



SCENIC RIM REGIONAL COUNCIL

Finance Committee

Agenda

Meeting to be held in the Council Chambers

82 Brisbane Street

Beaudesert

Tuesday, 19 May 2015

Commencing at 9.00 am

All correspondence to
Be addressed to the
Chief Executive Officer

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SCENIC RIM REGIONAL COUNCIL

FINANCE COMMITTEE

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FINANCE COMMITTEE

AGENDA

ATTENDANCE

Cr N O'Carroll, Chairperson
Cr J C Brent, Mayor
Cr N J Waistell
Cr V A West, Deputy Mayor
Cr J J Sanders
Cr R J Stanfield

APOLOGIES

Cr D A McInnes

DECLARATIONS OF INTEREST BY MEMBERS

Reception of Deputations by Appointment / Visitors

Please note: Agenda Items where Subject Headings are followed by [CLOSED] are to be discussed in closed session in accordance with Section 275(1) of the Local Government Regulation 2012.

Section 275(1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss-

- (a) the appointment, dismissal or discipline of employees; or
- (b) industrial matters, affecting employees; or
- (c) the local government's budget; or
- (d) rating concessions; or
- (e) contracts proposed to be made by it; or
- (f) starting or defending legal proceedings involving it; or
- (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
- (h) other business for which public discussion would be likely to prejudice the interests of local government or someone else, or enable a person to gain financial advantage.

1. EXECUTIVE

Nil.

2. CHIEF FINANCE OFFICER**2.1 Australian Local Government Association Financial Assistance Grants to Local Government**

Executive Officer: Chief Executive Officer

Item Author: Chief Finance Officer

File Reference: 15/04/010

Executive Summary

The Australian Local Government Association (ALGA) and Local Government Association of Queensland (LGAQ) have written to Council regarding the freezing of indexation of Financial Assistance Grants (FAGs), requesting Council to formally acknowledge the importance of these grants in assisting Council provide community infrastructure and services.

Previous Council Considerations / Resolutions

Not Applicable.

REPORT

FAGs are a vital part of the revenue base of all councils, and this year councils will receive \$2.3 billion from the Australian Government under this important program.

The Government's decision in the 2014 Federal Budget to freeze the indexation of FAGs for three years beginning in 2014-15 will unfortunately cost councils across Australia an estimated \$925 million by 2017-18.

The ALGA and LGAQ are seeking the support of Council for advocacy to have the Federal Government reverse the decision to freeze the indexation of FAGs. A copy of the advice from ALGA is contained at Attachment 1.

These organisations have written to Council requesting Council to pass a resolution:

1. Acknowledging the importance of federal funding through the Commonwealth's Financial Assistance Grant program for the continued delivery of Councils services and infrastructure;
2. Acknowledge that SRRC shall receive \$3,057,869 in 2014-15; and
3. Ensure that this federal funding, and other funding provided by the Federal Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in Council publications, including annual reports.

They are also requesting that Council acknowledge the receipt of Financial Assistance Grants from the Commonwealth in media releases and council publications, including its annual report.

Once a resolution has been passed, the ALGA is to be advised by emailing alga@alga.asn.au so that a national list can be compiled.

Strategic Implications

Community Plan

Theme: Open and responsive government
Outcome: Government is transparent, invites participation and encourages constructive debate
Priority: Streamlined, form and fair regulation of issues that matter with incentives for good practice

Corporate Plan / Operational Plan

Corporate Sustainability

Implement an integrated strategic planning framework across Council, which embeds performance, financial and asset management principles (including long term financial modelling and whole of life costing).

Budget Implications

The financial impact of the indexation freeze has reduced forecast income from operating grants by \$102k in 2015-16. Without indexation applied in the long term financial forecast Council is worse off over the life of the forecast by approximately \$4m.

Legal / Statutory Implications

Not Applicable.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

CF2

Adoption of unrealistic corporate objectives that are beyond the financial resources of the organisation to deliver.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Financial and Economic Failure to ensure impacts from freezing indexation are incorporated into long term financial forecasts	Minor	Likely	Medium	Revision of assumptions used in long term financial forecast for operating grants	Medium

Conclusion

The ALGA and LGAQ are seeking the support of Council for advocacy to have the Federal Government reverse the decision to freeze the indexation of FAGs.

Consultation

Not Applicable.

Chief Finance Officer's Recommendation**That:**

1. Council acknowledge the importance of federal funding through the Commonwealth's Financial Assistance Grant program for the continued delivery of Councils services and infrastructure;
2. Council acknowledge that SRRC shall receive \$3,057,869 in 2014-15; and
3. Council ensure that this federal funding, and other funding provided by the Federal Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in Council publications, including annual reports.

Attachments

1. Correspondence from ALGA and LGAQ.

Attachment 1 - Correspondence from ALGA and LGAQ



AUSTRALIAN LOCAL
GOVERNMENT ASSOCIATION



10 April 2015

Mayor John Brent
Scenic Rim Regional Council
PO Box 25
BEAUDESERT QLD 4285

SCENIC RIM REGIONAL COUNCIL		
File No:.....	15/04/010	
15 APR 2015		
Doc. Set No:.....	Cur	
Resp. Officer:.....	HENIA	
2.....	BARKC	3.....
	STDK	10
MAYOR		

Dear Mayor Brent

Financial Assistance Grants to Local Government

Local councils across Australia have recently received the third quarterly payment of Commonwealth Financial Assistance Grants (FAGs) to local government for this financial year. FAGs are an important untied payment to councils from the Australian Government which are invested in essential community infrastructure and services ranging from local roads and parks to swimming pools and libraries. Councils will receive \$2.3 billion from the Australian Government in 2014-15 under this important program.

ALGA welcomes the payment of FAGs to local government, and acknowledges the importance of this direct funding link between the Commonwealth and local government. However, it is also important that the level of funding provided to councils, the sphere of government closest to the community, is adequate to ensure infrastructure and services are provided at a reasonable level in all communities.

FAGs funding is not currently keeping pace with demand for services and infrastructure in local communities, and the freeze of indexation will worsen this. Freezing FAGs at their current level until 2017-18 will result in a permanent reduction in the FAGs base by 13%.

ALGA, in its 2015 Federal Budget submission, has called for FAGs indexation to be restored immediately and for the Federal Government to consider the adequacy of the quantum of FAGs and the indexation methodology in the future.

While the FAGs are paid through each state's Local Government Grants Commission, the funding originates with the Commonwealth and it is important it is recognised as such. We are asking your council, and every other council in Australia, to pass a resolution acknowledging the importance of the Commonwealth's Financial Assistance Grants in assisting councils to provide important community infrastructure. We are also asking councils to acknowledge the receipt of Financial Assistance Grants from the Commonwealth in media releases and council publications, including your annual report.

The FAGs are paid quarterly and it would help to illustrate the importance and impact of the grants if councils identified an individual project of a similar size to their annual or quarterly FAGs payment and highlighted this to the media and your local Federal Member and Senator in a positive story on the grant funds.

Falling levels of Financial Assistance Grants threaten the provision of important services in all local communities. The financial sustainability of local government is of utmost importance for our communities, and we urge you to support the campaign to maintain Financial Assistance Grants and restore indexation of the grants by passing a resolution similar to draft resolution attached. Once your council has passed this resolution, please advise ALGA by emailing alga@alga.asn.au. This will allow us to compile a national list.

Full details on FAGs payments for the current financial year are available on the Department of Infrastructure and Regional Development website at www.regional.gov.au/local/assistance.

Thank you for your commitment to the local government sector and your assistance in our campaign to restore the indexation of Financial Assistance Grants.

Yours sincerely



Mayor Troy Pickard
President
Australian Local Government Association



Cr Margaret de Wit
President
Local Government Association of
Queensland

Attachment**Council Resolution**

That the Council:

- 1. Acknowledges the importance of federal funding through the Financial Assistance Grants program for the continued delivery of councils services and infrastructure;*
- 2. Acknowledges that the council will receive \$X.Y million in 2014 - 15; and*
- 3. Will ensure that this federal funding, and other funding provided by the Federal Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in council publications, including annual reports.*

Rationale

FAGs are a vital part of the revenue base of all councils, and this year councils will receive \$2.3 billion from the Australian Government under this important program.

The Government's decision in the 2014 Federal Budget to freeze the indexation of FAGs for three years beginning in 2014-15 will unfortunately cost councils across Australia an estimated \$925 million by 2017-18.

ALGA and the state local government associations are seeking the support of Council for advocacy to have the Federal Government reverse the decision to freeze the indexation of FAGs.

While the FAGs are paid through each state's Local Government Grants Commission, the funding originates with the Commonwealth and it is important it is recognised as such. Council, and every other council in Australia, have been asked to pass a resolution acknowledging the importance of the Commonwealth's Financial Assistance Grants in assisting Council to provide important community infrastructure.

Council is also being asked to acknowledge the receipt of Financial Assistance Grants from the Commonwealth in media releases and council publications, including our annual report and to highlight to the media a council project costing a similar size to the FAGs received by Council so that the importance and impact of the grants can be more broadly appreciated.

2.2 Emergency Management Levy Audit

Executive Officer: Chief Finance Officer

Item Author: Chief Finance Officer

File Reference: 25/02/001

Executive Summary

The purpose of this report is to provide Council with advice received from the Public Safety Business Agency on the recent Emergency Management Levy audit.

Previous Council Considerations / Resolutions

Not Applicable

REPORT

Council has received the advice contained at Attachment 1 from the Public Safety Business Agency regarding the recent audit conducted on the implementation of the Emergency Management Levy.

The audit found that Council was correctly classifying properties and applying the levy in accordance with the guidelines.

Strategic Implications

Community Plan

Theme: Open and Responsive Government
Outcome: Government services and supports the community
Priority: Understanding community expectations, delivering services that meet these and government leading by example.

Corporate Plan / Operational Plan

Organisational Sustainability

Implement effective risk management and maintain contemporary business processes.

Budget Implications

Not Applicable.

Legal / Statutory Implications

The Emergency Management Levy is enacted through the *Fire and Emergency Services Act 1990*.

*Risks*Strategic Risks

The following Level 1 and Level 2 (strategic) risks are relevant to the matters considered in this report:

CF6 - Failure to comply with statutory obligations and responsibilities.

Risk Assessment

Category	Consequence	Likelihood	Inherent Risk Rating	Treatment of risks	Residual Risk Rating
Legal Compliance and Liability Failure to ensure the EML is applied correctly	Minor	Likely	Medium	Rating records are updated with changes resulting from land use code changes and splits	Low

Conclusion

A recent audit by the Public Safety Business Agency found that Council was applying the Emergency Management Levy correctly.

Consultation

Not Applicable.

Chief Finance Officer's Recommendation

That Council note the advice from the Public Safety Business Agency.

Attachments

1. Correspondence received from the Public Safety Business Agency.

Attachment 1 - Correspondence received from the Public Safety Business Agency



Queensland
Government

Public Safety
Business Agency

Ph: 07 3635 3041
Our Ref: Internal Controlled Self-Assessment

20 April 2015

Attn: Chief Executive Officer
Scenic Rim Regional Council
PO Box 25
BEAUDESERT QLD 4285

SCENIC RIM REGIONAL COUNCIL	
File No:	25/02/001
27 APR 2015	
Doc. Set No:	
Resp. Officer:	RATES
2.	BARRC
3.	3
	5.

Dear CEO

I refer to our correspondence dated 21 January, 2015 regarding the Emergency Management Levy (EML) Internal Control Self-Assessment (ICSA) auditing of council's administration of the EML.

With the introduction of the EML in your area and the brief time your council had to apply the levy to all properties in your shire, it was found that the EML is being administered well by Scenic Rim Regional Council (SRRC). Properties are, in general, being correctly classified and the EML ICSA has now been finalised. I would like to commend the work you and your staff have achieved in implementing the EML.

I would like to thank you and your rates officers sincerely for the professional conduct and prompt assistance provided to me during this audit process.

Queensland Fire and Emergency Services staff appreciates and look forward to continuing the good business relationship it shares with SRRC.

Should you have any queries, please contact Mr Jason Smith, Senior Levy Officer directly on (07) 3635 3041.

Yours sincerely,

Lucia La Spina
Executive Manager
Levy Management Unit
PSBA

Creating a safer Queensland
Emergency Services Complex
125 Kedron Park Road Kedron
Queensland 4031 Australia
Telephone 13 74 68
Website www.psba.qld.gov.au
ABN 19 823 962 345

2.3 Queensland Urban Utilities Debt Prepayment Notification [Closed s.275(1)(h)]**Executive Officer: Chief Executive Officer****Item Author: Chief Finance Officer****File Reference: 12/11/002**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(h) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

2.4 2015-16 Budget Policies [Closed s.275(1)(c)]**Executive Officer: Chief Executive Officer****Item Author: Chief Finance Officer****File Reference: 12/13/002; 12/06/001**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(c) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (c) the local government's budget.

2.5 2014-15 Third Quarter Budget Review [Closed s.275(1)(c)]**Executive Officer: Chief Finance Officer****Item Author: Chief Finance Officer****File Reference: 12/06/004**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(c) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (c) the local government's budget.

3. REGIONAL SERVICES**3.1 Audit and Risk Committee Policy and Procedures****Executive Officer: Director Regional Services****Item Author: Coordinator Governance and Corporate Policy****File Reference: 04/03/001**

Executive Summary

It is proposed that Council adopt minor amendments to its Audit and Risk Committee Policy as outlined below.

Previous Council Considerations / Resolutions

Not Applicable.

REPORT

Chapter 8 Part 2 (ie. ss.255-277) of the Local Government Regulation 2012 provides for the operation of Local Government Meetings and Committees. Chapter 5 Part 11 Subsection 2 (ie. ss.208-211) of this Regulation provides for the composition and operation of Audit Committees.

Confirmation has recently been received that meetings of Audit Committees are not subject to the provisions of Chapter 8 Part 2 of the Regulation. As such, Council's Audit and Risk Committee is not subject to sections 274 and 275, which provide as follows:

274 Meetings in public unless otherwise resolved

A meeting is open to the public unless the local government or committee has resolved that the meeting is to be closed under section 275.

275 Closed meetings

- (1) A local government or committee may resolve that a meeting be closed to the public if its councillors or members consider it necessary to close the meeting to discuss—
 - (a) the appointment, dismissal or discipline of employees; or
 - (b) industrial matters affecting employees; or
 - (c) the local government's budget; or
 - (d) rating concessions; or
 - (e) contracts proposed to be made by it; or
 - (f) starting or defending legal proceedings involving the local government; or
 - (g) any action to be taken by the local government under the Planning Act, including deciding applications made to it under that Act; or
 - (h) other business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage.

- (2) A resolution that a meeting be closed must state the nature of the matters to be considered while the meeting is closed.
- (3) A local government or committee must not make a resolution (other than a procedural resolution) in a closed meeting.

As the conduct of meetings of Audit Committees is effectively regulated only by the provisions of Chapter 5 Part 11 Subsection 2 of the Regulation and any applicable Council policies, the Audit and Risk Committee will be advised that it is not required to adhere to the provisions of sections 274 and 275 of that Regulation. To put this matter beyond doubt, it is proposed that the following statement be inserted in the Audit and Risk Committee Policy:

Audit meetings are held 'in camera', which means they are closed to the public and reports to and by the Committee are not publicly available.

The policy is scheduled for its next review by 30 June 2016 and it is proposed that this date be extended to 31 December 2016 to allow the incoming Council additional time to become acquainted with the Committee's functions prior to review. The following other items in the policy require attention:

- Corporate Plan references relate to the superseded plan; and
- Reference on Page 6 to the position of Director Corporate Services.

An updated version of the policy with the proposed amendments highlighted is attached.

Strategic Implications

Community Plan

Not applicable.

Corporate Plan / Operational Plan

Organisational Sustainability: Implement effective risk management and maintain contemporary business processes.

Budget Implications

Not Applicable.

Legal / Statutory Implications

Nil.

Risks

Not Applicable.

Conclusion

It is considered that these changes will eliminate unnecessary red tape at meetings of the Audit and Risk Committee.

Consultation

Staff have liaised with Council's legal advisors regarding this matter.

Director's Recommendation

That the amended Council Policy: Audit and Risk Committee be adopted.

Attachments

1. Council Policy: Audit and Risk Committee (with proposed amendments highlighted).

Attachment 1 - Council Policy: Audit and Risk Committee (with proposed amendments highlighted)

CORPORATE MANAGEMENT
GOVERNANCE
Policy Number: CM03.03CP



COUNCIL POLICY: AUDIT AND RISK COMMITTEE

Date Adopted:	29 July 2008
Committee Reference:	Ordinary Meeting; 29 July 2008; Item No. 5.4
Date Amended:	23 November 2010; 26 June 2012; 27 August 2013
Contact officer:	Coordinator Governance and Corporate Policy
Next review date:	30 December 2016
File Reference:	04/03/001; 04/13/005; 04/15/004
Related Policies/Local Laws/Legislation:	<p>Local Government Act 2009</p> <p>Local Government Regulation 2012</p> <p>Financial Accountability Act 2009</p> <p>Financial and Performance Management Standard 2009</p> <p>Internal Audit Policy</p> <p>Council Policy: Risk Management</p>
Related Documents:	<p>Audit Committee Guidelines; Improving Accountability and Performance December 2009 published by Queensland Treasury</p> <p>Scenic Rim Regional Council Enterprise Risk Management Guidelines</p>

OBJECTIVES

The objective of this policy is to provide a framework for an Audit and Risk Committee to oversee the efficient and effective management of Council's operations.

Key Result Area/s	<p>Organisational Sustainability</p> <p>Council strives to be a high performing and financially sustainable organisation with robust governance structures based on the principles of risk management and continuous improvement. We offer a safe, positive work environment, value and reward our staff and are committed to providing ongoing development and training</p>
Goal/s	<p>Implement effective risk management and maintain contemporary business processes.</p>

POLICY STATEMENT

Council acknowledges its obligations as a public entity to ensure effective fiduciary control of its operations. Council has also committed in its corporate plan to the continuous improvement of its systems and processes and to the adoption of a risk management approach to its operations.

To provide professional oversight of the internal and internal audit functions the Audit and Risk Committee will perform the statutory functions of an Audit Committee as well as monitor the performance of Council's Risk Management systems. Full responsibilities of the Audit and Risk Committee are detailed in the attached Terms of Reference.

SCOPE

This policy and the attached Terms of Reference apply to Scenic Rim Regional Council elected members, staff and external representatives appointed to the Committee.

DEFINITIONS

The statutory functions of an **Audit Committee** (per Section 211(b) of the *Local Government Regulation 2012*) are to review each of the following matters-

- (i) the internal audit plan for the internal audit for the current financial year; and
- (ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
- (iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212; and
- (iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year.

To remove any doubt, the Audit and Risk Committee is not a Committee of Council for the purposes of Chapter 8 Part 2 of the *Local Government Regulation 2012*.

RESPONSIBILITIES

Policy Author	Coordinator Governance and Corporate Policy
Policy Owner	Chief Executive Officer
Guidelines and procedures	Coordinator Governance and Corporate Policy

Approved By:

SCENIC RIM REGIONAL COUNCIL
26 June 2012

AUDIT AND RISK COMMITTEE POLICY ATTACHMENT - TERMS OF REFERENCE

1. INTRODUCTION

Section 35 of the *Financial and Performance Management Standard 2009* requires that where an audit committee is established, the accountable officer or statutory body must prepare terms of reference.

2. OBJECTIVES

- 2.1 The Audit and Risk Committee is established to achieve the following outcomes:
- To provide Council with assurance that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
 - To provide an independent review of Council's reporting functions to ensure the integrity of financial reports.
 - To provide strong and effective oversight of the internal audit function.
 - To provide oversight of the implementation of accepted audit recommendations.
 - To ensure that Council effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

3. MEMBERSHIP

- 3.1 The Audit and Risk Committee will be comprised of two external independent members, the Mayor (or Proxy), and one other Councillor appointed by Council to that role. The Chairperson shall be an external member.
- 3.2 External independent members will have senior business or financial management/reporting knowledge and experience, and be conversant with financial and other reporting requirements. At least one member of the Committee will ideally have substantial experience in the public sector.
- 3.3 Expressions of Interest will be invited for appointment as external members of the Committee and to fill any casual vacancies for those positions which may arise during the term of the Committee. Nominations received will be reviewed by the Mayor, Deputy Mayor and Chief Executive Officer. Where appropriate a shortlist of not more than 5 candidates may be prepared for Council's consideration, via a merit-based process. Appointments shall be made by Council resolution.
- 3.4 Appointment of the members will be for the life of the current Council.
- 3.5 If the Council proposes to remove a member of the Committee, it shall give written notice to the members of its intention to do so and, if that member so requests, provide the member with the opportunity to be heard.
- 3.6 External representatives will be remunerated for preparation for and attendance at Audit and Risk Committee meetings at a rate fixed by Council from time to time.

4. MEETINGS

- 4.1 The Audit and Risk Committee will conduct its operations at formal meetings to be held a minimum of 2 times in each financial year. An additional meeting to specifically consider a draft of the general purpose financial statement for the preceding financial year before the statements are certified and given to the

auditor-general under section 212 of the *Local Government Regulation 2012* may also be scheduled.

- 4.2 The Coordinator Governance and Corporate Policy will convene these meetings when requested by the Committee Chairperson and at such other times which are deemed to be appropriate to the conduct of Committee business and convenient to the members of the Committee.
- 4.3 At meetings, all members shall have full voting rights. The quorum for meetings of the committee is two (2) members.
- 4.4 All Committee Meetings shall be held during Council Business Hours in the Council Chambers of Council's Public Office, 82 Brisbane Street, Beaudesert.
- 4.5 In addition to Committee Members, the following persons shall be invited to attend all Committee meetings as observers:
 - The Internal Auditor
 - The person appointed by Queensland Audit Officer to conduct the External Audit for the current year.
 - The Chief Executive Officer and other Executive Officers of Council
 - The Coordinator Governance and Corporate Policy
 - The Chief Financial Officer
 - Councillors who are not members of the Committee
- 4.6 The Committee may determine that any or all observers should be excluded from a particular meeting or part of meeting during consideration of a particular agenda item.
- 4.7 To remove any doubt, the Audit and Risk Committee is not a Committee of Council for the purposes of Chapter 8 Part 2 of the *Local Government Regulation 2012* and its meetings are not open to the public. Audit meetings are held 'in camera', which means they are closed to the public and reports to and by the Committee are not publicly available.

5. ROLE AND AUTHORITY

- 5.1 The Audit and Risk Committee is appointed by, and is responsible to, Council. The Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated authority. It does not have any management function and is therefore independent of management.
- 5.2 At its meetings the Committee will consider reports supplied regarding the following matters:
 - The internal audit plan for the internal audit for the current financial year
 - The internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate
 - A draft of the local government's general purpose financial statement for the preceding financial year before the statement is certified and given to the auditor-general under section 212 of the *Local Government Regulation 2012*
 - The auditor-general's report about the local government's general purpose financial statement for the preceding financial year
 - The performance of the organisation in managing financial and non-financial risks

- 5.3 The Executive Office may provide a secretarial function to the Audit and Risk Committee. The CEO shall circulate the agenda, supported by explanatory documentation, to the Audit and Risk Committee members, and the External Auditors at least three (3) days before the meeting. Auditors are invited to contribute items for the Agenda.
- 5.4 All information supplied by Council and its officers for consideration at Committee meetings must be treated as being confidential to the local government (refer sections 171, 171A and 200 of the *Local Government Act 2009*).
- 5.5 The Committee will have the right to request from management independent professional advice when considered necessary and obtain information from management and to consult directly with the auditors. However the Committee has no power to direct Council staff in the performance of their duties.

6. MEETING OUTCOMES

- 6.1 A report of the outcomes of each meeting will be prepared for endorsement by the Committee Chairperson and distributed to Committee members, within one week after the meeting.
- 6.2 The Chief Executive Officer will provide a report to the next available Ordinary Meeting of Council about the matters reviewed at the meeting and the Committee's recommendations about those matters. Where requested by Council, the Committee Chairperson will provide it with further information regarding those recommendations.
- 6.3 The Committee shall report annually to the Council summarising the activities of the Committee during the previous financial year. The Chairperson shall be in attendance to speak to the report.

7. REVIEW RESPONSIBILITIES

In addition to responsibilities conferred by Chapter 5, Part 11, Subdivision 2 of the *Local Government Regulation 2012*, the duties and responsibilities of the Audit and Risk Committee include, but are not necessarily limited to, the following:

- 7.1 Corporate Governance and Control:
 - 7.1.1 Review and monitor the risk exposure of Council by determining if management has appropriate risk management, structure, controls, processes and adequate management information systems.
 - 7.1.2 Review audit risk assessments and projects.
 - 7.1.3 Review and recommend all significant changes to financial management policies
 - 7.1.4 Monitor compliance with important regulations relevant to Council's activities including statutory regulations for Council's subsidiaries.
 - 7.1.5 Initiate special projects or investigations on any matter within its Terms of Reference or such other functions as assigned by Council or by the *Local Government Act 2009* or *Finance and Performance Management Standard 2009*.
 - 7.1.6 Review and provide advice to Council on proposed changes to the Audit and Risk Committee's Terms of Reference at least every 4 years.

- 7.1.7 Review processes and probity associated with significant procurement activities.
- 7.1.8 Review Council's draft annual financial statements for accuracy, completeness and timeliness.
- 7.2 External Audit – QLD Auditor General:
- 7.2.1 At the completion of the interim and final external audits the Audit and Risk Committee shall meet to review the interim and final draft financial statements and the interim and final draft management letters focusing on:
- Significant changes in financial management policies and practices.
 - Major judgmental areas.
 - Significant audit adjustments.
 - Proposed departures from accounting standards.
 - Council management comments reflected in the draft management letters.
 - To enquire from the External Auditors if there have been any significant disagreements with management irrespective of whether or not these have been resolved.
- The responsible **Chief Financial Officer Director Corporate Services** or delegates shall attend such meeting.
- 7.2.2 Prior to the commencement of an audit by the External Auditors the Audit and Risk Committee should meet with them and review the scope of the proposed audit, as described in the Queensland Audit Office' annual Client Service Plan.
- 7.2.3 Review management responses to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.
- 7.2.4 Monitor the extent of reliance on Internal Audit work by the External Auditors to ensure completeness of coverage and the effective use of audit resources.
- 7.3. Internal Audit:
- 7.3.1 Review the Internal Audit Charter and any subsequent amendments and recommend for approval.
- 7.3.2 Review internal audit draft and/or final reports and findings.
- 7.3.3 Review and recommend approval of the Three (3) Year and Annual Internal Audit Plans, and the associated financial budget for the internal audit function.
- 7.3.4 Monitor the progress of the Internal Audit Annual Plan and review all recommendations in audits completed and review management's implementation of such recommendations.
- 7.3.5 Ascertain that the activities undertaken by Internal Audit are in accordance with the Internal Audit Charter.
- 7.3.6 Monitor whether Internal Audit is receiving the cooperation of all levels of management.

- 7.3.7 Monitor Internal Audit's performance.
- 7.3.8 Review the Internal Audit Charter to ensure it remains relevant to the operations of the Council.

Approved By:

SCENIC RIM REGIONAL COUNCIL
26 June 2012

4. INFRASTRUCTURE SERVICES**4.1 Tender for Supply of Security Services [Closed s.275(1)(e)]****Executive Officer: Director Infrastructure Services****Item Author: Coordinator Facilities****File Reference: 12/18/008**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.

**4.2 Tender for Supply of On-Call Plumbing Services 2015-2017
[Closed s.275(1)(e)]****Executive Officer: Director Infrastructure Services****Item Author: Facilities Coordinator****File Reference: 12/18/008; SRRC004467**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.

4.3 Tender for Cleaning of Council Premises 2015-2017 [Closed s.275(1)(e)]**Executive Officer: Director Infrastructure Services****Item Author: Coordinator Facilities****File Reference: 12/18/008; SRR004466**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.

4.4 Tender for Provision of Gravedigging/Backfilling Services [Closed s.275(1)(e)]**Executive Officer: Director Infrastructure Services****Item Author: Manager Property and Operations****File Reference: 24/05/001, SRRC004485**

Reason for Confidentiality

This report is **CONFIDENTIAL** in accordance with Section 275(1)(e) of the Local Government Regulation 2012, which permits the meeting to be closed to the public for business relating to the following: -

- (e) contracts proposed to be made by it.