

AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(05)**6 NOVEMBER 2019**

REPORT

MEMBERS' ATTENDANCE: Graeme Stratford (Chairperson and External Members), Dr Annette Quayle (External Member), Greg Chemello (Interim Administrator), Robert Jones (Interim Management Committee) and Stan Gallo (Interim Management Committee)

MEMBER'S APOLOGIES: Andrew Knight (General Manager – Corporate Services)

OTHER ATTENDANCE: David Farmer (Chief Executive Officer), Jeff Keech (Manager, Finance), Freddy Beck (Chief Audit Executive), Lisa Fraser (Queensland Audit Office), Patrick Fleming (Queensland Audit Office), Tony Welsh (Interim ICT Management Support), Brett Davey (General Manager – Planning and Regulatory Services), Angela Harms (Governance Manager), Graham McGinniskin (Risk Management Coordinator)

1. **REPORT - AUDIT AND RISK MANAGEMENT COMMITTEE NO. 2019(04) OF 9 OCTOBER 2019**

This is the report of the Audit and Risk Management Committee No. 2019(04) of 9 October 2019.

RECOMMENDATION

That the report be received and the contents noted.

2. **ICT STRATEGY UPDATE**

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

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

DISCUSSION

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.

3. UPDATE ON QUEENSLAND AUDIT OFFICE RECOMMENDATIONS (PLANNING AND REGULATORY SERVICES DEPARTMENT)

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 the QAO 2018 Closing Report (adopted by Council on 4 December 2018).

RECOMMENDATION

That the report be received and the contents noted.

4. PLANNED AGENDA FOR THE AUDIT AND RISK MANAGEMENT COMMITTEE FOR 2020

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

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

DISCUSSION

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.

5. ASSET VALUATION - LAND, BUILDINGS AND INFRASTRUCTURE ASSETS

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

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.

6. AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

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

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

The confidential papers associated with Item 7 are confidential as they relate to the status of claims currently under investigation by Ipswich City Council.

7. INSURANCE AND RISK UPDATE

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

That the report be received and the contents noted.

The confidential papers associated with Item 8 are confidential as they relate to the status of complaints currently under investigation by Ipswich City Council.

8. CORPORATE GOVERNANCE SECTION'S PERFORMANCE IN RELATION TO LEGISLATIVE COMPLIANCE

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

That the report be received and the contents noted.

DISCUSSION

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.

9. INTERNAL AUDIT CHARTER REVIEW

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

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

The confidential papers associated with Item 10 are confidential as they relate to internal audits either being undertaken or those that have been completed.

10. INTERNAL AUDIT BRANCH ACTIVITIES REPORT FOR THE PERIOD 16 AUGUST 2019 TO 29 OCTOBER 2019

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

RECOMMENDATION

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

The confidential papers associated with Item 11 are confidential as they relate to the result of internal audit matters and proposed recommendations.

11. SUMMARY OF RECENT INTERNAL AUDIT REPORTS ISSUED

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

RECOMMENDATION

That the report be received and the contents noted.

The confidential papers associated with Item 12 are confidential as they relate to internal audit matter and proposed recommendations.

12. OVERDUE RECOMMENDATIONS AS AT 16 AUGUST 2019

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

That the report be received and considered.

The confidential papers associated with Item 13 are confidential as the matters outlined in the management letter relate to confidential outstanding matters at Ipswich City Council.

13. QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT LETTER TO IPSWICH CITY COUNCIL

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

RECOMMENDATION

That the report be received and the contents noted.

The confidential papers associated with Item 14 are confidential as the matters outlined in the report relate to outstanding matters for Ipswich City Council.

14. QUEENSLAND AUDIT OFFICE BRIEFING PAPER FOR IPSWICH CITY COUNCIL

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

RECOMMENDATION

That the report be received and the contents noted.

The confidential matters associated with Item 15 are confidential as they relate to ongoing strategic project delivery and confidential resourcing matters.

15. BUSINESS TRANSFORMATION PROGRAM UPDATE

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

That the report be received and the contents noted.

DISCUSSION

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.

16. AUDIT AND RISK MANAGEMENT COMMITTEE RECOMMENDATIONS TO COUNCIL

The following matters were recommended for adoption by the Audit and Risk Management Committee to be submitted to Council for formal adoption:

- **Item 4 – Planned Agenda for the Audit and Risk Management Committee for 2020.**

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

- **Item 5 – Asset Valuation – Land, Buildings and Infrastructure Assets**

Recommendation: 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.

- **Item 6 – Audit and Risk Management Committee Charter**

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

- **Item 9 – Internal Audit Charter Review**

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

RECOMMENDATIONS FOR COUNCIL

- A. That the 2020 planned agenda for the Audit and Risk Management Committee be adopted.
 - B. 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.
 - C. That the Audit and Risk Management Committee Charter as detailed in Attachment 2 be adopted.
 - D. That the proposed Internal Audit Charter as detailed in Attachment 2 be adopted.
-

17. NEXT MEETING

The next meeting is scheduled for Wednesday, 12 February 2020.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 1.03 pm.

The meeting closed at 3.00 pm.
