

## **AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(01)**

**13 FEBRUARY 2019**

### **REPORT**

<b><u>MEMBERS' ATTENDANCE:</u></b>	Graeme Stratford (Chairperson and External Member); Greg Chemello (Interim Administrator), Robert Jones (Interim Management Committee member), Stan Gallo (Interim Management Committee member) and Dr Annette Quayle (External Member)
<b><u>MEMBER'S APOLOGIES:</u></b>	Nil
<b><u>OTHER ATTENDANCE:</u></b>	David Farmer (Chief Executive Officer), Chief Operating Officer (Finance and Corporate Services)(Andrew Knight), Chief Audit Executive (Freddy Beck), Chief Operating Officer (Economic Development and Marketing)(Ben Pole)(Observer), Finance Manager (Jeff Keech), Queensland Audit Office (Lisa Fraser) and Queensland Audit Office (Patrick Flemming)

### **PRESENTATION - PROCUREMENT REVIEW**

Mark Henderson (Director) and Matt Dickson (Director, Project Delivery) of Charles Kendall Australia provided the committee with a presentation on the recommendations from their procurement review undertaken at Ipswich City Council.

A number of matters were raised by the committee in relation to the procurement review namely:

- Management to provide further detail and recommendations from the procurement review to confirm timelines and establish actions to ensure these matters are captured and allocated to the relevant transformational projects.
- Key decisions to be made to ensure commitment and to ensure urgent commencement to establish and meet the timeframes as currently envisaged.
- Recommendations and findings of the procurement review to be recorded in one central system to ensure action, monitoring and completion of activities so as to avoid matters not being addressed.

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#### **1. REPORT – AUDIT COMMITTEE NO. 2018(05) OF 28 November 2018**

With reference to a report by the previous Audit Committee No. 2018(05) of 28 November 2018 and an extract of the Council Ordinary Meeting held on 4 December 2018.

## RECOMMENDATION

That the report be received and the contents noted.

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The confidential papers associated with Item 2 are confidential as they relate to internal audits either being undertaken or that have been completed.

2. INTERNAL AUDIT BRANCH ACTIVITIES REPORT FOR THE PERIOD 5 OCTOBER 2018 TO 4 FEBRUARY 2019

With reference to a report by the Chief Audit Executive dated 4 February 2019 concerning the activities undertaken since 5 October 2018 and the current status of Internal Audit activities.

## RECOMMENDATION

That the report be received, the contents noted and the recommendations in Attachments 2a and 2b, be considered finalised and archived.

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The confidential papers associated with Item 3 are confidential as they relate to the result of internal audit matters and proposed recommendations.

3. SUMMARY OF RECENT AUDIT REPORTS ISSUED

With reference to a report by the Chief Audit Executive dated 4 February 2019 concerning the completion of recent internal audits and subsequent reports released since the previous report dated 5 October 2018.

## RECOMMENDATION

That the report be received and the contents noted.

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The confidential papers associated with Item 4 are confidential as they relate to internal audit matters and proposed recommendations.

4. OVERDUE RECOMMENDATIONS AS AT 4 FEBRUARY 2019

With reference to a report by the Chief Audit Executive dated 4 February 2019 concerning the status of each Department's progress in actioning the internal and external audit recommendations due or overdue for implementation.

## RECOMMENDATION

That the report be received and the contents noted.

Rob Jones from the Interim Management Committee suggested that the overdue recommendations be detailed in chronological order to easily see at what point a matter was raised, when it was extended and when it was actioned. This would then give the committee a clearer picture of where this matter was at and whether it needed to be revisited.

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### 5. PLANNING OF FUTURE AUDIT AND RISK MANAGEMENT COMMITTEE MEETINGS FOR 2019

With reference to an updated report by the Chief Audit Executive from 5 October 2018 concerning the proposed structured and planned agenda for the Audit and Risk Management Committee for the period 1 January 2019 to 31 December 2019.

## RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the 2019 Audit and Risk Management Committee meetings as scheduled normally a week prior to the Governance Committee meetings in the months of February, June, August, September (date determined by Chief Operating Officer, Finance and Corporate Service) and November, be accepted.
  - B. That the proposed draft agenda discussion topics detailed in Attachment 1 of the report by the Chief Audit Executive dated 4 February 2019, be adopted.
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### 6. QUEENSLAND AUDIT OFFICE BRIEFING NOTE – FEBRUARY 2019

With reference to a report by the Queensland Audit Office providing an update on Ipswich City Council's Audit Status.

## RECOMMENDATION

That the report be received and the contents noted.

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### 7. QUEENSLAND AUDIT OFFICE DRAFT EXTERNAL AUDIT PLAN

With reference to a report by the Queensland Audit Office concerning a draft external audit plan.

## RECOMMENDATION

That the report be received and the contents noted.

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8. TAX RISK MANAGEMENT UPDATE 2018

With reference to a report by the Principal Taxation Officer dated 30 January 2019 concerning taxation risk management issues for the year ended 31 December 2018.

RECOMMENDATION

That the report be received and the contents noted.

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The confidential papers associated with Item 9 are confidential as they relate to the status of complaints currently under investigation by Ipswich City Council.

9. CORPORATE SERVICES BRANCH PERFORMANCE IN RELATION TO LEGISLATIVE COMPLIANCE

With reference to a report by the Acting Corporate Governance Manager dated 5 February 2019 concerning the performance of the Corporate Services Branch (the Branch) in relation to the management of legislative compliance (including complaints) for the period 1 October 2018 to 31 December 2018 (the Quarter).

RECOMMENDATION

That the report be received and the contents noted.

Rob Jones from the Interim Management Committee queried whether Council had a Compliance Register to capture all the pieces of legislation that local governments needed to comply with. The Chief Operating Officer (Finance and Corporate Services) advised that this would be captured as part of one of the transformational projects.

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10. QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORTS 2017–2018

This is a report by the Chief Operating Officer (Finance and Corporate Services Department) providing an update on the audit of Ipswich City Council, Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investment Pty Ltd and Ipswich Motorsport Park Pty Ltd financial statements for the 2017–2018 financial year.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the Audit and Risk Management Committee review the final management report and provide further recommendation for follow-up action as necessary.

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11. CORPORATE SERVICES BRANCH PERFORMANCE IN RELATION TO MANAGEMENT OF CORPORATE RISK AND INSURANCE

With reference to a report by the Acting Corporate Governance Manager dated 5 February 2019 concerning the performance of the Corporate Services Branch (the Branch) in relation to the management of corporate Risk and Insurance for the period 1 October 2018 to 31 December 2018 (the Quarter).

RECOMMENDATION

That the report be received and the contents noted.

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12. TRANSFORMATIONAL PROJECTS PROGRESS REPORT

With reference to a report by the Acting Corporate Governance Manager dated 6 February 2019 concerning the progress of council's Transformational Projects.

RECOMMENDATION

That the report be received and the contents noted.

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13. HUMAN RESOURCE MANAGEMENT INFORMATION SYSTEMS (HRMIS) PROJECT UPDATE – IMPLEMENTATION OF E-HUB

With reference to a report by the Chief Operating Officer (Finance and Corporate Services) dated 5 February 2019 concerning an update on a major IT project to implement and upgrade to the HRMIS.

RECOMMENDATION

That the report be received and the contents noted.

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14. NEXT MEETING – Wednesday, 19 June 2019.

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**PROCEDURAL MOTIONS AND FORMAL MATTERS**

The meeting opened at 1.03 pm.

The meeting closed at 3.12 pm.

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