDA FOR THE AUDIT AND RISK MANAGEMENT COMMITTEE FOR 2020
AUTHOR:	CHIEF AUDIT EXECUTIVE
DATE:	25 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the proposed structured and planned agenda for the Audit and Risk Management Committee for the period 1 January 2020 to 31 December 2020. This document was reviewed at the Audit and Risk Management Committee Strategy Meeting held on 24 October 2019 and the suggested changes in Attachment 1 are shown in track changes.

RECOMMENDATION/S

That the 2020 planned agenda for the Audit and Risk Management Committee be adopted.

Comments added at Committee 6/11/19

The Chief Executive Officer suggested that moving forward a standing agenda item be listed at the end of the Audit and Risk Management Committee report outlining those matters that the Audit and Risk Management Committee are recommending for adoption that are to be referred to the Council Ordinary Meeting for formal adoption.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME

The intention is for the Audit and Risk Management Committee is to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual activities will to a varying degree support these themes, but the main objective for the Committee is to support the organisation in achieving its objectives.

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PURPOSE OF REPORT/BACKGROUND

The purpose of the report is to have a planned and structure agenda to consider and cover matters of importance to the Committee.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

The planned agenda assists in guiding the activities of the Audit and Risk Management Committee in considering important aspects regarding governance, control and risk activities in helping Council achieve its objectives to an appropriate and effective level.

FINANCIAL/RESOURCE IMPLICATIONS

No additional resources are required because of this report. However the cost in the preparation of reports and or presentations and specific circumstances will dictate if matters have to be assessed or investigated and also management will have to consider the financial implications to implement the recommendations generated or supported through the activities of this Committee.

COMMUNITY AND OTHER CONSULTATION

For this purpose the members and attendees of the Audit and Risk Management Committee were consulted in the establishment of the planned agenda.

CONCLUSION

This planned agenda is important to ensure an effective and efficient committee.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Draft Planned Dates for Audit and Risk Management Committee for 2020

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

AUDIT AND RISK MANAGEMENT COMMITTEE
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Attachment 1

PLANNED AGENDA IPSWICH CITY COUNCIL AUDIT AND RISK MANAGEMENT COMMITTEE (1 January 2020 to 31 December 2020) - Updated 15/10/2019		
MEETING DATE	**AGENDA TO INCLUDE**	**Area**
?? February 2020 Normally one week prior to the Governance Committee meeting in February 2020. 1:00 p.m. to 3:00 p.m.	*Standing agenda items*	
	• Apologies	A&RMC
	• Declaring of conflict of interest by committee members	A&RMC
	• Approval of minutes - A&RM Committee October 2019 report	A&RMC
	• Business arising from previous meeting	A&RMC
	• Other matters from committee members	A&RMC
	• Correspondence from QAO, regulators etc.	QAO
	Internal Audit	
	• Internal audit activities and progress report	IntAudit
	• Summary of recent internal audit reports released	IntAudit
	• External and internal audit recommendations status report	IntAudit
	Committee Reports	
	• Compliance matters breach (including complaints) reporting	CS
	• Taxation Report	CS
	Risk	
	• Risk management report including progress on strategic risks	Risk
	• Risk profile – changes in risk register	Risk
	• Departmental Risk Registers (one department per meeting)	Risk
	• Business continuity planning presentation	Risk
	• Implementation of the risk management framework	Risk
	Underlying Strategic Risk - Deep Dive	
	• Procurement	CS
	• Key projects progress (including Transformation)	C&P
	• Payroll	CS
	Internal Systems Processes and Controls - Deep Dive	
	• Data analytics progress (Strategic control perspective)	CS
	• CBD	C&P
	External Audit	
	• Auditor General's 2019-2020 Client Strategy	QAO
	• Discuss any issues with QAO in the absence of management	A&RMC
?? ~~June~~ May 2020 Normally one week prior to the Governance Committee meeting in May 2020. 1:00 p.m. to 3:00 p.m.	*Standing agenda items*	
	• Apologies	A&RMC
	• Declaring of conflict of interest by committee members	A&RMC
	• Approval of minutes - A&RM Committee February 2020 report	A&RMC
	• Business arising from previous meeting	A&RMC
	• Other matters from committee members	A&RMC
	• Correspondence from QAO, regulators etc.	QAO
	Internal Audit	
	• Internal audit activities and progress report	IntAudit
	• Summary of recent internal audit reports released	IntAudit
	• External and internal audit recommendations status report	IntAudit
	• Audit plan progress	IntAudit
	• Annual internal audit plan	IntAudit
	Committee Reports	
	• Compliance matters breach (including complaints) reporting	CS

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	• ~~Taxation Report~~	~~CS~~
	Risk	
	• Risk management report including progress on strategic risks	Risk
	• Risk profile – changes in risk register	Risk
	• Review of risk management policy	Risk
	• Review the operational effectiveness of internal control environment	Risk
	• Departmental Risk Registers (one department per meeting)	Risk
	Underlying Strategic Risk - Deep Dive	
	• Key projects progress	C&P
	• Developer contributions	P&RS
	• Waste and landfill issues	P&RS
	Internal Systems Processes and Controls - Deep Dive	
	• Information systems control framework presentation	CS
	External Audit	
	• Verbal progress report	QAO
?? August 2020 Normally one week prior to the Governance Committee meeting in August 2020. 1:00 p.m. to 3:00 p.m.	*Standing agenda items*	
	• Apologies	A&RMC
	• Declaring of conflict of interest by committee members	A&RMC
	• Approval of minutes - A&RM Committee June 2020 report	A&RMC
	• Business arising from previous meeting	A&RMC
	• Other matters from committee members	A&RMC
	• Correspondence from QAO, regulators etc.	QAO
	Internal Audit	
	• Internal audit activities and progress report	IntAudit
	• Internal audit performance review for year including key performance indicators report	IntAudit
	• Annual assertion on Internal Auditing Standards	IntAudit
	• Summary of recent internal audit reports released	IntAudit
	• External and internal audit recommendations status report	IntAudit
	Committee Reports	
	• Compliance matters breach (including complaints) reporting	CS
	Risk	
	• Risk management report including progress on strategic risks	Risk
	• Risk profile – changes in risk register	Risk
	• Departmental Risk Registers (one department per meeting)	Risk
	• Fraud Risk Management	Risk
	Underlying Strategic Risk - Deep Dive	
	• Key projects progress	C&P
	• Fraud Management	CS
	• Governance outcomes of the Performance System	CEO
	Internal Systems Processes and Controls - Deep Dive	
	• Information systems control framework presentation including aspects such as cybercrime and projects implementation	CS
	External Audit	
	• Verbal progress report	QAO
?? September 2020	(Date determined when draft financial statements are ready and as	

Attachment 1

Before **15 September** as soon as draft financial statements are available. 1:00 p.m. to 3:00 p.m.	determined by the ~~COO F&CS~~GM - CS) *Standing agenda items*	
	• Apologies	A&RMC
	• Approval of Minutes - A&RM Committee August 2020 report	A&RMC
	• Correspondence from QAO, Regulators etc.	A&RMC
	• Business Arising from previous meetings	A&RMC
	• Other matters from committee members	A&RMC
	Financial Statements	
	• Review Draft Financial Statements and Draft Annual Report	CS
	• Discuss accounting and reporting matters	CS
	• Review related party transactions and disclosures	CS
	Other Matters	
	• Review management attestations for financial statement representation letters	CS
	External Audit Matters	
	• Draft management report and verbal update	QAO
?? November 2020 One week prior to the Governance Committee meeting in November 2020. 1:00 p.m. to 3:00 p.m.	*Standing agenda items*	
	• Apologies	A&RMC
	• Declaring of conflict of interest by committee members	A&RMC
	• Approval of minutes - A&RM Committee September 2020 report	A&RMC
	• Business arising from previous meeting	A&RMC
	• Other matters from committee members	A&RMC
	• Correspondence from QAO, regulators etc.	QAO
	Internal Audit	
	• Internal audit activities and progress report	IntAudit
	• Summary of recent internal audit reports released	IntAudit
	• External and internal audit recommendations status report	IntAudit
	Committee Reports	
	• Compliance matters breach (including complaints) reporting	CS
	• Councillor Remuneration	CS
	Risk	
	• Risk management report including progress on strategic risks	Risk
	• Risk profile – changes in risk register	Risk
	• Departmental Risk Registers (one department per meeting)	Risk
	• Review Insurance activities	Risk
	Underlying Strategic Risk - Deep Dive	
	• Asset management (including Infrastructure)	I&E
	• Key projects progress	C&P
	Internal Systems Processes and Controls - Deep Dive	
	• Valuation Policy, processes and controls	CS
	• Rates	CS
	Other Matters	
	• 2020 Audit and Risk Management Committee Annual Plan	A&RMC
	• Review of the ARMC Charter	A&RMC
	• Audit and Risk Management Committee Self-Assessment Report	A&RMC
	• Review of the Internal Audit Charter	IntAudit
	External Audit	
	• Matters arising from the 2020 QAO Audit Report	QAO

~~\\PWVTICFS01\INFOCOUNCILPRD\CHECKOUT\VLukritz\Attachment 1 Draft Planned Dates A&RM Committee 2020.DOC~~H:\CEO\Internal Audit\2015-2016 Program\Related Activities\Audit Committee\201510 Oct\Item 5 AC Planned Agenda\Planned Dates Audit Committee 2016.doc

Attachment 1

	• Discuss any issues with QAO in the absence of management	QAO

\\PWVTICFS01\INFOCOUNCILPRD\CHECKOUT\VLukritz\Attachment 1 Draft Planned Dates A&RM Committee
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Agenda\Planned Dates Audit Committee 2016.doc

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Doc ID No: A5872412

The Chairperson has determined this matter is of real urgency and approval has been given to refer this report to the Audit and Risk Management Committee as a late item.

ITEM: 1

SUBJECT: ASSET VALUATION - LAND, BUILDINGS AND INFRASTRUCTURE ASSETS

AUTHOR: PRINCIPAL FINANCIAL ACCOUNTANT

DATE: 30 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report by the Principal Financial Accountant dated the 30 October 2019 concerning the engagement of a qualified valuer to perform asset revaluation services of Council's land, building and infrastructure assets over the next five (5) years.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolves:

> That Council endorse the request for quotation process for the engagement of a qualified valuer for five (5) years to perform asset revaluation services as outlined in the report by the Principal Financial Accountant dated 30 October 2019.

RELATED PARTIES

There are no related parties.

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

In accordance with Council's Asset Accounting Policy and Asset Revaluation Procedure and the Australian Accounting Standards, Council is required to conduct an annual revaluation for its non-current asset classes: artworks, land, buildings and structures, drainage, and roads, bridges and footpaths. This memorandum specifically deals with asset revaluation for land, buildings and structures, drainage, and roads, bridges and footpath assets.

Council's current revaluation procedure Asset Revaluation FCS-005 provides that Council will revalue all its non-current assets on a five year rolling basis provided that these assets do not experience significant and volatile change in fair value.

The current revaluation schedule is as follows:

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AUDIT AND RISK MANAGEMENT COMMITTEE
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Year	Formal Valuation	Desktop Valuation	Final Report Due Date
2020	(a) Land	(b), (c), (d)	27 April 2020
2021	(b) Building and Structures	(a), (c), (d)	27 April 2021
2022	(c) Flooding and Drainage	(a), (b), (d)	27 April 2022
2023	(d) Roads, Bridges and Footpaths	(a), (b), (c)	27 April 2023
2024	Refer to Note*	(a), (b), (c), (d)	27 April 2024

* In 2024 a formal valuation will be undertaken for the asset class of Artworks by another external valuer with expertise in the area of valuing artworks.

Before commencing the annual revaluation, Council will make an annual assessment to determine whether there have been significant market movements and/or changes to local conditions to necessitate the revaluation schedule to be brought forward or maintained.

An assessment was completed in October 2019 by Finance in collaboration with Council's Senior Planning Officer (Asset Management) in Infrastructure and Environment Department (IE) with the recommendation that this schedule be maintained for 2019-2020 asset revaluation exercise.

Council's five (5) year contract with Cardno (QLD) Pty Ltd for supply of asset valuation services recently expired. In accordance with Council's Procurement Policy and "sound contracting principles" in section 104 of the *Local Government Act 2009*, Council will request quotations for asset valuation services for the next five (5) years the Local Buy panel. Through consultation with Council's Procurement Team and Asset Management Team it is recommended that the following three (3) suppliers from Local Buy be invited to quote.

- Cardno (QLD Pty) Ltd
- GHD Pty Ltd
- JLL Public Sector Valuations Pty Ltd (Formerly Australian Valuation Solutions Pty Ltd)

Council's current policy does not require a rotation of valuers however this can be discussed further with the Committee to determine if consideration should be given to an amendment to the policy in the future.

In consultation with Council's Procurement Team and Asset Management Team, the below schedule outlines key milestones for the engagement of a valuer for the next five (5) years and valuation of Council's assets for 2019-2020.

Key Milestones	Date

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Request for Quotation issued	8 November 2019
Request for Quotation closed	25 November 2019
Recommendation to Council meeting	10 December 2019
Valuer Appointed	17 December 2019
Valuation Commences (Entry Meeting)	15 January 2020
Draft Report	9 April 2020
Final Report	27 April 2020

The evaluation team will be facilitated by the Procurement Team and include representatives from both Council's Finance and Asset Management teams, with a final recommendation being provided through the General Management Corporate Services to Council for approval as the term of the contract is for 5 years.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012
Australian Accounting Standards

RISK MANAGEMENT IMPLICATIONS

The valuation of assets in accordance with the Accounting Standards, including *AASB 116 Property, Plant and Equipment & AAS13 Fair Value*, is a significant risk as part of the preparation of the Annual Financial Statements and compliance with Council's Asset Accounting policy. Council processes, the management and involvement of appropriate qualified and skilled Council staff and support from an experienced qualified valuation expert, are critical to mitigating this risk.

Risks associated with not obtaining quotes from at least three (3) suppliers for asset valuation services for the next five (5) years would result in not adhering to Council's Procurement Policy and sound contracting principles (eg. value for money, open and effective competition) as per section 104 of the *Local Government Act 2009.*

As part of Transformational Project 4 (Asset Management), Council is continuing to update its asset management systems and databases which is likely to impact on the information detail within the Physical Asset Registers. Council will need to ensure that scoping with the preferred valuer communicates that there will likely be changes to the format of data presented during the 5 years to minimise any changes to pricing. Council will also request hourly rate pricing as part of quotations to assist in mitigating this. The continued close working of the asset management team and asset accounting team is also extremely important in ensure accurate and timely revaluations.

FINANCIAL/RESOURCE IMPLICATIONS

The anticipated budget for asset valuation services for the next five (5) years which is included in our financial forecasts, is approximately $250,000 - $300,000 excluding GST, subject to the quotation process.

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

COMMUNITY AND OTHER CONSULTATION

The asset management team have been consulted with and are part of the team reviewing the specifications and evaluation of quotations received. The procurement process is being led by Council's procurement team.

CONCLUSION

Following the expiration of Council's contract with Cardno (QLD) Pty Ltd for asset valuation services Council will request quotations through Local Buy to request quotes from suitably qualified valuers for asset valuation services with the term of engagement over the next five (5) years.

The report outlines the asset classes to be revalued over the next five years and attachment 1 details the project specification for asset valuation services of Council's assets.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	2020 Project Specification - Land Buildings and Structures and Infrastructure Assets

Barbara Watson
PRINCIPAL FINANCIAL ACCOUNTANT

I concur with the recommendations contained in this report.

Jeffrey Keech
FINANCE MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
GENERAL MANAGER - CORPORATE SERVICES

"Together, we proudly enhance the quality of life for our community"

Project Specification

Asset Revaluation Project – Land, Buildings and Structures and Infrastructure Assets

Council contacts:

Principal Financial Accountant	Barbara Watson	Ph 3810 6615
Business Accounting Manager	Lavina Britton	Ph 3810 6902
Finance Manager	Jeff Keech	Ph 3810 6687

Project Overview

The objective of this project is to revalue Ipswich City Council's (ICC's) assets in accordance with:

- Local Government Act 2009
- Local Government Regulation 2012
- Australian Accounting Standards:
    - AASAB116 Property, Plant and Equipment
    - AASB13 Fair Value Measurement
- ICC's Asset Accounting Policy and Procedures

Purpose

Asset revaluation services will be required for a period of five (5) years which includes comprehensive revaluations and desktop revaluations.

The revaluation is to be completed to the following schedule and ranked order:

Year	Formal Valuation	Desktop Valuation	Final Report Due Date
2020	(a) Land	(b), (c), (d)	27 April 2020
2021	(b) Building and Structures	(a), (c), (d)	27 April 2021
2022	(c) Flooding and Drainage	(a), (b), (d)	27 April 2022
2023	(d) Roads, Bridges and Footpaths	(a), (b), (c)	27 April 2023
2024	Refer to Note*	(a), (b), (c), (d)	27 April 2024

* In 2024 a formal valuation will be undertaken for the asset class of Artworks by another external valuer with expertise in the area of valuing artworks.

Project Schedule for 2020 Valuation

Major Milestones	Date
Request for Quotation issued	8 November 2019
Request for Quotation closed	25 November 2019
Recommendation to Council meeting	10 December 2019
Valuer Appointed	17 December 2019
Valuation Commences (Entry Meeting)	15 January 2020
Draft Report	9 April 2020
Final Report	27 April 2020

Specification

1. Nature of Contract
    i.   The nature of the contract is to provide valuations for the Ipswich City Council's assets as required by the Finance Department.
    ii. The Project Manager for this project shall be the Principal Financial Accountant, Ipswich City Council.

2. Scope of Works
    i.   Full revaluation of the asset class for the relevant year (in accordance with the valuations schedule included in the table above)
         • The current quantity of assets to be valued for each asset class are detailed in the Annexure below.
    ii. Annual desktop revaluation of all other assets classes (excluding artworks) to determine valuation increases since the last full revaluation.
    iii. The revaluation is to be conducted in accordance with:
         • Local Government Act 2009;
         • Local Government Regulation 2012;
         • Australian Accounting Standards:
             o AASB116 Property, Plant and Equipment
             o AASB13 Fair Value Measurement
         • ICC's Asset Accounting Policy and Procedures
    iv. These asset values, a description of the methodology used and any assumptions made should be present in both hard copy and electronic format (electronic Microsoft Office Windows readable format only).
    v.   The asset values are to be provided in dollar value, rounded to two decimal places

3. Project Deliverable's and Timing
    i.   A draft revaluation report (including desktop revaluations) by 9 April 2020, with the following details:
         • The written report provided in the electronic PDF format
         • The asset revaluations (dollar value change) in the electronic Microsoft Windows readable format (Excel)
    ii. A final revaluation report by 27 April 2020, with the following details:
         • The written report provided in the electronic PDF format and in hard copy
         • The asset revaluations (dollar value change) in the electronic Microsoft Windows readable format (Excel)
    iii. Data is provided with key valuation data to include but not limited to the following details:
         • Asset Level
             (a)   Gross Value
             (b)   Accumulated Depreciation

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(c)   Fair Value
(d)   Fair Value Level

- Asset Accounting Attributes
  (a)   Gross Value, Accumulated Depreciation and WDV
  (b)   Condition or consumption source
  (c)   Pattern of consumption
  (d)   Useful life and remaining useful life
  (e)   Depreciation Rate
  (f)   Annual Depreciation Expense

4. Project Plan
   i.   The valuer is to maintain an up to date project plan during the course of the assignment. The valuer is to advise the Project Manager of material variations to the project plan as they arise.

5. Submissions will be assessed based on the following evaluation criteria that each supplier will requested to address in detail in their proposal and responses to the request for quotation:

   i. Appropriate Insurance

   ii. Workplace Health & Safety

   iii. Local Government experience in undertaking asset revaluations

   iv. Demonstrated Capability including experience and qualifications of nominated staff

   v. Ability to meet specified timeframe

   vi. Pricing (including hourly rates quoted)

   vii. Supplier Profile

6. Insurances
   i.   The valuer shall be required to have and maintain Public Liability Insurance of at least ten million dollars ($10,000,000).
   ii.   The valuer shall be required to have and maintain Professional Indemnity Insurance of at least five million dollars ($5,000,000)
   iii.   The valuer shall be required to have and maintain Workers' Compensation Insurance for all employees for the term of the Contract.
   iv.   Prior to engagement being approved, the valuer shall provide to Council proof of Public Liability Insurance, Professional Indemnity Insurance and Workers' Compensation Insurance. All insurance policies shall remain current for the term of the Contract and shall contain provisions that require the insurer to give notices in writing to Council of any alterations concerning the policy, including cancellation.

7. Personnel to be Supplied by Ipswich City Council
    i. Ipswich City Council will provide the following part time personnel or delegates to assist the Consultant in completing the assignment:
        - Project Manager – Principal Financial Accountant (Barbara Watson)
        - Other personnel as required and mutually agreed between Council and the Consultant.

Annexure

Land Assets

Asset Class	Asset Type	Quantity	UoM
Land	Land	1,400	ea

Building and Facilities Assets

Asset Class	Asset Type	Quantity	UoM
Building and Facilities	Amenity Building	91	ea
	Commercial Building	49	ea
	Community Building	154	ea
	Operational Building	144	ea
	Sheds	138	ea
	Total	**576**	

Roads, Bridges and Footpath

Asset Class	Asset Type	Quantity	UoM
Roads	Sealed Pavement Surface		
	Sealed Pavement Base		Km
	Sealed Pavement Sub base	1,613	
	Sealed Pavement Formation		
	Unsealed Pavement Base	298	Km

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	Unsealed Pavement Formation		
Bridges	Pedestrian Bridge & Boardwalk	211	ea
	Vehicular Bridge	46	ea
Kerb and Channel Network	Kerb and Channel	2,183	Km
	Footpaths	1,183	Km
Pathway Network	Kerb Ramp	36,554	Sqm
	Tactile indicators	1,045	Sqm
Pathway Network	Steps/Stairs	2,781	Sqm
	Ramp	2,031	Sqm
Traffic Facilities	Bus Shelter	229	ea
	Parking Meter	110	ea
Traffic Facilities	Sign	37,652	ea
	Traffic Island	3,590	ea
Traffic Facilities	Traffic Signals	104	ea
	Guardrail	16	Km

Parks and Recreation Infrastructure Assets

Asset Class	Asset Group	Asset Type	Quantity	UoM
Other Structures	Boundary Elements	Fence, Gate, Chicane, Handrail, Bollard, Edging, Retaining walls	297	Km
	Bin Enclosure	Bin Enclosure	TBA	
	Bike Rack	Bike Rack	36	ea
	Driveway/Car park	Driveway/Car park	193,487	Sqm

	Platform	Deck, viewing platform, Stage	2,790	Sqm
	Drinking Fountain	Drinking Fountain	285	ea
	Feature Object	Sandstone Block, Statute, Sculpture, Water Feature	406	ea
	Flag Pole	Flag Pole	47	ea
	Goal Post	Goal Post	302	ea
	Grandstand/Spector seating	Grandstand/Spector seating	15	ea
	Hardstand	Hardstand	133,179	Sqm
	Memorials/Monuments	Memorials/Monuments	TBA	
	Public and Sport field lighting	Park lighting and fittings, Sport field lighting and fittings	TBA	
	Scoreboard	Scoreboard	16	ea
	Shading Structures	Shade Sail, Shelter	1,095	ea
	Swimming Pool and Lagoon	Swimming Pool and Lagoon	11	ea
	Water Tank	Water Tank	36	ea
	Wheels Stop	Wheels Stop	261	ea
	Windmill	Windmill	1	ea
	Seat	Seat	1,773	ea
Park and Street Furniture	Table	Table	804	ea
	Soft fall	Soft fall	77,486	Sqm
Playing Surfaces	Sport Court/Fields	Skate Bowl, Netball Court, Cricket pitches, Athletics oval	443,860	Sqm

Drainage Assets

Asset Class	Asset Group	Asset Type	Quantity	UoM
Piped Network	Drainage Mains	Drainage Mains	1,201	Km
	Drainage Structures	Manhole/Chamber, Gully Pits, Headwall, Gross Pollutant trap, Trash rack, Culvert	43,681	ea
Open Drain Network	Open Drains, Invert and Levee Banks	Open Drains, Invert and Levee Banks	881,840	Sqm
Flood Mitigation	Detention & Bio Detention Basins	Detention Basin, Spillway, Sediment Pits	357	ea
Flood Mitigation	Flood Monitoring Station	Flood Monitoring Station	36	ea

Please note: The above quantities are subject to change due to the capitalisation and disposal of assets. They are a general guide.

* The quantities are based on data from 30 June 2019, until the current data is obtained.

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Doc ID No: A5863893

ITEM: 5

SUBJECT: AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 25 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning a review of the Audit and Risk Management Committee Charter. The Charter was reviewed and discussed at the Audit and Risk Management Committee Strategy Meeting held on 24 October 2019 with suggested changes outlined in track changes in Attachment 2.

RECOMMENDATION/S

That the Audit and Risk Management Committee Charter as detailed in Attachment 2 be adopted.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME

The intention is for the Audit and Risk Management Committee is to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual activities will to a varying degree support these themes, but the main objective for the Committee is to support the organisation in achieving its objectives.

PURPOSE OF REPORT/BACKGROUND

The purpose of this activity is to regularly review and updated the Audit and Risk Management Committee Charter to keep it current and appropriate.

LEGAL/POLICY BASIS

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

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Local Government Act 2009
Local Government Regulation 2012

RISK MANAGEMENT IMPLICATIONS

The Audit and Risk Management Charter as a whole guides the activities of internal audit to minimise and control the risks the activity faces.

FINANCIAL/RESOURCE IMPLICATIONS

No additional resources are required because of this report. However situations will dictate if matters have to be assessed or investigated and also management will have to consider the financial implications to implement the recommendations generated or supported through the activities of this Committee.

COMMUNITY AND OTHER CONSULTATION

For this purpose the members and attendees of the Audit and Risk Management Committee were consulted in updating this charter.

CONCLUSION

The Audit and Risk Management Committee Charter is an important document to guide the Committees in its oversight activities and to safeguard Council as a whole.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Current Audit and Risk Management Committee Charter as at 18 Septemeber 2018 copy
2.	Proposed Audit and Risk Management Committee Charter - tracked changes

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

"Together, we proudly enhance the quality of life for our community"

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Amendment List		
Council Resolution Date	**Committee Reference and Date**	**Resolution no.**
3 November 2004	City Management and Finance Committee No. 2004(09) of 26 October 2004	43.04
27 May 2008	Audit Committee No. 2008(01) of 14 May 2008; City Management and Finance Committee No.2008 (02) of 20 May 2008	8, 7
20 July 2010	City Management and Finance Committee No. 2010 (07) of 13 July 2010	6
18 October 2011	Audit Committee No. 2011(04) of 12 October 2011; City Management and Finance Committee No. 2011(10) of 10 October 2011.	3
15 November 2011	Audit Committee No. 2011(05) of 2 November 2011; City Management and Finance Committee No. 2011(11) of 8 November 2011	5
25 February 2014	Audit Committee No. 2014(01) of 12 February 2014 - City Management and Finance Committee No. 2014(02) of 18 February 2014. (No change)	5
25 August 2015	Audit Committee No. 2015(03) of 5 August 2015 - City Management and Finance Committee No. 2015(08) of 18 August 2015	5
17 August 2016	Audit Committee No. 2016(02) of 3 August 2016 – City Management, Finance and Community Engagement Committee No. 2016(05) of 9 August 2016	5
14 November 2017	City Management, Finance and Community Engagement Committee No. 2017(11) of 9 November 2017 – Audit Committee No. 2017(01) of 27 November 2017	9, 6
18 September 2018	Council Ordinary Meeting of 18 September 2018	

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Contents

1. INTRODUCTION

The Local Government Act requires that each large local government must establish an audit committee. The Charter defines the role, responsibilities, composition and guidelines of the Audit and Risk Management Committee (the Committee) within Council.

The Committee does not take over management responsibilities within Council.

2. PURPOSE

The Committee acts as an independent, oversight, assurance and advisory service to Council in the effective discharge of its responsibilities prescribed in the Local Government Act, the Local Government Regulation and other relevant legislation and prescribed requirements by monitoring and reviewing:

- The governance structure.
- Values and ethics.
- The integrity of financial documents and public accountability reports.
- The internal and external audit functions.
- Risk management.
- Internal control.
- Management action plans.
- Assurance providers

The Committee can recommend to Council and management about any matters that it considers needs action or improvement.

These terms of reference set the principles and standards for the Audit and Risk Management Committee to:

2.1   Enhance the ability of members to fulfil their legal responsibilities.

2.2   Add to the credibility and objectivity of financial reports.

2.3   Enhance the independence and effectiveness of the Council's Internal Audit Branch.

2.4   Oversee the application of appropriate accounting and disclosure policies and procedures.

2.5   Monitor existing corporate policies and recommend new corporate policies that aim to prohibit unethical, questionable or illegal activities.

2.6   Provide a communication link between management, internal auditors/external auditors and Council.

2.7   Promote the need for public accountability of managers to Council, the ratepayers and other interested parties.

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2.8   Support measures to improve governance, risk and internal controls.

3.   AUTHORITY, INDEPENDENCE AND ACCESS

3.1   In discharging its responsibilities the Audit and Risk Management Committee has the authority to:

- Conduct or request investigations into matters within its scope of responsibility and in accordance with the Local Government Act.
- Access information, records and personnel of the Council for such purpose;
- Request the attendance of any employee, including executive staff, at committee meetings;
- Conduct meetings with the Council's internal and external auditors and risk manager as necessary; and
- Seek advice from external parties to meet its responsibilities, as necessary provided that Council approval will be required prior to committing to any expenditure required in seeking that advice.

3.2   The Committee will need to liaise closely with management and internal and external auditors to carry out its responsibilities. Whilst the primary responsibility for financial and other reporting, risk, internal control and compliance with laws, regulations and ethics within Council rests with management, the Audit and Risk Management Committee may exercise a monitoring and review role.

3.3   The Committee will have unrestricted access to all information it deems necessary, including documents and officials, and have adequate resources in order to fulfil its oversight responsibilities.

4.   CONFIDENTIALITY

4.1   The Committee members are responsible and accountable for maintaining the confidentiality of the information they receive during the conduct of their function.

5.   ETHICAL PRACTICES

5.1.1   The Committee members will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, probity and not engage knowingly in acts or activities that have the potential to bring discredit to Council.

5.1.2   The Committee members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Committee members must not use Council information for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of Council.

5.1.3   The Committee members must not publicly comment on matters relative to activities of the Committee other than as authorised by Council.

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5.1.4 Members who become aware of a conflict of interest or issue which may affect their objectivity on matters raised within the Committee should advise the Chairperson immediately. Should the Chairperson experience such a conflict he/she is to advise the Chief Executive Officer.

6. MEMBERSHIP

6.1 The Committee will be composed of five members, including the Chairperson, as follows:

6.1.1 The Interim Administrator and two Members of the Interim Management Committee.

6.1.2 Two independent external members, chosen and appointed by Council to ensure impartiality and an appropriate mix of skills. When selecting an external member, Council must have regard to that person having an appropriate accounting or similar background to provide additional expertise to Council. No additional paid professional work may be performed for Council during the period of appointment to the Audit and Risk Management Committee.

6.1.3 The term of an independent external member shall be four years and Council may approve one only extension of four years to that term.

6.1.4 As provided by Section 210(1) of the Local Government Regulation Council will appoint one of the members of its Audit and Risk Management Committee to be Chairperson.

6.2 The Committee has the ability to co-opt any persons as advisers, from time to time for a particular period. No remuneration will apply to these advisers.

6.3 Council can, at any time, appoint a stand-in or replacement Interim Management Committee Member to the Audit and Risk Management Committee.

6.4 The External Auditor, Advisers and Ex Officio members are non-voting observers.

6.5 The Chief Executive Officer (CEO), the Chief Financial Officer, the Internal Audit Manager and the Corporate Services and Risk Manager should attend all meetings as Ex Officio observers but have no voting rights.

6.6 Other Council officers may attend meetings as required by invitation of the Committee.

6.7 The membership of the Committee may be reviewed during the life of the Committee but will be reviewed following the completion of each general local government election.

7. DUTIES AND RESPONSIBILITIES

In accordance with the principles, for an Audit Committee set out in the Act, the Regulation and accepted best practice, the duties and responsibilities of the Committee are as follows:

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7.1. *External Audit*

7.1.1   Oversee Council compliance with the Local Government Act and other relevant legislation requirements for financial reporting.

7.1.2   Review the scope of the total audit activities with the external auditors and provide input and feedback on the external auditor's proposed audit strategy and audit plan including financial statements, and consult on audit fees for the year.

7.1.3   Review of effectiveness of the annual audit, to ascertain whether emphasis is being placed on areas where the Committee, management or the auditors believe special attention is necessary.

7.1.4   Review the findings and recommendations of external audit, management responses to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented in effectively addressing control deficiencies.

7.2. *Internal Audit*

7.2.1   Ascertain that the activities undertaken by the Internal Audit Branch are in accordance with the Internal Audit Branch Charter and the International Standards for the Professional Practice of Internal Auditing.

7.2.2   Review the internal audit's charter, resources and budget such that this charter maintains and enforces internal audit's independence from management.

7.2.3   Monitor whether the Internal Audit Branch is receiving the co-operation of all levels of management; and in light of its functions and activities, is viewed as a highly regarded function of Council.

7.2.4   Review the planning and scope of internal audit activities and assess the resultant recommendations and findings.

7.2.5   Assess whether all significant recommendations of the Internal Audit Branch have been properly implemented by management in effectively addressing control deficiencies. Any reservations the Internal Audit Branch may have about control risk, and accounting and disclosure practices should be discussed by the Committee.

7.2.6   Review the Three Year Strategic and Annual Internal Audit Plans to assess that it covers the material business risks of the Council.

7.2.7   Monitor the extent of reliance on internal audit work by the external auditors to facilitate completeness of coverage and the effective use of audit resources.

7.2.8   Be consulted and provide advice in the appointment and dismissal of the Internal Audit Manager.

7.2.9   Review and monitor the effectiveness and objectivity of internal audit.

The Audit and Risk Management Committee's responsibilities do not extend to managing the day-to-day activities of Internal Audit Branch. This is a function which is carried out by the CEO.

7.3.   *Financial Statements*

7.3.1   Review the appropriateness of accounting policies adopted by Council and ensure the accounting policies adopted are relevant to Council and its specific circumstances.

7.3.2   Review the appropriateness of significant assumptions and judgments made by management particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.

7.3.3   Review the financial statements for compliance with prescribed accounting and other requirements.

7.3.4   Review, with management and the external auditors, the results of the external audit and any significant issues identified.

7.3.5   Analyse the Council's financial performance and financial position and seek explanation for significant trends or variations from budget or forecasts.

7.3.6   Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.

7.3.7   Recommend approval of the Financial Statements (including sustainability ratios) to the CEO and Mayor.

7.3.8   Review the final draft financial statements prior to its approval by Council, taking on board any external audit comments. In particular the review should focus on but not limited to:
(i)   significant changes in accounting policies and practices
(ii)   major judgmental areas
(iii)   significant audit adjustments
(iv)   proposed departures from accounting standards

7.4   Risk Management

7.4.1   Review the risk management framework for identifying, escalating, monitoring and managing significant enterprise risks, including fraud.

7.4.2   Assess the impact of the Council's risk management framework on its control environment and satisfy itself that the insurance arrangements are appropriate.

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7.4.3 Assess and contribute to the audit planning processes relating to the risks and threats to Council.

7.4.4 Determine whether a sound and effective approach has been followed in establishing the Council's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

7.4.5 Monitor whether the risk management framework/program is receiving support from all levels of management.

7.5 Fraud and Corruption Control

7.5.1 Review the process of developing and implementing the Council's fraud control arrangements and satisfy itself that Council has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.

7.5.1 Review reports on fraud that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Council.

7.6 Internal Control Framework

7.6.1 Review the adequacy of the internal control environment, structure and systems, including information technology security and control.

7.6.2 Review whether relevant policies and procedures are in place, up-to-date and complied with, including those for the management and exercise of delegations.

7.7 Compliance

7.7.1 Determine whether management has considered legal and compliance risks as part of Council's risk assessment and management arrangements.

7.7.2 Review the effectiveness of the system for monitoring Council's compliance with relevant laws, regulations and policies including statutory regulations for any subsidiaries of Council.

7.7.3 Review the findings of any examinations by regulatory agencies, and any auditor observations.

7.7.4 Review the Council's Code of Conduct and recommend changes as appropriate.

7.7.5 Review policies and procedures relating to conflict of interest, misconduct, fraud and other related sensitive issues.

7.8 Other Matters

7.8.1 Determine whether Council is receiving reliable and timely management information.

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7.8.2   Review the proposed Annual Report of Council.

7.8.3   Recommend special projects or investigations on any matter within its terms of reference.

8.   MEETINGS, RECORDS AND REPORTING STRUCTURE

8.1   The Committee shall meet at least four times a year. The CEO with the Audit and Risk Management Committee's agreement will set the date, time and place for the meetings. Before setting the date, time and place for a Committee meeting, the CEO must, if practicable, consult with the Chairperson of the Committee. In addition, the CEO will call a meeting if requested to do so by any Committee member, or the internal or external auditors.

8.2   A quorum shall consist of three members, at least one of which must be the Interim Administrator. If there is a split vote by members on a resolution the Chairperson at the meeting may exercise a casting vote on the resolution.

8.3   The external auditors shall be given notice of all meetings and sent an agenda. The external auditors shall have the right to attend and speak.

8.4   The Committee Branch shall prepare an agenda supported by necessary explanatory documentation and circulate it to the Audit and Risk Management Committee members, any other Council officer requested to attend and the external auditors, if practicable at least five (5) days before the day of the meeting.

8.5   The Committee Branch will provide secretarial functions to the meetings and prepare a Report of each meeting which will be provided to Audit and Risk Management Committee members and permanent attendees one week after the meeting, at the latest.

8.6   The Report of the Audit and Risk Management Committee meeting will be presented to the next meeting of the City Management and Finance Committee for its consideration.

8.7   The Committee Branch will provide relevant extracts of the Report, upon its adoption by Council, to relevant officers for information and action.

8.8   The Audit and Risk Management Committee may hold periodic private 'in camera'[1] meetings with the Internal Audit Manager and/or external audit generally without senior management being present through a formal process and included in the annual Audit and Risk Management Committee planner.

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[1] Source: 'Better Practice Guide – Public Sector Audit Committees', Australian National Audit Office, 2015.

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9. **INDUCTION**

9.1 New members to the Committee will be provided with induction material on their appointment to assist them to meet their Committee responsibilities to allow the members familiarise themselves with the environment and to facilitate their understanding of its principal operations and activities, corporate practices and culture.

10. **SELF EVALUATION**

10.1 At least biennially, the Audit and Risk Management Committee will assess the performance and achievements of the Committee for the previous period and ensure that it is meeting its objectives efficiently and effectively.

10.2 Confirm biennially that all responsibilities outlined in this charter have been carried out.

10.3 Where this evaluation highlights a need for enhancements to the role, operational processes or membership of the Committee, the Chairperson should take action to ensure such enhancements are implemented.

11. **REVIEW OF THE CHARTER**

11.1 This Charter will be reviewed annually by the committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.

12. **APPROVAL OF THE CHARTER**

12.1 The Charter is endorsed by the Chair of the Committee and approved by Council.

IPSWICH CITY COUNCIL
Audit and Risk Management Committee Charter

Previous Version approved	Council Ordinary Meeting of 18 September 2018	
Current Version and Objective ID	Version No:	Objective ID:
New Version Approved by Council on		
Date of Next Review		

1. **STATEMENT**

   The Local Government Act requires that each large local government must establish an audit committee. The Charter defines the role, responsibilities, composition and guidelines of the Audit and Risk Management Committee (the Committee) within Council. The Committee is to provide an oversight, advisory and assurance role only and does not have any delegated responsibility or management functions within Council.

2. **PURPOSE AND PRINCIPLES**

   The Committee acts as an independent, oversight, assurance and advisory service to Council in the effective discharge of its responsibilities prescribed in the Local Government Act, the Local Government Regulation and other relevant legislation and prescribed requirements by providing oversight, monitoring and reviewing:
   - The governance structure.
   - Values and ethics.
   - The integrity of financial documents, management and public accountability reports.
   - The internal audit and corrupt conduct investigation's branch activities.
   - Legislative compliance.
   - External audit.
   - Risk management.
   - Internal control including fraud.
   - Management action plans.
   - Assurance providers.
   - Performance reporting.

   The Committee can provide recommendations to Council and management about any matters that it considers needs action or improvement. These terms of reference set the principles and standards for the Audit and Risk Management Committee to:

   2.1 Enhance the ability of members to fulfil their legal responsibilities.
   2.2 Add to the credibility and objectivity of financial reports.
   2.3 Enhance the independence and effectiveness of the Council's Internal Audit Branch.
   2.4 Oversee the application of appropriate accounting and disclosure policies and procedures.
   2.5 Monitor existing corporate policies and recommend new corporate policies that aim to prohibit unethical, questionable or illegal activities.

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2.6 Provide a communication link between management, internal auditors/external auditors and Council.

2.7 Promote the need for public accountability of managers to Council, the ratepayers and other interested parties.

2.8 Support measures to improve governance, risk and internal controls.

3. STRATEGIC PLAN LINKS

The Audit and Risk Management Committee's aim is to achieve the objectives of the whole organisation and therefore this policy relates to providing oversight of the systems, processes and controls that contribute to:

- Strengthening our local economy and building prosperity
- Managing growth and delivering key infrastructure
- Caring for the Community
- Caring for the Environment
- Listening, Leading and Financial Management

4. REGULATORY AUTHORITY

Local Government Act 2009
Local Government Regulation 2012
Crime and Corruption Act 2001

5. AUTHORITY, INDEPENDENCE AND ACCESS

5.1. In discharging its responsibilities the Audit and Risk Management Committee has the authority to:

5.1.1. Conduct or request investigations into matters within its scope of responsibility and in accordance with the Local Government Act.

5.1.2. Access information, records and personnel of the Council for such purpose.

5.1.3. Request the attendance of any employee, including executive staff, at committee meetings.

5.1.4. Conduct and minute meetings with the Council's internal and external auditors and risk manager as necessary.

5.1.5. Seek advice from external parties to meet its responsibilities, as necessary provided that Council approval will be required prior to committing to any expenditure required in seeking that advice.

5.2. The Committee will need to liaise closely with management and internal and external auditors to carry out its responsibilities. Whilst the primary responsibility for financial and other reporting, risk, internal control and compliance with laws, regulations and ethics within Council rests with management, the Audit and Risk Management Committee should exercise an oversight, monitoring and review role.

5.3. The Committee will have unrestricted access to all information it deems necessary, including documents and officials, and have adequate resources in order to fulfil its oversight responsibilities.

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6. CONFIDENTIALITY

The Committee members are responsible and accountable for maintaining the confidentiality of the information they receive during the conduct of their function and should comply with the Code of Conduct.

7. ETHICAL PRACTICES

7.1 The Committee members will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, probity and not engage knowingly in acts or activities that have the potential to bring discredit to Council.

7.2 The Committee members must also refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Committee members must not use Council information for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of Council.

7.3 The Committee members must not publicly comment on matters relative to activities of the Committee other than as authorised by Council.

7.4 Members who become aware of a conflict of interest or issues which may affect their objectivity on matters raised within the Committee should advise the Chairperson immediately. Should the Chairperson experience such a conflict he/she is to advise the Chief Executive Officer.

8. COMPOSITION AND MEMBERSHIP

8.1 The Committee will be composed of five members, including the Chairperson, as follows:

8.1.1 Three independent external members* will be chosen and appointed by Council to ensure impartiality and an appropriate mix of skills.

8.1.18.1.2 The Interim Administrator* and two Members of the Interim Management Committee (while active/appointed). When the Council returns these members will be replaced by two Councilors on a rotational basis with a two year term.

8.1.28.1.3 Two Three independent external members* will change to three independent external members once the IMC leaves/are replaced, chosen and appointed by Council to ensure impartiality and an appropriate mix of skills.

8.1.38.1.4 When selecting an external independent member, Council must have regard to that person having a strong business, accounting, legal or similar background to provide additional expertise to Council.

8.1.48.1.5 Independent external members will also need a high level understanding of internal controls, risk management, corporate governance and a sound knowledge of information systems and related technology.

8.1.58.1.6 No additional paid professional work may be performed for Council during the period of appointment to the Audit and Risk Management Committee.

8.1.68.1.7 The term of an independent external member shall be four years and Council may approve a further extension of four years to that term.

8.1.8 As provided by Section 210(1) of the Local Government Regulation Council will appoint one of the external independent members of its Audit and Risk

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Management Committee to be Chairperson.

8.2 The Committee has the ability to co-opt any persons as advisers, from time to time for a particular period. No remuneration will apply to these advisers.

8.4 ~~Council can, at any time, appoint a stand-in or replacement Interim Management Committee Member or Councilor or independent member to the Audit and Risk Management Committee.~~

8.3 The External Auditor, Advisers and Ex Officio members are non-voting observers.

8.4 The Chief Executive Officer, the General Manager Corporate Services, the Chief Audit Executive the Governance Manager and the Risk Management Coordinator should attend all meetings as Ex Officio observers but have no voting rights.

8.5 Other Council officers may attend meetings as required by invitation of the Committee.

8.6 The membership of the Committee may be reviewed during the life of the Committee but will be reviewed following the completion of each general local government election.

*The Interim Administrator is only included during the term of Administration
*While in Administration there will be two independent external members and once the IMC leave this will change to three.

9. ROLES AND RESPONSIBILITIES

In accordance with the principles, for an Audit Committee set out in the Act, the Regulation and accepted best practice, the duties and responsibilities of the Committee are as follows:

9.1. External Audit

9.1.1 Oversee Council compliance with the Local Government Act and other relevant legislation requirements for financial reporting.

9.1.2 Review the scope of the audit activities with the external auditors and provide input and feedback on the external auditor's proposed audit strategy and audit plan including financial statements, and consult on audit fees for the year.

9.1.3 Review of effectiveness of the annual audit, to ascertain whether emphasis is being placed on areas where the Committee, management or the auditors believe special attention is necessary.

9.1.4 Review the findings and recommendations of external audit, management responses to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented in effectively addressing control deficiencies.

9.2. Internal Audit

9.2.1 Review the internal audit's charter, resources and budget such that this charter maintains and enforces internal audit's independence from management.

9.2.2 Ascertain that the activities undertaken by the Internal Audit Branch are in accordance with the Internal Audit Branch Charter and the International Standards for the Professional Practice of Internal Auditing.

9.2.3 Monitor whether the Internal Audit Branch is receiving the co-operation of all levels of management; and in light of its functions and activities, is viewed as a highly regarded function of Council.

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9.2.4 Review the planning and scope of internal audit activities and assess the resultant recommendations and findings.

9.2.5 Assess whether all significant recommendations of the Internal Audit Branch have been properly implemented by management in effectively addressing control deficiencies. Any reservations the Internal Audit Branch may have about control risk, and accounting and disclosure practices should be discussed by the Committee.

9.2.6 Review the Internal Audit Plan to assess that it covers the key risks of the Council.

9.2.7 Monitor the extent of reliance on internal audit work by the external auditors to facilitate completeness of coverage and the effective use of audit resources.

9.2.8 The Audit and Risk Management Committee will assume joint responsibility with the CEO in the appointment and dismissal of the Chief Audit Executive.

9.2.9 Review and monitor the quality, effectiveness and objectivity of internal audit.

9.2.10 The Audit and Risk Management Committee's responsibilities do not extend to the administration of day-to-day activities of Internal Audit Branch. This is a function which is carried out by the CEO.

9.3. Financial Statements

9.3.1 Review the appropriateness of accounting policies adopted by Council and ensure the accounting policies adopted are relevant to Council and its specific circumstances.

9.3.2 Review the appropriateness of significant assumptions and judgments made by management particularly around estimations which impact on reported amounts of assets, liabilities, income and expenses in the financial statements.

9.3.3 Review the financial statements for compliance with prescribed accounting and other requirements.

9.3.4 Review, with management and the external auditors, the results of the external audit and any significant issues identified.

9.3.5 Analyse the Council's financial performance and financial position and seek explanation for significant trends or variations from budget or forecasts.

9.3.6 Ensure that assurance with respect to the accuracy and completeness of the financial statements is given by management.

9.3.7 Recommend approval of the Financial Statements (including sustainability ratios) to the CEO and Mayor.

9.3.8 Review the final draft financial statements prior to its approval by Council, taking on board any external audit comments. In particular the review should focus on but not limited to:
  (i) significant changes in accounting policies and practices
  (ii) major judgmental areas
  (iii) significant audit adjustments
  (iv) proposed departures from accounting standards

9.4 Risk Management

9.4.1 Provide oversight of the embedding of risk culture in policy setting, projects, programs and operating activities.

9.4.2 Review the risk management framework for identifying, escalating, monitoring and managing significant enterprise risks, including fraud.

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9.4.3 Assess the impact of the Council's risk management framework on its control environment and satisfy itself that the insurance arrangements are appropriate.

9.4.4 Assess and contribute to the audit planning processes relating to the risks and threats to Council.

9.4.5 Determine whether a sound and effective approach has been followed in establishing the Council's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

9.4.6 Monitor whether the risk management framework/program is receiving support from all levels of management.

9.5 Fraud and Corruption Control

9.5.1 Review the process of developing and implementing the Council's fraud control arrangements and satisfy itself that Council has appropriate processes and systems in place to identify fraud and corruption risks as well as to detect, capture and effectively respond to fraud-related information.

9.5.2 Review reports on fraud that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Council.

9.6 Internal Control Framework

9.6.1 Provide oversight of the adequacy of management review of the internal control environment, structure and systems, including information technology security and control.

9.6.2 Provide oversight whether management is maintaining up-to-date, relevant policies and procedures and is in compliance, including those for the management and exercise of delegations.

9.6.3 Report any significant control deficiencies to Council.

9.7 Compliance

9.7.1 Determine whether management has considered legal and compliance risks as part of Council's risk assessment and management arrangements.

9.7.2 Review the effectiveness of the system for monitoring Council's compliance with relevant laws, regulations and policies including statutory regulations for any subsidiaries of Council.

9.7.3 Review the findings of any examinations by regulatory agencies, and any auditor observations.

9.7.4 Review the Council's Code of Conduct and recommend changes as appropriate.

9.7.5 Review policies and procedures relating to conflict of interest, misconduct, fraud and other related sensitive issues.

9.8 Other Matters

9.8.1 Determine whether Council is receiving reliable and timely management information.

9.8.2 Review the proposed Annual Report of Council.

9.8.3 Recommend special projects or investigations on any matter within its terms of reference.

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9.8.4   Consider any governance issues that arise out of the performance assessment of the Chief Executive Officer and General Managers.

10.   MEETINGS, RECORDS AND REPORTING STRUCTURE

10.1   The Committee shall meet at least four times a year. The CEO with the Audit and Risk Management Committee's agreement will set the date, time and place for the meetings. Before setting the date, time and place for a Committee meeting, the CEO must, if practicable, consult with the Chairperson of the Committee. In addition, the CEO will call a meeting if requested to do so by any Committee member, or the internal or external auditors.

10.2   A quorum shall consist of three members, including two independent members~~at least one of which must be the Interim Administrator while active~~ and ~~subsequently two independent members~~. If there is a split vote by members on a resolution the Chairperson at the meeting may exercise a casting vote on the resolution.

10.3   The external auditors shall be given notice of all meetings and sent an agenda. The external auditors shall have the right to attend and speak.

10.4   The Committee Section shall prepare an agenda supported by necessary explanatory documentation and circulate it to the Audit and Risk Management Committee members, any other Council officer requested to attend and the external auditors, if practicable at least five (5) days before the day of the meeting. All others Councilors will have a standing invite to attend the Committee.

10.5   The Committee Section will provide secretarial functions to the meetings and prepare a Report of each meeting which will be provided to Audit and Risk Management Committee members and permanent attendees one week after the meeting, at the latest.

10.6   The Report of the Audit and Risk Management Committee meeting will be presented to the next meeting of the Council for its consideration.

10.7   The Committee Branch will provide relevant extracts of the Report, upon its adoption by Council, to relevant officers for information and action.

10.8   The Audit and Risk Management Committee may hold periodic private 'in camera'[1] meetings with the Chief Audit Executive and/or external audit without senior management being present through a formal process and included in the annual Audit and Risk Management Committee planner.

11.   EDUCATION AND INDUCTION OF MEMBERS

14.1   New members to the Committee will be provided with induction material on their appointment to assist them to meet their Committee responsibilities to allow the members familiarise themselves with the environment and to facilitate their understanding of its principal operations and activities, corporate practices and culture.

14.2   Presentations to the Committee will be provided on key issues in Council such as transformation programs, strategic planning, legislative directions, procurement compliance and performance, governance success, information communications and related technology status, growth and development of the city, financial sustainability, infrastructure adequacy, asset management etc.

IPSWICH CITY COUNCIL | Name of Policy

12. MONITORING AND SELF EVALUATION

14.1   At least biennially, the Audit and Risk Management Committee will assess the performance and achievements of the Committee for the previous period and ensure that it is meeting its objectives efficiently and effectively.

14.2   Confirm biennially that all responsibilities outlined in this charter have been carried out.

14.3   Where this evaluation highlights a need for enhancements to the role, operational processes or membership of the Committee, the Chairperson should take action to ensure such enhancements are implemented.

13. REVIEW OF THE CHARTER

14.1   This Charter will be reviewed annually by the committee to ensure it remains consistent with the Committee's authority, objectives and responsibilities.

14. APPROVAL OF THE CHARTER

14.1   The Charter is endorsed by the Chair of the Committee and approved by Council.

15. DEFINITIONS

Accountability

The obligation of an individual or organization to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner.

Add Value

The internal audit activity adds value to the organization (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management, and control processes.

Adequate Control

Present if management has planned and organized (designed) in a manner that provides reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

Assurance Services

An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Corrupt Conduct

Under the *Crime and Corruption Act 2001*, there are now two different types of corrupt conduct.

"Type A" corrupt conduct involves conduct that affects, or could affect, a public officer (an employee of a public sector agency) so that the performance of their functions or the exercise of their powers:

- is not honest or impartial, or
- knowingly or recklessly breaches public trust, or
- involves the misuse of agency-related information or material.

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Common examples of Type A corrupt conduct include fraud and theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.

"Type B" corrupt conduct involves specific types of conduct that impair, or could impair, public confidence in public administration. This may include:

- collusive tendering, or
- fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State's natural, cultural, mining or energy resources, or
- dishonestly obtaining public funds or State assets, or
- evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or
- fraudulently obtaining or retaining an appointment.

Both Type A and Type B corrupt conduct must be either a criminal offence or serious enough to warrant dismissal.

Council/Board

The highest level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organization's activities and hold senior management accountable. Although governance arrangements vary among jurisdictions and sectors, typically the board includes members who are not part of management. If a board does not exist, the word "board" in the *Standards* refers to a group or person charged with governance of the organization. Furthermore, "board" in the *Standards* may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an audit committee).

Charter

A formal document that defines the purpose, authority, and responsibility. The charter establishes the activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of activities.

Chief Audit Executive

Chief Audit Executive describes the role of a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The chief audit executive or others reporting to the chief audit executive will have appropriate professional certifications and qualifications.

Compliance

Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Conflict of Interest

Any relationship that is, or appears to be, not in the best interest of the organization. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

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Consulting Services

Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

Control

Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Environment

The attitude and actions of the board and management regarding the importance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values.
- Management's philosophy and operating style.
- Organizational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
- Competence of personnel.

Control Processes

The policies, procedures (both manual and automated), and activities that are part of a control framework, designed and operated to ensure that risks are contained within the level that an organization is willing to accept.

External Service Provider

A person or firm outside of the organization that has special knowledge, skill, and experience in a particular discipline.

Fraud

Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance

The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

Impairment

Impairment to organizational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations (funding).

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Independence

The freedom from conditions that threaten the ability of the activity to carry out responsibilities in an unbiased manner.

Information Technology Controls

Controls that support business management and governance as well as provide general and technical controls over information technology infrastructures such as applications, information, infrastructure, and people.

Internal Audit Activity

A department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

International Professional Practices Framework

The conceptual framework that organizes the authoritative guidance promulgated by The IIA. Authoritative guidance is composed of two categories – (1) mandatory and (2) recommended.

Must

The *Standards* use the word "must" to specify an unconditional requirement.

Objectivity

An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.

Overall Opinion

The rating, conclusion, and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management, and/or control processes of the organization. An overall opinion is the professional judgment of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Appetite

The level of risk that an organization is willing to accept.

Risk Management

A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives.

Should

The *Standards* use the word "should" where conformance is expected unless, when applying professional judgment, circumstances justify deviation.

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Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Standard

A professional pronouncement promulgated by the International Internal Audit Standards Board that delineates the requirements for performing a broad range of internal audit activities and for evaluating internal audit performance.

Technology-based Audit Techniques

Any automated audit tool, such as generalized audit software, test data generators, computerized audit programs, specialized audit utilities, and computer-assisted audit techniques (CAATs).

16. **POLICY OWNER**

The Chairperson is the Charter owner and the Chief Audit Executive is responsible for authoring and reviewing this Charter.

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AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Doc ID No: A5869240

ITEM: 6

SUBJECT: INSURANCE AND RISK UPDATE

AUTHOR: CORPORATE GOVERNANCE MANAGER

DATE: 29 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning Council's Insurance statistics for the period 1 July 2019 to 30 September 2019 and the implementation status of Transformational Project #7 Risk Management Framework (TP#7).

RECOMMENDATION/S

That the report be received and the contents noted.

RELATED PARTIES

Related parties to this report include:

All members of ELT, Risk and Government Steering Committee Members, Council's third level Managers, Risk Management Coordinator, Senior Insurance Officer and the Corporate Governance Manager. There are no perceived conflict of interest issues regarding this report.

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

To inform the Committee of:

1. Corporate Insurance Statistics for the Quarter
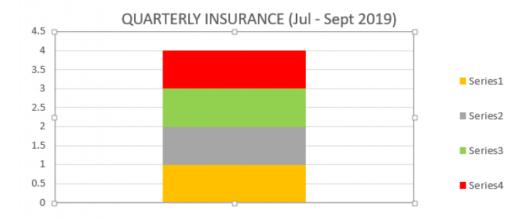2. Status of Transformational Project No. 7 Risk Management

1. Corporate Insurance Statistics for the period 1 July 2019 to 30 September 2019

The following table and graph provide a high-level snapshot of insurance claims for the period (refer Attachment 1 for detail):

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

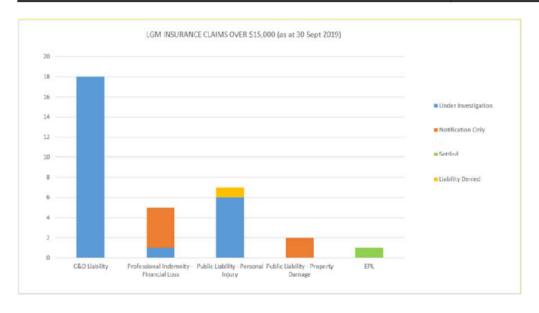| QUARTERLY REPORTING INSURANCE - Jul to Sept 2019	Pending	Not Progressed	Accepted	Denied	TOTAL
INSURANCE CLAIMS <$7,500	5		6	7	18
MOTOR VEHICLE CLAIMS (MV) <$1,500		2	5		7
MOTOR VEHICLE CLAIMS (MV) >$1,500	5				5
LGM INSURANCE CLAIMS (JLTA)	3				3
EMPLOYEE PRACTICES LIABILITY (EPL)	1				1
TOTAL	14	2	11	7	34

QUARTERLY INSURANCE (Jul - Sept 2019)

The following table and graph provide a high-level snapshot of LGM Insurance Claims Over $15,000 for the period. For details of claims received during the Quarter refer Attachment 2.

LGM Insurance Claim Description	Liability Denied	Under Investigation	Settled	Report Only	Grand Total
C&O Liability		18			18
Professional Indemnity - Financial Loss		2		4	6
Public Liability - Personal Injury	1	6			7
Public Liability - Property Damage				1	1
Employee Practices Liability - EPL			1		1
Professional Indemnity - Property Damage				1	1
Grand Total	1	26	1	6	34

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

LGM INSURANCE CLAIMS OVER $15,000 (as at 30 Sept 2019)

2. Status of Transformational Project No. 7 Risk Management Framework (TP#7)

The purpose of the TP#7 project is to develop a better practice and consistent whole of Council approach to Enterprise Risk Management (ERM) in order to proactively identify, manage and respond to issues that represent risks to achieving Council's strategic objectives.

The project consists of five (5) subprojects:

1. Enterprise Risk Management Program (ERM Program)
2. Fraud and Corruption Control Program (FCCP)
3. Good Decision making and Ethics Principles
4. Business Continuity Planning (BCP)
5. Project Risk Management Model

SUBPROJECT UPDATES AS AT 28 OCTOBER 2019:

1. Enterprise Risk Management Program (ERM Program)

Risk Management Policy and Framework

The Risk Management Framework (the Framework), Policy, Procedure and Administrative Directive was endorsed by ELT on 24 October 2019. The Framework has been written to ensure all members of the organisation can understand the purpose of the Framework and that:

- Council has in place transparent and responsible enterprise-wide risk management processes which align with best practice;
- Risks and opportunities inherent in the provision of Council services to the Ipswich Community are managed in a prudent manner;

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- Council activities are conducted so as to ensure compliance with the relevant Acts, Regulations, Codes and Standards;
- Council workers are aware of and effectively exercise their risk management responsibilities;
- Adequate risk management information, training and supervision are provided to all workers, contractors, consultants, committees and volunteers;
- Council activities are clearly linked to and support one or more of the strategic objectives outlined in the Corporate and Operational Plans;
- Council maintains Corporate and Departmental risk registers.

It is acknowledged that research revealed some organisations adopt in-depth Enterprise Risk Management Frameworks. However, after discussions with the project team and advice from Price Waterhouse and Cooper (PWC) the project team believed a more succinct framework document was more appropriate for the current Enterprise Risk Management culture of the organisation.

The Framework will be reviewed in accordance with Council's Policy Review Timetable and, as the organisation's understanding of Enterprise Risk Management, grows the Framework can be amended to provide more comprehensive information. The Framework should be considered a living document.

Corporate Risk Registers

The Corporate Risk Register has been approved by the CEO. Each risk has had a General Manager allocated as the risk owner (with three risks having two GM's as the risk owner). The next step (which will be undertaken as a BAU activity) during October and November 2019 is to review the risk descriptions, the causes, the impacts, likelihood and consequence rating and develop action plans for the eight risks which are the primary area of focus for review at the November workshop with ELT/IMC and second round Departmental Workshops.

Departmental Risk Registers

The five Departmental Risk Registers have been created. Going forward, further review of the registers will be undertaken as a BAU activity by Corporate Governance. Meetings are being held with the GM's during the last week of September and first week of October 2019. To review the risks, allocate a Branch Manager as the risk owner to the relevant risks. Then during October and November 2019 review of the risk descriptions, the causes, the impacts, likelihood and consequence rating and development of action plans for the risks which are the primary area of focus for each Department at the November/December Departmental workshops with the GM's and Branch Managers.

General Managers have been asked to determine if Risk Registers should be developed at the Branch Level and advised that the Corporate Risk Coordinator would be able to facilitate such workshops and provide advice on determining controls etc.

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Following endorsement of the Enterprise Risk Management documents by the Steering Committee, adoption of the Framework by Council, the Corporate Risk Register and Departmental Risk Registers will be finalised during November/December 2019.

Risk Appetite

Price, Waterhouse and Cooper (PWC) still developing a Risk Appetite Statement for Council. after consultation and discussion with ICC it has been decided that the Statement will not be finalised until early in the new year after the next round of Risk Workshops (Nov/Dec 2019) and be finalised prior to the return of elected representatives.

Reporting

PWC have provided "draft" templates for reporting. The Project Team is still progressing the reporting timeframes and reporting templates with the TP#1 project team.

Risk Management Training

PWC have provided a Risk Management Training pack which will be used and included in the Induction training for all new staff. In the longer term risk management training will be developed, a Learning and Development Request Form was submitted at the end of August 2019 to the Transformational Project Coordination Team.

2. **Fraud and Corruption Control Program (FCCP)**

A Draft FCCP report was received from PWC in early October 2019. The Risk Management Coordinator met with the Chief Executive Officer (CEO) and discussed the detail contained in the report in relation to PWC's:

- Review of Council's current Fraud and Corruption Framework
- Outcome of maturity assessment of the current fraud and control practices as either 'Reactive' or 'Foundation' against the AS8001-2008 element and benchmarks of:
  - Planning and Resourcing
    - Fraud and corruption control planning
    - Review of the fraud and corruption control plan
    - Fraud and corruption control resources
    - Internal audit activity in the control of fraud and corruption
  - Prevention
    - Implementing and maintain an integrity framework
    - Senior Management commitment to controlling the risk of fraud and corruption
    - Line Management accountability
    - Internal control
    - Assessing Fraud and corruption risk
    - Communication and awareness
    - Employment screening
    - Supplier and customer vetting

- ▪ Controlling the risk of corruption
  - o Detection
    - ▪ Implementing a fraud and corruption detection program
    - ▪ Role of the external auditor in detection of fraud
    - ▪ Avenues for reporting suspected incidents
    - ▪ Whistleblower Protection program
  - o Response
    - ▪ Policies and procedures
    - ▪ Investigation
    - ▪ Internal reporting and escalation
    - ▪ Disciplinary procedures
    - ▪ External reporting
    - ▪ Civil action for recovery of losses – policy for recover action
    - ▪ Review of internal controls
    - ▪ Insurance
- Identified strengths of the current Framework
- Recommended improvements as identified against the above Elements

The CEO requested the RMC undertake research with other local authorities to identify their FCCPs and prepare a report on a proposed way forward to adopt the draft PWC's FCCP.

Fraud and Corruption Risk Register

The current Fraud and Corruption Risk Register is scheduled for review and update in November 2019.

Establishment of a Fraud and Control Committee

Pending endorsement by ELT of FCCP, discussions will be undertaken with the CEO and IA to determine membership of the Fraud and Control Committee.

Reporting

PWC are now preparing draft report templates for the consideration of the Project Team. ELT will be provided the opportunity to review and discuss the templates and endorse the proposed report regime.

3. **Good Decision making and Ethics principles**

Due to unforeseen staff absence, work has not progressed on sub-project as planned. The Officer was scheduled to return to work on Monday 21 October but is again on unplanned leave. The project schedule for this sub-project will be reviewed and new deliverable dates approved by the Risk and Governance Steering Committee.

4. Business Continuity Planning

The following key deliverables are not completed and operationalised as Business as Usual (BAU):

- Business Continuity Management (BCM) Administrative Directive
- BCM Framework
- Business Continuity Plan (BCP) Template
- Business Impact Analysis (BIA)

Develop organisational BCPs

The following documents have been endorsed and operationalised:

- ICC Business Continuity Plan
- ICC Property Response Plan
- ICC People and Culture Plan
- ICC Media and Communications Response Plan
- ICC ICT Incident Management Directive

The documents are available on the E-Hub and have been made available to ELT members on a USB stick. ICT Disaster Plan will be progressed over the next few months and transitioned to BAU for the RMC in January 2020.

5. Project Risk Management Model (PRM Model).

The PRM Model is now finalised and operationalised. The PRM Model outlines the requirement for a consistent approach to Project Risk Management within Council to ensure the ability of projects to succeed. It provides guidance and direction based on the Council ERMF and its principles. The document allows officers with limited experience to be able to develop meaningful Project Risk Management Plans and populate Risk Registers.

LEGAL/POLICY BASIS

In managing risk and insurance for the organisation Council officers perform their duties in keeping with the Local Government Principles of:

- transparent and effective processes, and decision-making in the public interest;
- good governance of, and by, local government; and
- ethical and legal behaviour of Councillors and local government employees

The following table outlines the relevant legislation and the administrative functions and services provided by the Section:

Relevant Legislation	Corporate Services Section Functions and Services Provided
Local Government Act 2009	Manage and coordinate:

Relevant Legislation	Corporate Services Section Functions and Services Provided
Local Government Regulation 2012 AS/NZS ISO 31000:2009 Risk Management – Principles and Guidelines	• the implementation of Council's Risk Management Framework • public liability claims from external customers • public liability claims for Councillors and staff • negotiate (within Delegated Authority), on behalf of Council any insurance resolutions • the insurance of Council assets including but not limited to Council buildings, machinery and equipment, park infrastructure, swimming pools, sports centres, club houses, fleet vehicles, etc. • the renewal of Council insurance policies (excluding Workers Compensation) • the provision of expert insurance and risk advice to both external and internal stakeholders • recover costs from damaged made by third parties to Council assets

RISK MANAGEMENT IMPLICATIONS

It is essential that TP#7 Risk Management be successfully implemented and that risk management is embedded in the organisation. The management of corporate risks lies with the CEO and all General Managers, with department risk management the responsibility of the respective General Manager. The Corporate Governance Section and the Risk Management Coordinator can provide the necessary framework, policy, procedures, advice etc., but successful risk management will only be achieved if senior management takes responsibility for managing the risk and fraud registers, implements appropriate controls and leads the organisation in developing a strong risk management culture and increasing the organisation's risk management capabilities.

FINANCIAL/RESOURCE IMPLICATIONS

TP#7 has a financial year (FY) budget of $87,000. FY actuals and commitments to date (costs incurred with engagement of PWC) total $176,437. The current FY forecast is $204,000 resulting in a variance of $166,600. The project budget is monitored by the Project Lead and by the TPCT.

COMMUNITY AND OTHER CONSULTATION

This report did not require community engagement.

CONCLUSION

Council has, for some time, needed to implement a better practice Risk Management Framework and to increase the culture and capability of the organisation to manage risk efficiently and effectively. With the successful delivery of TP#07 Risk Management Framework, Council is positioning itself be an exemplar Council in the management of Risk and Insurance

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

	CONFIDENTIAL
1.	Insurance Claims for the Period 1 July to 30 September 2019
2.	LGM Insurance Claims Over $15,000 for the period

Angela Harms
CORPORATE GOVERNANCE MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
GENERAL MANAGER - CORPORATE SERVICES

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Doc ID No: A5869344

ITEM: 7

SUBJECT: CORPORATE GOVERNANCE SECTION'S PERFORMANCE IN RELATION TO
             LEGISLATIVE COMPLIANCE

AUTHOR: CORPORATE GOVERNANCE MANAGER

DATE: 29 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the performance of the Corporate Governance Section (the
Section) in relation to managing Council's legislative compliance in the management of
Complaints, Right to Information and Information Privacy functions for the period 1 July
2019 to 30 September 2019 (the Quarter).

RECOMMENDATION/S

That the report be received and the contents noted.

Comments added at Committee - 6/11/19

The Governance Manager raised a concern regarding the statistics related to infringements
and the amount of infringements that are waived compared to the amount that are issued.
The Governance Manager advised that this process would be reviewed.

RELATED PARTIES

There are no related parties.

ADVANCE IPSWICH THEME LINKAGE

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

To inform the Committee on how the Section has performed and managed the below
functions for the Quarter:

- Management of Complaints
- Management of Right to Information and Information Privacy Applications
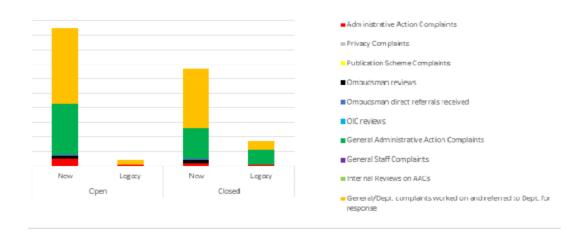- Delivery of Transformational TP#06 Complaints Management Framework

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1. Management of Complaints

The below graph and table provide details of the management of all complaint types for the Quarter:

Complaint Type	Open		Closed	
	New	Legacy	New	Legacy
Administrative Action Complaints	5	1	2	1
Privacy Complaints	0	0	0	0
Publication Scheme Complaints	0	0	0	0
Ombudsman reviews	2	0	2	0
Ombudsman direct referrals received	1	0	1	0
OIC reviews	0	0	0	0
General Administrative Action Complaints	35	0	21	10
General Staff Complaints	0	0	0	0
Internal Reviews on AACs	0	0	0	0
General/Dept. complaints worked on and referred to Dept. for response	52	3	41	6

Figures for infringement review for the period July 2019 – 30 September 2019

●   999 CES Requests for infringement notices (these requests vary and also included waiving a PIN)

●   887 PATHWAY requests received specifically requesting a PIN be waived – 706 PINs waived and 181 upheld

These figures are not indicative of Q1- 2019-2020, matters from previous reporting periods are carried over into this reporting period and current figures will likely carry forward to the subsequent reporting period due to PINS being placed on hold during review periods.

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Significant increase in General/Dept. complaints worked on and referred to Departments for response in this reporting period. This is indicative of the soft roll out of the Complaints Management Unit (CMU) and the business engaging in the new Complaints Management Framework. It is anticipated that there will be another notable increase in all General complaint types in the next reporting period, after the CMU has gone live on 18 November 2019.

A rise in General Administrative Action complaints is noted and again would be indicative of the soft roll out of the CMU.

A slight decrease in Administrative Action Complaints received in this period indicates success in the internal review process. More advice being sought by operational areas when drafting responses and the provision of template responses to the business areas means that responses are customer centric with the language used being understood by customers.

There were no requests for Internal Reviews on Administrative Action Complaints in this period. This will be monitored in future reporting periods. Initial indicators are that the new review process and changes to customer responses having a stronger customer focus may be the drivers here. Monitoring of different processing stages (reviews) will also be undertaken to ensure the efficiency of the new Framework and ensuing processes in complaints management.

The percentage of cases closed (new and legacy) has increased. It is anticipated this will continue to improve when the CMU is fully resourced.

2. **Management of Right to Information and Information Privacy Applications**

Council did not receive any Information Privacy Applications for the quarter. The below table provides details of the management of all RTI Applications for the Quarter:

	July	August	September
RTI Applications Received	1	1	2
RTI Applications completed/closed	1	2	1
IP applications Received	0	1	3
IP applications completed/closed	0	0	1

All RTI Applications were processed in accordance with legislative requirements, Council Policy and Procedures.

3. **Status of the Transformational Projects which impact the Integrity and Governance Section's management of complaints and RTI/IP applications**

3.1 TP#6 Complaints Management Framework

The purpose of the project is to ensure a better practice, legislatively compliant and transparent whole of Council approach to:

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- formal complaints made against Council as a result of dissatisfaction with services provided or a failure to provide a service; and
- complaints and reports of wrongdoing against council or staff, including allegations of fraud, corrupt conduct and public interest disclosures.

The project has progressed throughout the Quarter and current status and activities planned for the next period are shown below:

Key Deliverable	Progress achieved this period	Activities planned for next period
Complaints Management Policy & procedure	Policy and Procedure nearly finalised at which point the documents will need to be endorsed by ELT, Risk and Governance Steering Committee and the Policy formally adopted by Council and the Procedure approved by the CEO. Comms have been drafted for the WIRE to ensure staff are aware amendments made to Policy and Procedure. This advice will also be included in meetings to be held with operational business teams.	Post adoption put up comms on WIRE.
Unreasonable Complaint Conduct (UCC) Policy and Manual	Comms prepared for the WIRE for staff to ensure awareness. Discussions have been held with CCED who are drafting a policy entitled Unreasonable Customer Conduct. It has been identified the CCED Policy could potentially cause confusion with staff as to which policy to use with customers displaying bad behaviour. Conversation and agreement with CCED Policy staff to change the name of their Policy.	Both Policies to go out to business areas for feedback prior to ELT and Steering Committee endorsement and adoption by Council. Tool box talks to be undertaken with operational teams to ensure staff understanding their responsibilities for managing UCC.
Meet with Department GMs and Level 3 Managers	Presentations at operational team meetings to discuss rollout of CMU continued during the period. Presentations focused on the benefits the CMU will provide their business areas and how Councillor received complaints will be managed. Presentations have been well received. A handout on the CMU and responsibilities of operational staff has been developed to support presentations. These will be delivered to relevant staff prior to go live date. Positive feedback has been received thus far from soft roll out. Appears a general acceptance on new Complaints Management Framework and CMU.	Post go live date 11 November - GMs and Level 3 Managers will be consulted for feedback on how the new Complaints Management Framework is impacting/benefitting their areas.
Develop comms to support process	Comms finalised with the inclusion of Go Live date. Comms discussing changes to internal review process for infringement notices has included in "In Touch" magazine being posted to Wire next week.	Proposed roll out date has been changed from 21 October to 11 November to accommodate the recruitment process for roles in CMU to be filled before roll out.
Supporting procedures and scripting	Procedures and scripting will continue to be worked on to meet deliverable time frame	Procedures and scripting will continue to be worked on to meet deliverable time frame
Develop supporting templates	To be commenced	Development of supporting templates will be commenced during period

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Key Deliverable	Progress achieved this period	Activities planned for next period
Rollout of web content	Currently sitting with Marketing Manager and linked to web page amendments for TP#13 Return to Elected Representation.	Once format of web content is approved, progress to roll out. Review efficiency of web content (on line lodgement for complaints) by monitoring reporting on source of complaint.
On boarding of required governance resources to support Complaints function	Interviews for Customer Liaison Officer is complete. Awaiting final sign off from Andrew Knight on 21 Oct before advising successful candidate. Interviews for project officer role are on Monday 21 October. Anticipating on boarding of both resources to be completed prior to go live date 11 November	Development of training of resources
Reporting	Ongoing consultation with operational areas to establish what reports they require. Once known reports will be built to accommodate business reporting needs.	Confirming Objective can capture the complaints information and produce required reports. Liaison with Objective representatives has revealed reporting requirements are possible. May need to undertake some configuration changes to Objective. Working with ICT staff to progress.

The following Project Risks and Issues have been identified and appropriate mitigation and actions put in place. Risks and Issues will continue to be reviewed monthly by the Project Lead throughout the life of the Project.

Risk Description	Risk Mitigation/s	Initial Severity	Mitigated Severity
Lack of acceptance of Complaints Framework will result in: • siloed approaches to managing complaints across the organisation • no centralised repository of related information • inability to make informed changes to business processes based on complaint data • inability to effectively communicate with customers regarding delays or changes in service • legislative non-compliance	• Creation of Complaints Management Unit (CMU) to be centralised unit for complaints management within Council • Better practice for recording and reporting on all complaints and provision of advice to business to drive performance improvements • Better practice in monitoring of timeframes and resolutions received for complaints	M	M
Objective system may not be able to be configured as per ICC requirements resulting in inability to produce suitable and sufficient reporting to support the monitoring of the Complaints Management Process	Increase functionality in Objective (through the purchase or creation of other modules) to allow for effective reporting. This includes the creation of metadata fields that are relevant to capturing complaints management data.	H	M

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The project's budget has been monitored throughout the period. Actuals and commitments reflect training costs when engaging the Office of the Information Commissioner in PID Awareness and Managing Organisational Risk.

FY Budget	FY Actuals & Commitments to Date	FY Forecast	FY Variance
$0	$17 627	$50 000	$50 000

FINANCIAL/RESOURCE IMPLICATIONS

There are no financial/resource implications.

RISK MANAGEMENT IMPLICATIONS

The greatest risk to the organisation is the lack of awareness by staff of their responsibilities under Council's Complaint Management Framework, the Public Record Act, and RTI and IP Acts. All outside staff have attended Public Records Act, RTI Act and IP Act Training delivered by the TP#6 Project Lead. Internal staff have undertaken Office of the Information Commissioner RTI and IP Training and Queensland State Archives Records Challenge Training online via E-Hub. Training in Records, RTI and IP Act obligations and responsibilities is now a component of induction training and will be incorporated into annual refresher training for all staff.

Council has an obligation under the RTI and IP Acts to work towards open proactive disclosure, administrative access and information sharing (the "push model"). The Section will engage a consultant in early 2020 to develop a 12 month project plan using the recent organisational 'scorecard' developed by the Office of the Information Commission (OIC). The aim of the project plan will be to improve the organisation's implementation of the "push model" and hopefully increase our scorecard results for the next OIC assessment. The project plan will be delivered by the Section as BAU.

LEGAL/POLICY BASIS

The following table outlines the relevant legislation and the administrative functions and services provided by the Branch:

Relevant Legislation	Integrity and Governance Team Administrative Functions and Services Provided
Local Government Act 2009 and *Local Government Regulation 2012*	Management complaint types: • Administrative Action Complaints and Internal Reviews • Privacy Complaints • Publication Scheme Complaints • Ombudsman Review of Complaint Management • Ombudsman Direct Referral of Complaints • Office of Information Commission (OIC) Complaint Reviews

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Relevant Legislation	Integrity and Governance Team Administrative Functions and Services Provided
	• Operational i.e. General Department complaints referred to relevant Council Depart./Branch for resolution
Right to Information Act 2006	Management of Right to Information Applications for: • access to information that is not administratively available • internal review of a reviewable decision
Information Privacy Act 2006	Management of Information Privacy Applications: • for personal information • to amend personal information or • to investigate complaints of privacy breaches • internal review of a reviewable decision

COMMUNITY and OTHER CONSULTATION

This report did not require community engagement.

CONCLUSION

The Integrity and Governance Section has performed its responsibilities and obligations in relation to maintaining Council's compliance with the *Local Government Act, Local Government Regulation, Right to Information Act and Information Privacy Act* for the previous Quarter.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	CONFIDENTIAL Complaints for the quarter

Angela Harms
CORPORATE GOVERNANCE MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
GENERAL MANAGER - CORPORATE SERVICES

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Doc ID No: A5864065

ITEM: 8

SUBJECT: INTERNAL AUDIT CHARTER REVIEW

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 25 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning a proposed update of the Internal Audit Charter. The Charter was reviewed and discussed at the Risk Management Committee Strategy Meeting held on 24 October 2019.

RECOMMENDATION/S

That the proposed Internal Audit Charter as detailed in Attachment 2 be adopted.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME

The intention is for the Internal Audit activity to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual internal audits and corrupt conduct investigations will to a varying degree support these themes, but the main objective for Internal Audit is to support the organisation in achieving its objectives.

PURPOSE OF REPORT/BACKGROUND

The purpose of this activity is to regularly review and updated the Internal Audit Charter in line with better practice and The International Professional Practices Framework (IPPF) for Internal Auditors.

LEGAL/POLICY BASIS

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

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Local Government Act 2009
Local Government Regulation 2012
Crime and Corruption Act 2001

RISK MANAGEMENT IMPLICATIONS

The Internal Audit Charter as a whole guides the activities of internal audit to minimise and control the risks the activity faces. Each of the individual reports provides for a control environment opinion as well as individual risk ratings per individual findings and recommendations. The importance is for management to implement the individual recommendations well to either address or diminish the exposure for Council, or explain why it is acceptable to not implement the suggested improvements. As per the corrupt conduct investigation the findings and risks vary in each situation and are discussed in the confidential reports. Having said that the key risks are still that the information might not be well presented, well understood or do not generate an appropriate response.

FINANCIAL/RESOURCE IMPLICATIONS

Resources are provided to internal audit through the annual audit plan and budgeting processes. No additional resources are required because of this report. However situations will dictate if internal audits and investigations have to be outsourced and also management will have to consider the financial implications to implement the recommendations as per the individual reports.

COMMUNITY AND OTHER CONSULTATION

Internal Audit mostly consults internally to the organisation and its management in conducting the internal audits and finalising the reports. For investigations the appropriate consultations take place as the situation allows and requires.

For this purpose the members and attendees of the Audit and Risk Management Committee were consulted in updating this charter.

CONCLUSION

The Internal Audit Charter is an important document to guide internal audit activities and to safeguard Council as a whole.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

	CONFIDENTIAL
1.	Current Internal Audit Charter as at 16 October 2018
2.	Proposed Internal Audit Charter

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

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INTERNAL AUDIT CHARTER

Amendment List		
Council Resolution Date	**Committee Reference and Date**	**Resolution no.**
29 October 1997	Corporate Service Committee – 22 October 1997	51-03
16 February 2000	Audit Committee – 28 January 2000	2
27 April 2000	Finance and Special Purposes Committee – 18 April 2000	43-04
27 January 2005	City Management and Finance Committee No. 2005 (01) –18 January 2005	43.07
11 May 2005	City Management and Finance Committee No. 2005 (05) – 4 May 2005	43.07
27 May 2008	Audit Committee No. 2008(01) of 14 May 2008; City Management and Finance Committee No.2008 (02) of 20 May 2008	8, 7
20 July 2010	City Management and Finance Committee No. 2010 (07) of 13 July 2010	6
25 February 2014	Audit Committee No. 2014(01) of 12 February 2014 - City Management and Finance Committee No. 2014(02) of 18 February 2014	5
25 August 2015	Audit Committee No. 2015(03) of 5 August 2015 - City Management and Finance Committee No. 2015(08) of 18 August 2015	5
17 August 2016	Audit Committee No. 2016(02) of 3 August 2016 – City Management, Finance and Community Engagement Committee No. 2016(05) of 9 August 2016	5
16 October 2018	Audit and Risk Management Committee No. 2018(04) of 11 October 2018	6

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Contents

1.   INTRODUCTION

The Local Government Act requires Ipswich City Council to establish an effective and efficient internal audit function. This Charter establishes the authority and responsibility conferred by Council on the Internal Audit Branch, and incorporates the internal audit duty requirements of the Local Government Act and relevant legislation. It is the purpose of the Charter to define the function, scope, operating and reporting parameters for the internal audit activity.

2.   THE ROLE AND PURPOSE OF INTERNAL AUDIT

The internal audit function is established to provide independent, objective assurance[1] and consulting[2] services designed to add value and improve the organization's operations. It helps the organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Internal audit planning must be sufficiently comprehensive to regularly audit/review all facets of Council's operations, having regard to the functions and duties imposed on Council. An effective internal audit function will provide Council and the Chief Executive Officer (CEO) with:

2.1   Management orientated appraisals of Council functions and activities to determine their appropriateness in the context of Council objectives (including, but not restricted to accounting and financial management information, performance monitoring and control systems).

2.2   Reviews of the reliability of accounting and financial management, an assessment of the systems of internal control, an evaluation of compliance with relevant legislation, local law, local law policies, Council policies, operating guidelines and delegations and the protection of the assets and resources under the control of Council.

2.3   Independent and confidential advice on action to be taken to improve operational effectiveness, efficiency and economy.

2.4   Follow up appraisals, where appropriate, regarding action taken by operational management as a result of audit recommendations.

2.5   Review of program/support plan performance criteria and performance indicators for relevance, reliability and accuracy at such other times as may be appropriate.

2.6   Management orientated evaluation of programs/support plans to determine that legislation, local law, local law policies, Council policies, and program/support plan objectives and strategies remain appropriate and are being achieved; whether resources are optimally allocated across programs/support plans and optimally utilised within each program/support plan; and that the strategic management system ensures accountability of programs/support plans in line with the strategic direction as set by Council in the Corporate Plan.

This Charter also recognises the role that the Internal Audit Branch may be called upon to act as an appropriate entity under the Public Interest Disclosure Act.

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[1] Assurance services involve the internal auditor's objective assessment of evidence to provide an independent opinion or conclusions regarding a process, system or other subject matter. The nature and scope of the assurance engagement are determined by the internal auditor.
[2] Consulting services are advisory in nature, and are generally performed at the specific request of an engagement client. The nature and scope of the consulting engagement are subject to agreement with the engagement client.

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3. **INDEPENDENCE AND THE POSITION OF INTERNAL AUDIT BRANCH WITHIN COUNCIL**

The Internal Audit Branch has independent status within the Council and for that purpose:

3.1 All Internal Audit staff and service providers report to the Chief Audit Executive, who reports:

- Functionally for operations to the Audit and Risk Management Committee[3] through the Chair; and
- Administratively to the Chief Executive Officer (CEO).

3.2 Subject to 3.1, shall be independent of any section or officer or employee of Council.

3.3 Shall have no executive or managerial powers, functions, authorities or duties except those relating to the management of the internal audit function.

3.4 Shall not be involved in the day to day operation of Council, nor in the internal operational checking systems of Council except those relating to the administrative and management of the audit activities.

3.5 Shall not be responsible for the designing, installing or maintaining systems, procedures or controls, but will advise on these matters and provide assurance to management that completed systems will contribute to the achievement of the intended corporate objectives. If, however, an officer of the Internal Audit Branch is involved in the detailed development or implementation of a system, then any post implementation review should, as far as possible, be conducted by another officer of the Branch or by staff entirely independent of the Branch.

3.6 May have an observer/adviser status on steering committees, formed to co-ordinate financial/information systems design and implementation, at the discretion of the Chief Audit Executive.

3.7 The Chief Audit Executive is required to report any major restrictions on the scope of Internal Audit, impairments, resource issues and any conflicts of interests to the Chair of the Audit and Risk Management Committee and the Chief Executive Officer.

3.8 Where the person occupying the role of Chief Audit Executive may be responsible for a non-audit activity, there are independence safeguards in place:
- When responsible for non-audit activities, the Chief Audit Executive is not the Chief Audit Executive when managing or performing those activities; and
- Review of non-audit activities must be managed and performed independently of the Chief Audit Executive and reported direct to the Audit and Risk Management Committee.

4. **AUTHORITY**

4.1 Internal audit has no direct responsibility or authority over, any of the activities which it audits. Therefore the audits and evaluations do not in any way relieve other persons in Council of the responsibilities assigned to them.

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[3] Audit and Risk Management Committee is a committee established by Council policy in accordance with the Local Government Finance Standard. The Audit and Risk Management Committee reports to the City Management and Finance Committee.

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4.2 Internal audit shall generally undertake projects in accordance with programs/plans approved by the Audit and Risk Management Committee but shall also conduct such further unscheduled projects as the CEO considers desirable. Due consideration should also be given to the views of the Audit and Risk Management Committee and Department Heads in regard to suitable projects. The nature and scope of each project will be left to the professional judgment of the Chief Audit Executive.

4.3 The Chief Audit Executive and staff of the Internal Audit Branch are authorised to review all areas of Council and to have full, free, and unrestricted access to all Council's activities, records (both manual and electronic), property, and personnel. Council activities include entities over which Council has direct management, sponsorship or financial control.

4.4 All employees shall co-operate fully in making available any material or information reasonably requested by internal auditors. Further, all employees are expected to bring to the attention of the Chief Audit Executive any suspected situation involving improper activity or non-compliance with applicable policies, plans, procedures, laws or regulations, of which they have knowledge.

4.5 It is the policy of Council that all internal audit activities remain free of influence by any organisational elements. This will include such matters as scope of internal audit programs, the frequency and timing of examinations and the content of internal audit reports.

4.6 For approved areas of internal audit, evaluation and review, where the Internal Audit Branch does not possess all the necessary experience/skills, additional internal or external resources may be utilised subject to approval by CEO.

5. RELATIONSHIP TO EXTERNAL AUDIT

The Internal Audit Branch shall co-operate fully with the Auditor-General and the appointed external auditor in respect of any internal audits undertaken by the Internal Audit Branch. Working papers together with any further explanations are to be made available in order to enhance the effectiveness of the total audit coverage and to minimise duplication.

To ensure that the Internal Audit Branch is aware of all matters associated with its functional responsibilities, the Internal Audit Branch is to be supplied with copies of all relevant correspondence received from external audit and Queensland Audit Office.

6. RESPONSIBILITIES AND SCOPE OF INTERNAL AUDIT ACTIVITIES

6.1 The scope of internal auditing is to determine whether the organisation's network of governance, risk management and control processes, as designed and represented by management, is adequate and functioning in an effective manner to achieve the organisation's strategic objectives. It includes, but is not necessarily limited to, the following:

6.1.1 Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information.

6.1.2 Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports and whether the organisation is in compliance. Internal Audit should also be

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pro-active in offering advice to management in regards to the implications of future legislation, policy and industry changes.

6.1.3 Reviewing the means of safeguarding assets and, where appropriate, verifying the existence of such assets.

6.1.4 Reviewing and appraising the economy and efficiency with which resources are employed, identify opportunities to improve operating performance, and recommend solutions where appropriate.

6.1.5 Contributing to the corporate management process by assessing and reporting the relevance, reliability and adequacy of management data and performance indicators and reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.

6.1.6 Coordinating audit work with external auditors to assure adequate coverage, preventing a duplication of effort and ensuring the effective use of audit resources.

6.1.7 Participating (in an advisory role) in the planning, design, development, implementation and operation of major computer-based systems to determine whether:

(i) Adequate controls are incorporated in the systems.
(ii) Thorough system testing is performed at appropriate stages.
(iii) System documentation is complete and accurate.
(iv) The needs of the user are met.

6.1.8 Conducting periodic internal audits of computer service centres and make post installation evaluations of major data processing systems to determine whether these systems meet their intended purposes, requirements and objectives.

6.1.9 Reviewing compliance with Council's guidelines for ethical business conduct and promote high standards of personal and Council performance through the promotion of a Council Code of Conduct.

6.1.10 Internal auditing's core role with regard to Enterprise Risk Management (ERM) is to provide objective assurance to the Council on the effectiveness of the organisation's ERM activities to help ensure key business risks are being managed appropriately and that the system of internal control is operating effectively.

6.1.11 Conduct internal audit projects of Council activities as directed by the CEO.

6.1.12 Follow up the implementation of audit recommendations.

6.2 The scope of internal audit function extends to include all departments, programs, sub-programs, functions, funded schemes and entities over which Council has direct management, sponsorship or financial control.

6.3 Any dispute as to whether an activity falls within the scope of Council's internal audit function shall be determined by the CEO in consultation with the Audit and Risk Management Committee.

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7. **RESPONSIBILITY FOR DETECTING AND REPORTING IRREGULARITIES**

7.1   The Internal Audit Branch is not legally or professionally responsible for preventing irregularities (which include fraud, other illegal acts and errors). In order to facilitate the fraud and corruption prevention function, the Chief Audit Executive should be informed of any special investigation, fraud, theft or other suspected cases of misappropriation.

7.2   The responsibility for prevention of irregularities rests with Council and management through the implementation and continued operation of an adequate internal control system. Internal auditors are responsible for examining and evaluating the adequacy and the effectiveness of actions taken by management to fulfil this obligation.

7.3   However, in exercising due professional care, internal auditors should be alert to the possibility of irregularities and those conditions and activities where irregularities are most likely to occur. Due care implies reasonable care and competence, not infallibility, nor extraordinary performance. It requires internal auditors to conduct examinations and verifications to a reasonable extent.

7.4   The Chief Audit Executive has a responsibility to report irregularities to the CEO and the Audit and Risk Management Committee.

7.5   The CEO is responsible for reporting any irregularities according to the provisions of the Local Government Act, the Crime and Corruption Act and any other statutory regulations that may come into force from time to time. In this regard the Chief Audit Executive will fulfil the liaison officer's role to the Crime and Corruption Commission.

8. **INTERNAL AUDIT APPROACH**

8.1   Internal Audit Branch will adopt an integrated[4] risk based approach to allocating resources and planning.

8.2   Risk Profile, Three Year Strategic and Annual Internal Audit Plans:

8.2.1   The Internal Audit Branch, in consultation with management, will develop a risk profile for each area within Council so that greater audit attention can be directed to areas of higher risk.

8.2.2   Based on the risk assessment, the general direction of Council's internal audit activities over the medium term is to be documented in the Three Year Strategic Internal Audit Plan. This plan shall be reviewed by the CEO and approved by the Audit and Risk Management Committee. The Plan will also be reviewed annually to take account of any change in circumstances.

8.2.3   The Annual Audit Plan projects may include financial, compliance, performance, due diligence, information systems, program evaluation, operational audits and other approaches as deemed appropriate, given the resources and also the priorities established through the risk assessment process and other more recent considerations.

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[4] Combines aspects of auditing to include or excluded any aspect based on risk

8.3   Responsibilities and Auditing Standards[5]:

8.3.1   Internal Audit will discharge its responsibilities in accordance with this document and the Standards with the proviso that this document shall not be overridden by the Standards, should a conflicting interpretation arise.

8.3.2   Specific standards which are to be followed include:

- Internal Audit staff must maintain an independent outlook and must ensure their independence to plan, investigate and report with honesty and objectivity.
- Projects are to be performed by or under the control of a suitably skilled, experienced and competent person(s).
- Findings and recommendations or suggestions are developed and documented with due care during the course of each engagement, such that the reporting process is expedited.
- Regular quality assurance reviews of project plans, reports and working papers are carried out.
- Information acquired during the course of work must not be used and/or conveyed for purposes outside the scope of Internal Audit's approved responsibilities.

9.   REPORTING ACCOUNTABILITY

9.1   Internal Audit Report:

9.1.1   A draft report shall be prepared and issued under the authority of the Chief Audit Executive to the Department Head/Business Manager as soon as possible after the completion of an internal audit project. The draft report will include comments and action plans by the operational manager[6] where appropriate.

9.1.2   The Department Head/Business Manager receiving the draft internal audit report should respond within five (5) working days or such longer period as may be determined between the Department Head/Business Manager and the Chief Audit Executive. This response is to indicate what actions are to be taken or planned, a responsible officer and a timetable for the anticipated completion of these actions in regard to the specific findings and recommendations in the draft internal audit report.

9.1.3   A final audit report will be prepared and issued by the Chief Audit Executive to the CEO and will include the comments and action plans as per the response of the Department Head/Business Manager. If a response is not received by the due date Internal Audit is required to issue the draft as the final internal audit report with a comment in relation to the non-response.

9.1.4   As well as the final report to the CEO, copies will be provided to the relevant Department Head/Business Manager and other officers as appropriate. An indication

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[5] Standards includes as follows: The Institute of Internal Auditors' Core Principles for the Professional Practice, Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice (Standards). This also includes the Information Systems Audit and Control Association's Statements on Information Systems Auditing Standards.
[6] Operational Manager is the manager who is responsible for the area under audit, and in normal circumstances would be a manager of a branch (other than the Internal Audit Branch), however it may be the department manager where the audit is across more than one branch.

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will be given as to whether the person receiving the report should be taking action or securing action in relation to the report, or merely receiving the report for information.

9.1.5 A copy of this report will also be forwarded to the Audit and Risk Management Committee Members, Mayor, Deputy Mayor and Audit Committee attendees, as per the approved agenda list.

9.2 The Chief Audit Executive may also advise the Auditor-General, Queensland Audit Office, or the Auditor-General's delegate/contractor about any internal audit findings as appropriate or if requested.

9.3 A summary of audit recommendations, action taken and action outstanding will be included in an Internal Audit Branch Activities Report, to be sent on a quarterly basis to the Mayor, Deputy Mayor, CEO and the Audit and Risk Management Committee Members and Attendees.

9.4 Internal Audit should report its performance throughout the year to the Audit and Risk Management Committee.

10. MANAGEMENT'S RESPONSIBILITY FOR CORRECTIVE ACTION

10.1 The Department Head/Business Manager is responsible for seeing that action is either planned or taken within thirty (30) working days from receipt of the final audit report on recommendations made or deficient conditions reported by auditors (internal and external). Recommendations are considered outstanding until they are implemented and or hold a status of 'no further action required'. Any recommendations that have not been actioned within the agreed timeframe will be reported to and followed through by the CEO.

10.2 If the Department Head/Business Manager foresees difficulties implementing the recommendations within the time frame, the manager should advise the Internal Audit Branch regarding the cause of delay and the revised implementation schedule.

10.3 Upon implementation of the recommendations, a written report should be sent by the responsible officer to the relevant Department Head/Business Manager and a copy be sent to Internal Audit Branch.

11. QUALITY ASSURANCE

11.1 **Internal Audit Work**: In order to ensure that the quality of internal audit work is consistently maintained at a high standard, the Chief Audit Executive should establish and maintain a quality assurance program. This program is to include:

11.1.1. Developing a comprehensive work reporting arrangement.

11.1.2. Maintaining a regular review of internal audit plans, reports and working papers.

11.1.3. Maintaining effective communication links with the Audit and Risk Management Committee members, CEO, managers, external auditors and the Queensland Audit Office.

11.1.4. Arranging and providing ongoing staff training as appropriate.

11.1.5. Issue necessary oral and written directions and maintain written policies and procedures to assist and direct staff in the performance of their duties.

11.1.6 Disclose Internal Audit non-conformance of the Standards to the Audit and Risk Management Committee.

11.1.7 Internal Audit and service providers have to confirm and sign an Institute of Internal Auditors Code of Ethics and Conflict of Interest Statement every financial year and forward it to the Audit and Risk Management Committee Chairperson.

11.1.8 A review of the Internal Audit Charter every financial year and submit it to the Audit and Risk Management Committee if changes are made requiring approval. If no changes are required to the charter only report that the review has taken place.

11.2 **External Quality Assessment**: The Internal Audit Branch will be subject to an external quality assessment on a regular basis, not exceeding an interval of five years.

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Name of Policy - Internal Audit Charter

Previous Version approved	Council Ordinary Meeting of 16 October 2018	
Current Version and Objective ID	Version No:	Objective ID:
New Version Approved by Council on		
Date of Next Review		

1. Statement

The Local Government Act requires that:

"Each local government must establish an efficient and effective internal audit function."

This Charter also establishes the authority and responsibility conferred by Council on the Internal Audit Branch and incorporates the internal audit duty requirements.

2. Purpose and Principles

Council's position in relation to the Internal Audit Charter is in line with the definition of Internal Auditing as per The International Professional Practices Framework (IPPF) and states the fundamental purpose, nature, and scope of Internal Auditing:

"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.'

The Mission of Internal Audit is:

"To enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight."

The Core Principles of Internal Audit are:

"Demonstrates integrity.
Demonstrates competence and due professional care.
Is objective and free from undue influence (independent).
Aligns with the strategies, objectives, and risks of the organization.
Is appropriately positioned and adequately resourced.
Demonstrates quality and continuous improvement.
Communicates effectively.
Provides risk-based assurance.
Is insightful, proactive, and future-focused.
Promotes organizational improvement."

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3. Scope, Roles and Responsibilities

3.1 The scope of internal auditing is to determine whether the organisation's governance, risk management and control processes, as designed and represented by management, are adequate and operating effectively so that the organisation's objectives can be achieved. It includes, but is not necessarily limited to, the following:

3.1.1 Internal audit planning must be sufficiently comprehensive to audit/review all key facets of Council's operations, having regard to the functions and duties imposed on Council.

3.1.2 Reviewing the reliability and integrity Council information and the means used to identify, measure, classify and report such information.

3.1.3 Reviewing the systems established to ensure compliance with laws and regulations, plans, policies, directives, procedures, which could have a significant impact on operations and reports. Internal Audit should also be pro-active in offering advice to management in regards to the implications of future legislation, policy and industry changes.

3.1.4 Reviewing the means of safeguarding assets and, where appropriate, verifying the existence of such assets.

3.1.5 Reviewing and appraising the economy and efficiency with which resources are employed, identify opportunities to improve operating performance, and recommend solutions where appropriate.

3.1.6 Contributing to the corporate management process by assessing and reporting the relevance, reliability and adequacy of management data and performance indicators and reviewing operations or programs to ascertain whether results are consistent with established objectives and whether the operations or programs are being carried out as planned.

3.1.7 Co-operating fully with Queensland Audit Office/external auditors in sharing information to assure adequate coverage, preventing a duplication of effort and ensuring the effective use of audit resources.

3.1.8 Ensuring that the Internal Audit Branch is aware of all matters associated with its functional responsibilities, including the Internal Audit Branch being supplied with copies of all relevant correspondence received from and Queensland Audit Office/external audit.

3.1.9 Participating (in an advisory role) in the planning, design, development, implementation and operation of major computer-based systems to determine whether:

(i) Adequate controls are incorporated in the systems.

(ii) Thorough system testing is performed at appropriate stages.

(iii) System documentation is complete and accurate.

(iv) The justified needs of the users are met.

3.1.10 Conducting periodic internal audits of computer services and make post installation evaluations of major information technology and related systems to determine whether these systems meet their intended purposes, requirements and objectives.

3.1.11 Reviewing compliance with Council's guidelines for ethical business conduct and promote high standards of personal and Council performance through the

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promotion of a Council Code of Conduct.

3.1.12 Providing objective assurance to the Council on the effectiveness of the organisation's Enterprise Risk Management framework and activities to help ensure key business risks are being managed appropriately and that the system of internal control is operating effectively.

3.1.13 Follow up the implementation of audit recommendations.

3.2 The scope of internal audit function extends to include all departments, programs, sub-programs, functions, funded schemes and entities over which Council has direct management, sponsorship or financial control.

3.3 Any dispute as to whether an activity falls within the scope of Council's internal audit function shall be determined by the CEO in consultation with the Audit and Risk Management Committee.

3.4 The Audit and Risk Management Committee will assume joint responsibility with the CEO for the appointment and dismissal of the Chief Audit Executive.

4. Responsibility for detecting and reporting Fraud and Corruption

4.1 The Internal Audit Branch is not legally or professionally responsible for preventing fraud and corruption. The responsibility for prevention of irregularities rests with Council and management through the implementation and continued operation of an adequate internal control system.

4.2 Internal auditors are responsible for examining and evaluating the adequacy and the effectiveness of actions taken by management to fulfil their obligations. In order to facilitate the fraud and corruption prevention activities, the Chief Audit Executive should be informed of any special investigation, fraud, theft or other suspected cases of misappropriation.

4.3 However, in exercising due professional care, internal auditors should be alert to the possibility of irregularities and those conditions and activities where irregularities are most likely to occur. Due care implies reasonable care and competence, not infallibility, nor extraordinary performance. It requires internal auditors to conduct examinations and verifications to a reasonable extent.

4.4 The Chief Audit Executive has a responsibility to report irregularities to the CEO and the Audit and Risk Management Committee.

4.5 The CEO is responsible for reporting to Council and regulatory bodies any irregularities according to the provisions of the Local Government Act, the Crime and Corruption Act and any other statutory regulations that may come into force from time to time. In this regard the Chief Audit Executive will fulfil the liaison officer's role to the Crime and Corruption Commission.

4.6 This Charter also recognises the role that the Internal Audit Branch may be called upon to act as an appropriate entity under the Public Interest Disclosure Act.

5. Independence and Position of Internal Audit within Council

The Internal Audit Branch has independent status within the Council and for that purpose:

5.1. All Internal Audit staff and service providers report to the Chief Audit Executive, who

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reports:

5.1.1. Functionally for operations to the Audit and Risk Management Committee[1] through the Chair;

5.1.2. Administratively to the Chief Executive Officer (CEO); and

5.1.3. With administrative support from the Coordination and Performance Department.

5.2. Subject to 5.1, shall be independent of any section or officer or employee of Council.

5.3. Shall have no executive or managerial powers, functions, authorities or duties except those relating to the management of the internal audit function.

5.4. Shall not be involved in the day to day operation of Council, nor in the internal operational checking systems of Council except those relating to the administrative and management of the audit activities.

5.5. Shall not be responsible for the designing, installing or maintaining systems, procedures or controls, but will advise on these matters and provide assurance to management that completed systems will contribute to the achievement of the intended corporate objectives. If, however, an officer of the Internal Audit Branch is involved in the detailed development or implementation of a system, then any post implementation review should, as far as possible, be conducted by another officer of the Branch or by staff entirely independent of the Branch.

5.6. May have an observer/adviser status on steering committees, formed to co-ordinate financial/information systems design and implementation, at the discretion of the Chief Audit Executive.

5.7. The Chief Audit Executive is required to report any major restrictions on the scope of Internal Audit, impairments, resource issues and any conflicts of interests to the Chair of the Audit and Risk Management Committee and the Chief Executive Officer.

5.8. Where the person occupying the role of Chief Audit Executive may be responsible for a non-audit activity, there will be independence safeguards in place:

5.8.1. When responsible for non-audit activities, the Chief Audit Executive is not the Chief Audit Executive when managing or performing those activities; and

5.8.2. Review of non-audit activities must be managed and performed independently of the Chief Audit Executive and reported direct to the Audit and Risk Management Committee.

6. Authority

6.1 Internal audit has no direct responsibility or authority over, any of the activities which it audits. Therefore the audits and evaluations do not in any way relieve other persons in Council of the responsibilities assigned to them.

6.2 Internal audit shall generally undertake projects in accordance with programs/plans approved by the Audit and Risk Management Committee but shall also conduct such further unscheduled projects as the CEO considers desirable. Due consideration should also be given to the views of the Audit and Risk Management Committee and Department Heads in regard to suitable projects. The nature and scope of each project

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will be left to the professional judgment of the Chief Audit Executive.

6.3   The Chief Audit Executive and staff of the Internal Audit Branch are authorised to review all areas of Council and to have full, free, and unrestricted access to all Council's activities, records (both manual and electronic), property, and personnel. Council activities include entities over which Council has direct management, sponsorship or financial control.

6.4   All employees shall co-operate fully in making available any material or information reasonably requested by internal auditors. Further, all employees are expected to bring to the attention of the Chief Audit Executive any suspected situation involving improper activity or non-compliance with applicable policies, plans, procedures, laws or regulations, of which they have knowledge.

6.5   It is the policy of Council that all internal audit activities remain free of influence by any organisational elements. This will include such matters as scope of internal audit programs, the frequency and timing of examinations and the content of internal audit reports.

6.6   For approved areas of internal audit, evaluation and review, where the Internal Audit Branch does not possess all the necessary experience/skills, additional internal or external resources may be utilised subject to approval by CEO.

7.   Internal Audit Approach

7.1   Internal Audit Branch will adopt an integrated[2] risk based approach to allocating resources and planning.

7.2   Risk Profile, Three Year Strategic and Annual Internal Audit Plans:

7.2.1   The Internal Audit Branch, in consultation with management, will consider Council's Risk Management Framework as well as the Strategic and Departmental risks so that greater audit attention can be directed to areas of higher risk.

7.2.2   Using these key risks as a basis while considering mitigation processes and controls, the general direction of Council's internal audit activities over the medium term is to be documented in the Three Year Strategic Internal Audit Plan. This plan shall be reviewed by the CEO and approved by the Audit and Risk Management Committee. The Plan will also be reviewed annually to take account of any change in circumstances.

7.2.3   The Annual Audit Plan projects may include financial, compliance, performance, due diligence, information systems, program evaluation, operational audits and other approaches as deemed appropriate, given the resources and also the priorities established through the risk assessment process and other more recent considerations.

7.3   Responsibilities and Auditing Standards[3]:

7.3.1   Internal Audit will discharge its responsibilities in accordance with this document and the Standards with the proviso that this document shall not be overridden by the Standards, should a conflicting interpretation arise.

7.3.2   Specific standards which are to be followed include:

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[2] Combines aspects of auditing to include or excluded any aspect based on risk

[3] Standards includes as follows: The Institute of Internal Auditors' Core Principles for the Professional Practice, Definition of Internal Auditing, Code of Ethics and the International Standards for Professional Practice (Standards). This also includes the Information Systems Audit and Control Association's Statements on Information Systems Auditing Standards.

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- Internal Audit staff must maintain an independent outlook and must ensure their independence to plan, investigate and report with honesty and objectivity.
- Projects are to be performed by or under the control of a suitably skilled, experienced and competent person(s).
- Findings and recommendations or suggestions are developed and documented with due care during the course of each engagement, such that the reporting process is expedited.
- Regular quality assurance reviews of project plans, reports and working papers are carried out.
- Information acquired during the course of work must not be used and/or conveyed for purposes outside the scope of Internal Audit's approved responsibilities.

8. Strategic Plan Links

The intention is for the Internal Audit activity to support all five strategic themes:

- Strengthening our local economy and building prosperity
- Managing growth and delivering key infrastructure
- Caring for the community
- Caring for the environment
- Listening, leading and financial management

Individual internal audits and corrupt conduct investigations will to a varying degree support these themes, but the main objective for Internal Audit is to support the organisation in achieving its objectives.

9. Regulatory Authority

The following are the relevant regulatory authorities that govern the activities of Internal Audit:

- Local Government Act 2009
- Local Government Regulation 2012
- Crime and corruption Act 2001

10. Reporting, Monitoring and Evaluation

10.1   Internal Audit Report:

10.1.1 A draft report shall be prepared and issued under the authority of the Chief Audit Executive to the Department Head/Business Manager as soon as possible after the completion of an internal audit project. The draft report will include comments and action plans by the operational manager[4] where appropriate.

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[4] Operational Manager is the manager who is responsible for the area under audit, and in normal circumstances would be a manager of a branch (other than the Internal Audit Branch), however it may be the department manager where the audit is across more than one branch.

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10.1.2 The Department Head/Business Manager receiving the draft internal audit report should respond within five (5) working days or such longer period as may be determined between the Department Head/Business Manager and the Chief Audit Executive. This response is to indicate what actions are to be taken or planned, a responsible officer and a timetable for the anticipated completion of these actions in regard to the specific findings and recommendations in the draft internal audit report.

10.1.3 A final audit report will be prepared and issued by the Chief Audit Executive to the CEO and will include the comments and action plans as per the response of the Department Head/Business Manager. If a response is not received by the due date Internal Audit is required to issue the draft as the final internal audit report with a comment in relation to the non-response.

10.1.4 As well as the final report to the CEO, copies will be provided to the relevant Department Head/Business Manager and other officers as appropriate. An indication will be given as to whether the person receiving the report should be taking action or securing action in relation to the report, or merely receiving the report for information.

10.1.5 A copy of this report will also be forwarded to the Audit and Risk Management Committee Members, Mayor, Deputy Mayor and Audit Committee attendees, as per the approved agenda list.

10.2 A summary of audit recommendations, action taken and action outstanding will be included in an Internal Audit Branch Activities Report, to be sent on a quarterly basis to the Audit and Risk Management Committee Members and Attendees.

10.3 Internal Audit should report its performance throughout the year to the Audit and Risk Management Committee.

11. Quality Assurance

11.1 The Department Head/Business Manager is responsible for seeing that action is either planned or taken within thirty (30) working days from receipt of the final audit report on recommendations made or deficient conditions reported by auditors (internal and external). Recommendations are considered outstanding until they are implemented and or hold a status of 'no further action required'. Any recommendations that have not been actioned within the agreed timeframe will be reported to and followed through by the CEO.

11.2 If the Department Head/Business Manager foresees difficulties implementing the recommendations within the time frame, the manager should advise the Internal Audit Branch regarding the cause of delay and the revised implementation schedule.

11.3 Upon implementation of the recommendations, a written report should be sent by the responsible officer to the relevant Department Head/Business Manager and a copy be sent to Internal Audit Branch.

12. Quality Assurance

12.1 **Internal Audit Work**: In order to ensure that the quality of internal audit work is

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consistently maintained at a high standard, the Chief Audit Executive should establish and maintain a quality assurance program. This program is to include:

12.1.1.   Developing a comprehensive work reporting arrangement.

12.1.2.   Maintaining a regular review of internal audit plans, reports and working papers.

12.1.3.   Maintaining effective communication links with the Audit and Risk Management Committee members, CEO, managers, external auditors and the Queensland Audit Office/external auditor.

12.1.4.   Arranging and providing ongoing staff training as appropriate.

12.1.5.   Issue necessary oral and written directions and maintain written policies and procedures to assist and direct staff in the performance of their duties.

12.1.6.   Disclose Internal Audit non-conformance of the Standards to the Audit and Risk Management Committee.

12.1.7.   Internal Audit and service providers have to confirm and sign an Institute of Internal Auditors Code of Ethics and Conflict of Interest Statement every financial year and forward it to the Audit and Risk Management Committee Chairperson.

12.1.8.   A review of the Internal Audit Charter every financial year and submit it to the Audit and Risk Management Committee if changes are made requiring approval. If no changes are required to the charter only report that the review has taken place.

12.2   **External Quality Assessment**: The Internal Audit Branch will be subject to an external quality assessment on a regular basis, not exceeding an interval of five years.

13.   Policy Owner

The Chief Audit Executive is responsible for authoring and reviewing this policy.

14.   Definitions

Add Value

The internal audit activity adds value to the organization (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management, and control processes.

Adequate Control

Present if management has planned and organized (designed) in a manner that provides reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

Assurance Services

An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements.

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Board /Council

The highest level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organization's activities and hold senior management accountable. Although governance arrangements vary among jurisdictions and sectors, typically the board includes members who are not part of management. If a board does not exist, the word "board" in the Standards refers to a group or person charged with governance of the organization. Furthermore, "board" in the Standards may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an audit committee).

Charter

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Chief Audit Executive

Chief audit executive describes the role of a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory elements of the International Professional Practices Framework. The chief audit executive or others reporting to the chief audit executive will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the chief audit executive may vary across organizations.

Code of Ethics

The Code of Ethics of The Institute of Internal Auditors (IIA) are Principles relevant to the profession and practice of internal auditing, and Rules of Conduct that describe behaviour expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services. The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

Compliance

Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Conflict of Interest

Any relationship that is, or appears to be, not in the best interest of the organization. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Consulting Services

Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

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Control

Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Environment

The attitude and actions of the board and management regarding the importance of control within the organization. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values.
- Management's philosophy and operating style.
- Organizational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
- Competence of personnel.

Control Processes

The policies, procedures (both manual and automated), and activities that are part of a control framework, designed and operated to ensure that risks are contained within the level that an organization is willing to accept.

Core Principles for the Professional Practice of Internal Auditing

The Core Principles for the Professional Practice of Internal Auditing are the foundation for the International Professional Practices Framework and support internal audit effectiveness.

Corrupt Conduct

Under the *Crime and Corruption Act 2001*, there are now two different types of corrupt conduct.

"Type A" corrupt conduct involves conduct that affects, or could affect, a public officer (an employee of a public sector agency) so that the performance of their functions or the exercise of their powers:

- is not honest or impartial, or
- knowingly or recklessly breaches public trust, or
- involves the misuse of agency-related information or material.

Common examples of Type A corrupt conduct include fraud and theft, extortion, unauthorised release of information, obtaining or offering a secret commission and nepotism.

"Type B" corrupt conduct involves specific types of conduct that impair, or could impair, public confidence in public administration. This may include:

- collusive tendering, or
- fraud relating to an application for a licence, permit or other authority relating to public health or safety; the environment; or the State's natural, cultural, mining or energy resources, or

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IPSWICH CITY COUNCIL | Name of Policy

- dishonestly obtaining public funds or State assets, or
- evading a State tax, levy or duty or fraudulently causing a loss of State revenue, or
- fraudulently obtaining or retaining an appointment.

Both Type A and Type B corrupt conduct must be either a criminal offence or serious enough to warrant dismissal.

Engagement

A specific internal audit assignment, task, or review activity, such as an internal audit, control self-assessment review, fraud examination, or consultancy. An engagement may include multiple tasks or activities designed to accomplish a specific set of related objectives.

Engagement Objectives

Broad statements developed by internal auditors that define intended engagement accomplishments.

Engagement Opinion

The rating, conclusion, and/or other description of results of an individual internal audit engagement, relating to those aspects within the objectives and scope of the engagement.

Engagement Work Program

A document that lists the procedures to be followed during an engagement, designed to achieve the engagement plan. External Service Provider A person or firm outside of the organization that has special knowledge, skill, and experience in a particular discipline.

Fraud

Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organizations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance

The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

Impairment

Impairment to organizational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations (funding).

Independence

The freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner.

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Information Technology Controls

Controls that support business management and governance as well as provide general and technical controls over information technology infrastructures such as applications, information, infrastructure, and people.

Information Technology Governance

Consists of the leadership, organizational structures, and processes that ensure that the enterprise's information technology supports the organization's strategies and objectives.

Internal Audit Activity

A department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organization's operations. The internal audit activity helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

International Professional Practices Framework

The conceptual framework that organizes the authoritative guidance promulgated by The IIA. Authoritative guidance is composed of two categories – (1) mandatory and (2) recommended.

Must

The Standards use the word "must" to specify an unconditional requirement.

Objectivity

An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.

Overall Opinion

The rating, conclusion, and/or other description of results provided by the chief audit executive addressing, at a broad level, governance, risk management, and/or control processes of the organization. An overall opinion is the professional judgment of the chief audit executive based on the results of a number of individual engagements and other activities for a specific time interval.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Appetite

The level of risk that an organization is willing to accept.

Risk Management

A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organization's objectives.

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Should

The Standards use the word "should" where conformance is expected unless, when applying professional judgment, circumstances justify deviation.

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Standard

A professional pronouncement promulgated by the International Internal Audit Standards Board that delineates the requirements for performing a broad range of internal audit activities and for evaluating internal audit performance.

Technology-based Audit Techniques

Any automated audit tool, such as generalized audit software, test data generators, computerized audit programs, specialized audit utilities, and computer-assisted audit techniques

Doc ID No: A5865895

ITEM: 9

SUBJECT: INTERNAL AUDIT BRANCH ACTIVITIES REPORT FOR THE PERIOD 16 AUGUST
           2019 TO 29 OCTOBER 2019

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 29 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the activities of Internal Audit undertaken since 16 August 2019
and the current status of these activities.

RECOMMENDATION/S

**That the report be received, the contents noted and the recommendations in Attachments
3 and 4, be considered finalised and archived.**

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME LINKAGE

The intention is for the Internal Audit activity to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual internal audits and corrupt conduct investigations will to a varying degree support
these themes, but the main objective for Internal Audit is to support the organisation in
achieving its objectives.

PURPOSE OF REPORT/BACKGROUND

The purpose of this report is to keep the Audit and Risk Management Committee informed
and to report on performance of the Internal Audit Branch:
- Report the status of the audits currently under way
- Summary of the activities of the Internal Audit Branch
- Annual Performance Report and Assertion on Internal Auditing Standards
- Report the status of the audit recommendations from completed audits

The supply of the information to the Mayor, the Chief Executive Officer and Audit and Risk Management Committee, is a requirement of the Internal Audit Charter.

Internal Audit Report Register (Attachment 1)

This is a historic register recording the reference number of formal reports produced, audits commenced, report status and date completed for the last number of years.

Audits, Reviews, Projects and Activities (Attachment 2)

This is a report on audits, reviews, projects and activities that were conducted during the period or in progress as at 29 October 2019.

Audit Recommendations (Attachments 3 and 4)

Extracted from the Audit Recommendations System, these reports list all Internal and External Audit recommendations (with management comments and responses) that managers advise have been implemented since the report made to the last Audit and Risk Management Committee meeting. This report is presented to the Audit and Risk Management Committee prior to the recommendations being finalised and/or archived.

FINANCIAL/RESOURCE IMPLICATIONS

Resources are provided to internal audit through the annual audit plan and budgeting processes. No additional resources were required because of this report. However situations will dictate if internal audits and investigations have to be outsourced and also management will have to consider their implications to implement the recommendations as per the individual reports.

RISK MANAGEMENT IMPLICATIONS

Each of the individual reports provides for a control environment opinion as well as individual risk ratings per individual findings and recommendations. The importance is for management to implement the individual recommendations well to either address or diminish the exposure for Council, or explain why it is acceptable to not implement the suggested improvements. As per the corrupt conduct investigation, the findings and risks vary in each situation and are discussed in the confidential reports. Having said that the key risks are still if the information is not well presented, well understood or does not generate an appropriate response.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012
Crime and Corruption Act 2001

COMMUNITY AND OTHER CONSULTATION

Internal Audit mostly consults internally to the organisation and its management in conducting the internal audits and finalising the reports. For investigations the appropriate consultations take place as the situation allows and requires.

CONCLUSION

During the period under review the Internal Audit Branch undertook a number of activities, including as listed in Attachment 2.

During the course of Internal Audit activities, contributions to the improvement of operational procedures, practices and the control environment have been achieved.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	Internal Audit Register
	CONFIDENTIAL
2.	Internal Audit Activity Report
3.	Internal Audit Recommendations Implemented
4.	External Audit Recommendations Implemented

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

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COUNCIL
MEETING AGENDA

19 NOVEMBER
2019

Item N.3 / Attachment 1.10.1

ICC Internal Audit Activities Report

ATTACHMENT 1

Internal Audit Report Status

2019/2020 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
A1819-01	Business Case Development	07/08/2019	
A1819-05	Credit Cards Framework – Allocation and Use	31/07/2019	
A1819-09	Infrastructure Services Capacity Review	25/07/2019	
A1819-11	Objective	21/10/2019	
A1819-12	Operations of Fleet and Plant	29/10/2019	
A1819-13	Penalty Infringement Process	25/07/2019	
A1920-01	Arrangements/Agreements/Leases (I&E non-construction)	In Progress	
A1920-06	Enterprise Resource Planning (ERP) Observation/Advice	In Progress	
A1920-08	Grants, Sponsorships and Donations Program	In Progress	
A1920-13	Payroll Transactions	In Progress	
A1920-16	Receipting, Cash Handling and Floats	In Progress	
A1920-17	Recruitment and Selection	In Progress	

2018/2019 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
A1718-03	Community Lease Agreements	24/01/2019	
A1718-04	Construction Quality Verification	30/10/2018	30/10/2018
A1718-07	Design Certification	19/12/2018	03/07/2019
A1718-09	Environmental Plan Levy	25/07/2018	
A1718-10	ICT Managed Services Implementation	04/10/2018	04/10/2018
A1819-02	Civic Hall Safety and Security	03/06/2019	09/07/2019
A1819-07	Enterprise Resource Planning Observation/Advice	30/06/2019	30/06/2019
A1819-08	Fraud Prevention and Investigation Process	21/06/2019	21/06/2019
A1819-15	Pound Operations	27/06/2019	
A1819-18	Waste Business Management Systems	14/05/2019	22/07/2019

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ICC Internal Audit Activities Report   **ATTACHMENT 1**

2017/2018 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
A1617-05	Ethics	23/08/2017	05/06/2019
A1617-10	IT Security	10/11/2017	10/11/2017
A1617-14	Process of Communications Release	16/08/2017	31/07/2018
A1617-15	Procurement and Contract Management	15/08/2017	
A1617-17	Service Request Management	18/07/2017	
A1718-01	Arboriculture	20/04/2018	
A1718-08	Enterprise Resource Planning Observation/Advice	30/06/2018	30/06/2018
A1718-11	Immunisation Program	29/06/2018	
A1718-12	Line Marking and Signs	29/06/2018	14/08/2019
A1718-16	Residential Swimming Pools	16/11/2017	
A1718-17	Security and Safety Cameras	29/06/2018	
A1718-18	Waste Business Management Systems	20/04/2018	04/12/2018

2016/2017 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
201602	Change Management IT	16/12/2016	16/05/2017
201603	Contributed Assets	19/09/2016	07/01/2019
201608	Governance of Controlled Entities	12/10/2016	07/08/2018
A1617-02	~~Data#3 (Compliance)~~ ICT Managed Services - Probity	16/06/2017	16/06/2017
A1617-04	Enterprise Resource Planning (ERP) Observation/Advice	30/06/2017	30/06/2017
A1617-06	Fees and Charges (Revenue)	12/04/2017	07/12/2018
A1617-07	Fuel and Corporate Cards	02/06/2017	02/06/2017
A1617-08	Food Safety Program	12/04/2017	10/10/2017
A1617-09	Infrastructure Agreements	03/03/2017	16/05/2017
A1617-11	Library	27/03/2017	28/02/2018
A1617-12	Overtime and Allowances	30/01/2017	15/02/2017
A1617-13	Parks, Open Spaces and Playgrounds	28/10/2016	30/05/2018
A1617-18	SES	02/06/2017	
A1617-19	IWS Business Management System	03/03/2017	11/09/2017

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ICC Internal Audit Activities Report **ATTACHMENT 1**

2015/2016 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
201509	IT Security	07/09/2015	15/02/2017
201511	Privacy/Identity Management	02/02/2016	03/08/2016
201516	Social Media	16/07/2015	15/02/2017
201601	Business Process Reengineering and Benefits Realisation	18/01/2016	17/02/2016
201604	Enterprise Resource Planning (ERP) Observation/Advice	30/06/2016	03/08/2016
201605	Enterprise Risk Management (ERM)	29/04/2016	
201606	Fire Safety	23/05/2016	30/06/2017
201609	Independent Validation of Internal Audit Quality Self–Assessment	30/06/2016	
201610	Internal Audit Recommendations Implementation Follow-up	03/06/2016	03/08/2016
201611	Objective – Record Storage, Clarification and Retrieval	30/06/2016	03/08/2016
201613	Procurement (External Audit Recommendations)	23/03/2016	18/05/2016
201614	Program Management Process (IS) review new process	13/04/2016	18/05/2016
201618	Transport Corridor Planning	05/02/2016	18/05/2016
201619	IWS Management Systems Review	19/04/2016	03/08/2017

2014/2015 Financial Year			
Reference	**Audit Name**	**Final Report**	**Finalised**
201401	Animal Management	07/08/2014	17/02/2016
201402	Budget Management	08/01/2015	17/02/2016
201404	Cloud Computing	22/08/2014	22/10/2014
201405	Contract Management	25/09/2014	31/07/2018
201501	Abandoned Vehicles	17/10/2014	13/05/2015
201502	Appointment Process	15/04/2015	13/05/2015
201503	Asset Management – Strategic (WPR)	20/03/2015	17/02/2016
201504	Cemeteries	25/02/2015	
201505	Dealing with Children	07/11/2014	13/10/2016
201506	Enterprise Resource Planning (ERP) Observation/Advice	30/06/2015	05/08/2015
201508	IT Governance	16/06/2015	05/08/2015
201510	Parking Fines	27/05/2015	03/10/2007
201513	Purchase Card Industry – Data Security Standard	19/06/2015	03/08/2016

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ICC Internal Audit Activities Report **ATTACHMENT 1**

2014/2015 Financial Year			
Reference	Audit Name	Final Report	Finalised
201514	Roads Rehabilitation Maintenance	19/06/2015	18/05/2016
201517	Transfer Station	11/06/2015	28/10/2015
201518	Workplace Health & Safety	20/03/2015	16/05/2017
201519	Ipswich Waste Services Management Systems Review	28/05/2015	05/08/2015
201520	Rates	21/05/2015	05/07/2017

2013/2014 Financial Year			
Reference	Audit Name	Final Report	Finalised
201303	Asset Management Tool and Software Capability	08/11/2013	22/10/2014
201311	Project Quality Management (Actual vs. Specified) (IS)	23/08/2013	21/05/2014
201312	Purchase Cards (Supervision)	09/08/2013	12/02/2014
201315	Task Performance Management (Absenteeism, Productivity) (WP&R)	19/12/2013	13/05/2015
201403	Business Activity Statement (BAS) Preparation	26/09/2013	21/05/2014
201406	ECM Records (Assessment of Pilot)	30/06/2014	12/08/2014
201407	Enterprise Resource Planning (ERP) Observation/Advice	30/06/2014	12/08/2014
201408	Flood Damage Management	06/11/2013	21/05/2014
201409	Investigation and Compliance (HS&RS)	26/09/2013	22/10/2014
201410	Internal Financial Control (C&CS)	19/12/2013	12/08/2014
201411	Phone Contract Management	05/02/2014	21/05/2014
201412	Plant Hire	15/05/2014	11/02/2015
201415	Security of Council Assets and People	18/02/2014	13/05/2015
201417	Tender Evaluation	01/05/2014	16/05/2017
201418	Waste Drivers Time and Attendance Recording	15/08/2013	11/02/2015
201419	Ipswich Waste Services Management Systems Review	05/02/2014	12/08/2014

2012/2013 Financial Year		
Reference	Audit Name	Final Report Date
201202	Business Intelligence & Reporting	28/09/2012
201210	Intellectual Property and Commercialisation (C&CS)	28/09/2012
201214	Private Work (IS, P&D)	26/09/2012

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ICC Internal Audit Activities Report

ATTACHMENT 1

2012/2013 Financial Year		
Reference	**Audit Name**	**Final Report Date**
201215	Project Management (Review 2 or 3 selected projects) (IS, WP&R)	14/08/2012
201217	Restructuring (Loss of Control Measures)	28/09/2012
201302	Asset Management Portable and Attractive (HS&RS)	20/03/2013
201304	Enterprise Resource Planning (ERP) Assurance	30/06/2013
201305	Financial Capitalisation and Asset Recognition (IS, F&CS)	18/06/2013
201306	Footpath Inspection and Maintenance (WP&R)	25/06/2013
201307	Grants and Subsidies Received and Allocated	04/12/2012
201308	Investigation Procedure and Guidelines	19/06/2013
201310	Payroll Allowances and Reconciliations	18/06/2013
201316	Transfer Station	20/03/2013

2011/2012 Financial Year		
Reference	**Audit Name**	**Final Report Date**
201102	Asset Valuation, Depreciation & Impairment	01/08/2011
201106	Disaster Recovery Processes & Business Continuity (Waste Pilot)	27/06/2012
201201	Bushfire Planning and Preparation (P&D, WP&R)	14/05/2012
201203	Community Engagement Plans	23/03/2012
201204	Control Processes and Documentation (P&D)	25/06/2012
201205	Disaster Recovery Processes & Business Continuity (F&CS (IT), WP&R)	27/06/2012
201206	Enterprise Resource Planning (ERP) Assurance	30/06/2012
201207	Estimates Process for Capital and Other Projects (IS, WP&R)	31/01/2012
201208	General Complaints Process	14/05/2012
201209	Hiring of Contractors	02/12/2011
201211	Performance & Appraisal Process (Staff)	17/02/2012
201212	Policy & Procedure Currency Review	15/11/2011
201213	Privacy (Protect Sensitive & Private Information (HS&RS)	01/03/2012
201216	Receivals – Actual/Outcome versus Specifications/Requirements	02/12/2011
201218	Secure Mobile Devices	02/03/2012

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ICC Internal Audit Activities Report   **ATTACHMENT 1**

2011/2012 Financial Year		
Reference	Audit Name	Final Report Date
201219	Flood Reconstruction Due Process (Special Audit)	30/09/2011

2010/2011 Financial Year		
Reference	Audit Name	Final Report Date
201011	One Stop Shop Compliance Framework (HP&R, P, ES)	13/08/2010
201014	Project Management (F&CS, P, E)	14/12/2010
201001	Accounts Payable	24/03/2011
201104	Continuous Control Monitoring (Fraud Prevention and Detection)	30/06/2011
201107	Enterprise Resource Planning (ERP) Assurance	30/06/2011
201108	FBT (Policy & Calculation)	21/09/2010
201109	IT Security (Oracle)	04/11/2010
201110	Legislative Compliance	06/04/2011
201113	Procurement (Roles & Segregation)	03/11/2010
201114	Quality Assessment of Internal Audit Unit	13/04/2011
201115	Training Framework	12/11/2010

| AUDIT AND RISK MANAGEMENT COMMITTEE | 6 NOVEMBER |
| MEETING AGENDA | 2019 |

Doc ID No: A5865905

ITEM: 10

SUBJECT: SUMMARY OF RECENT INTERNAL AUDIT REPORTS ISSUED

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 29 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning recently completed internal audits and the subsequent reports released since the previous report dated 16 August 2019.

RECOMMENDATION/S

That the report be received and the contents noted.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME LINKAGE

The intention is for the Internal Audit activity to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual internal audits and corrupt conduct investigations will to a varying degree support these themes, but the main objective for Internal Audit is to support the organisation in achieving its objectives.

PURPOSE OF REPORT/BACKGROUND

Since 16 August 2019, Internal Audit has issued/finalised 2 Internal Audit reports/Consulting Tasks and the extracts of the reports containing the audit recommendations, management response and agreed action by date, are attached to enable any further discussion that may be required by the Audit and Risk Management Committee.

AUDIT AND RISK MANAGEMENT COMMITTEE   6 NOVEMBER

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Control Environment Opinion Summary over Areas in Scope of Audits	5	4	3	2	1
Objective (A1819-11)			✓		
Operation of Fleet and Plant Audit (A1819-12)			✓		

FINANCIAL/RESOURCE IMPLICATIONS

Resources are provided to internal audit through the annual audit plan and budgeting processes. No additional resources were required because of this report.

Rating Definitions	
5	Indicates unacceptable control environment or critical operating or control problems or extreme exposure.
4	Indicates unsatisfactory control environment or significant operational, procedural or control deficiencies or high exposure.
3	Indicates limited control environment or some operational, procedural or control deficiencies, issues or moderate exposure
2	Indicates acceptable control environment or minor operational, procedural or control deficiencies, issues or exposure.
1	Indicates well controlled environment or no or limited unfavourable audit findings, observations or exposure.

RISK MANAGEMENT IMPLICATIONS

Each of the individual reports provides for a control environment opinion as well as individual risk ratings per individual findings and recommendations. The importance is for management to implement the individual recommendations well to either address or diminish the exposure for Council, or explain why it is acceptable to not implement the suggested improvements. As per the corrupt conduct investigation, the findings and risks vary in each situation and are discussed in the confidential reports. Having said that the key risks are still if the information is not well presented, well understood or does not generate an appropriate response.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012

COMMUNITY AND OTHER CONSULTATION

Internal Audit mostly consults internally to the organisation and its management in conducting the internal audits and finalising the reports.

CONCLUSION

The attached executive summary of reports provides for the individual opinion as per each report.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

	CONFIDENTIAL
1.	Executive Summary of Recent Reports Issued
2.	Audit Report No. A1819-11
3.	Audit Report No. A1819-12

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

"Together, we proudly enhance the quality of life for our community"

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Doc ID No: A5865911

ITEM: 11

SUBJECT: OVERDUE RECOMMENDATIONS AS AT 16 AUGUST 2019

AUTHOR: CHIEF AUDIT EXECUTIVE

DATE: 29 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the status of each Department's progress in actioning the internal and external audit recommendations due or overdue for implementation.

RECOMMENDATION/S

That the report be received and considered.

RELATED PARTIES

Not applicable

ADVANCE IPSWICH THEME LINKAGE

The intention is for the Internal Audit activity to support all five themes:
Strengthening our local economy and building prosperity
Managing growth and delivering key infrastructure
Caring for the community
Caring for the environment
Listening, leading and financial management

Individual internal audits will to a varying degree support these themes, but the main objective for Internal Audit is to support the organisation in achieving its objectives.

PURPOSE OF REPORT/BACKGROUND

Every month each Department Head is requested to update the status of both the internal and external audit recommendations due for implementation within their area of responsibility.

Traffic lights have been introduced based on the request of the Audit and Risk Management Committee. The following is an indication of what each indicator could mean:

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AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Light	Green	Light	Orange	Light	Red
	Under control Reasonable number Low overall risk		Need to monitor Number increasing Moderate overall risk		Need to be addressed Number problematic High overall risk

The following Departments' progress towards the implementation of Internal Audit recommendations, for which they are responsible, is summarised below:

Corporate Services					
Date of Report	Total overdue	Catastrophic	High	Moderate	
29 October 2019	1	0	0	1	
In relation to: Independent Validation of Internal Audit Self-Assessment (201609)					

Infrastructure and Environment					
Date of Report	Total overdue	Catastrophic	High	Moderate	
29 October 2019	3	0	0	3	
In relation to: State Emergency Services SES (A1617-18)Arboriculture (A1718-01), Enviroplan Levy (A1718-09)					

Planning and Regulatory Services					
Date of Report	Total overdue	Catastrophic	High	Moderate	
29 October 2019	6	0	0	2	
In relation to: Cemeteries (201504), Immunisation Program (A1718-11), Security and Safety Cameras (A1718-17)					

All other departments had no recommendations overdue for more than 3 months.

FINANCIAL/RESOURCE IMPLICATIONS

Resources are provided to internal audit through the annual audit plan and budgeting processes. No additional resources are required because of this report. However management will have to consider their implications to implement the recommendations as per the individual reports.

RISK MANAGEMENT IMPLICATIONS

Each of the individual reports provides for a control environment opinion as well as individual risk ratings per individual findings and recommendations. The importance is for management to implement the individual recommendations well to either address or diminish the exposure for Council, or explain why it is acceptable to not implement the suggested improvements.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Local Government Act 2009
Local Government Regulation 2012

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AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

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2019

COMMUNITY AND OTHER CONSULTATION

Internal Audit mostly consults internally to the organisation and its management in conducting the internal audits and finalising the reports.

CONCLUSION

Total Internal Audit recommendations **overdue for more than 3 months** and level of risk:
Minimal and Low not indicated.

Date of Report	Total overdue	Catastrophic	High	Moderate	
29 October 2019	10	0	0	6	
16 August 2019	7	0	0	3	

Total Internal Audit recommendations **open** and level of risk:

Date of Report	Total open	Catastrophic	High	Moderate	
29 October 2019	47	0	3	30	
16 August 2019	37	0	3	22	

Total External Audit recommendations **overdue** and level of risk:
Ratings as used by QAO.

Date of Report	Total overdue	High	Moderate	Low	
29 October 2019	6	1	2	3	
16 August 2019	3	1	2	0	

Total External Audit recommendations **open** and level of risk:

Date of Report	Total open	High	Moderate	Low	
29 October 2019	9	3	3	3	
16 August 2019	14	3	10	1	

Total Investigation/Ad Hoc Report recommendations overdue and level of risk:
Minimal and Low not indicated.

Date of Report	Total overdue	Catastrophic	High	Moderate	
29 October 2019	0	0	0	0	
16 August 2019	0	0	0	0	

Total Investigation/Ad Hoc Report recommendations **open** and level of risk:

Date of Report	Total open	Catastrophic	High	Moderate	
29 October 2019	34	0	7	19	
16 August 2019	0	0	0	0	

Overall Status	
The number of overdue recommendations have gone up slightly. The Investigations/ Ad-hoc Reports have now also been added which has pushed the numbers up significantly but this is positive in that these are also now monitored.	

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

	CONFIDENTIAL
1.	Recommendations Statistics and Overdue Summary
2.	Internal Audit Recommendations overdue for more than 3 months
3.	External Audit Recommendations overdue for more than 3 months
4.	Investigations/Ad-hoc Report Recomendations overdue for more than 3 months (nil return)

Freddy Beck
CHIEF AUDIT EXECUTIVE

I concur with the recommendations contained in this report.

Freddy Beck
CHIEF AUDIT EXECUTIVE

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Doc ID No: A5874162

ITEM: 12

SUBJECT: QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT LETTER TO IPSWICH CITY
            COUNCIL

AUTHOR: COMMITTEE MANAGER

DATE: 31 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning submission of the final management letter to Ipswich City Council
from the Queensland Audit Office.

RECOMMENDATION/S

> **That the report be received and the contents noted.**

PURPOSE OF REPORT/BACKGROUND

The purpose of the report is to provide the Audit and Risk Management Committee with a
copy of the final Management Letter for Ipswich City Council.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	CONFIDENTIAL Final Management Letter

Vicki Lukritz
COMMITTEE MANAGER

I concur with the recommendations contained in this report.

Andrew Knight
GENERAL MANAGER - CORPORATE SERVICES

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Doc ID No: A5874168

ITEM: 13

SUBJECT: QUEENSLAND AUDIT OFFICE BRIEFING PAPER FOR IPSWICH CITY COUNCIL

AUTHOR: COMMITTEE MANAGER

DATE: 31 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the submission of a briefing paper for October 2019 to the Audit
and Risk Management Committee.

RECOMMENDATION/S

> **That the report be received and the contents noted.**

PURPOSE OF REPORT/BACKGROUND

The purpose of the report is to provide information to the Audit and Risk Management
Committee in the form of a briefing paper.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

1.	CONFIDENTIAL Briefing Paper from Queensland Audit Office

Vicki Lukritz
COMMITTEE MANAGER

I concur with the recommendations contained in this report.

Angela Harms
CORPORATE GOVERNANCE MANAGER

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Item 13 – Page 1 of 1

COUNCIL
MEETING AGENDA

19 NOVEMBER
2019

Item N.3 / Attachment 1.15

AUDIT AND RISK MANAGEMENT COMMITTEE
MEETING AGENDA

6 NOVEMBER
2019

Doc ID No: A5874254

The Chairperson has determined this matter is of real urgency and approval has been given to refer this report to the Audit and Risk Management Committee as a late item.

ITEM: 15

SUBJECT: BUSINESS TRANSFORMATION PROGRAM UPDATE

AUTHOR: BUSINESS IMPROVEMENT MANAGER

DATE: 31 OCTOBER 2019

EXECUTIVE SUMMARY

This is a report concerning the Business Transformation Program. This report has been drafted to highlight the following:

- Program health check;
- A summary of the issues/risks and proposed control process to ensure appropriate management of the Transformation Projects (TP) with significant risk;
- Summary of control process for the management of number 1 organisational risk;
- Identification of closed projects, submission of project close reports and key deliverables.

RECOMMENDATION/S

That the Interim Administrator of Ipswich City Council resolve:

That the report be received and the contents noted.

Comments added at Committee – 6/11/19

The Business Improvement Manager outlined that as this is the first report of what will be a standing agenda item for the committee, that all information relating to the Transformational Projects had been included. He stated that if there were matters that the committee were concerned about that these could be reported in more detail.

Rob Jones suggested that as People and Culture and ICT are critical components and that it is appropriate from a risk perspective to have oversight on these projects, that they be included as regular updates.

RELATED PARTIES

No conflicts of interest identified

ADVANCE IPSWICH THEME

Listening, leading and financial management

PURPOSE OF REPORT/BACKGROUND

The purpose of this report is to succinctly and honestly address:
- Program health check;
- A summary of the issues/risks and proposed control process to ensure appropriate management of the Transformation Projects (TP) with significant risk;
- Summary of control process for the management of number 1 organisational risk;
- Identification of closed projects, submission of project close reports and key deliverables.

LEGAL/POLICY BASIS

This report and its recommendations are consistent with the following legislative provisions:
Not Applicable

RISK MANAGEMENT IMPLICATIONS

Please refer to attachments discussing risk management and opportunities.

FINANCIAL/RESOURCE IMPLICATIONS

Nil budget implications.

COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

The confidential attachments are provided to ensure transparency and drive confidence in the process, systems and controls currently in place to manage risks and issues within the Business Transformation Program.

ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS

	CONFIDENTIAL
1	Audit & Risk Committee Report - BTP
2	TP5 - Project Close Report
3	TP12 - Project Close Report
4	TP14 - Project Close Report
5	TP17 - Project Close Report
6	TP18 - Project Close Report
7	Project Closure - Actions Register
8	TP5 - Business Planning Framework
9	TP14 - Final Report to IA

10	TP17 - ICT Strategy Report
11	TP17 - ICT Strategy Roadmap for Delivery
12	TP18 - Advocacy Policy
13	TP18 - Advocacy Strategy
14	TP18 - Priority Scoring Assessment

Joshua Edwards
BUSINESS IMPROVEMENT MANAGER

I concur with the recommendations contained in this report.

Sean Madigan
GENERAL MANAGER - COORDINATION AND PERFORMANCE

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