



SCENIC RIM REGIONAL COUNCIL

Finance Committee

Report

Meeting held in the Council Chambers

82 Brisbane Street

Beaudesert

Tuesday, 19 May 2015

Commenced at 9.00 am

All correspondence to
Be addressed to the
Chief Executive Officer

Scenic Rim Regional Council
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SCENIC RIM REGIONAL COUNCIL

FINANCE COMMITTEE

REPORT CONTENTS

ITEM	SUBJECT	PAGE NO
CHIEF EXECUTIVE OFFICER.....		1
ATTENDANCE		1
APOLOGIES.....		1
DECLARATIONS OF INTEREST BY MEMBERS.....		1
1. EXECUTIVE.....		3
2. CHIEF FINANCE OFFICER		3
2.1	Australian Local Government Association Financial Assistance Grants to Local Government	3
2.2	Emergency Management Levy Audit	7
2.3	Queensland Urban Utilities Debt Prepayment Notification [Closed s.275(1)(h)]	9
2.4	2015-16 Budget Policies [Closed s.275(1)(c)]	10
2.5	2014-15 Third Quarter Budget Review [Closed s.275(1)(c)].....	11
3. REGIONAL SERVICES		29
3.1	Audit and Risk Committee Policy and Procedures	29
4. INFRASTRUCTURE SERVICES		37
4.1	Tender for Supply of Security Services [Closed s.275(1)(e)]	37
4.2	Tender for Supply of On-Call Plumbing Services 2015-2017 [Closed s.275(1)(e)]	38
4.3	Tender for Cleaning of Council Premises 2015-2017 [Closed s.275(1)(e)]	39
4.4	Tender for Provision of Gravedigging/Backfilling Services [Closed s.275(1)(e)]	40

FINANCE COMMITTEE REPORT

CHIEF EXECUTIVE OFFICER

I advise that the Committee met on **Tuesday, 19 May 2015**. Councillors present:

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

ATTENDANCE

Executive Officers

C R Barke, Chief Executive Officer
P A Murphy, Director Infrastructure Services
A M Magner, Director Regional Services
K Stidworthy, Chief Finance Officer

APOLOGIES

Cr D A McInnes

DECLARATIONS OF INTEREST BY MEMBERS

Nil

The following Officers attended the meeting and joined discussions on the items listed.

H Dunne, Manager Property & Operations (Items 4.1 - 4.4)

Reception of Deputations by Appointment / Visitors

Nil

FINANCE COMMITTEE REPORT

Please note: The Committee resolved to go into closed session in accordance with the provisions of s.275 of the Local Government Regulation 2012 to discuss the items of business indicated as closed in the Committee Report.

At the conclusion of these items, the Committee resolved to resume in open session. The Committee's recommendation on each item, discussed in closed session, is as detailed at the end of each item in the Report.

1. EXECUTIVE

Nil.

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

Executive Officer: Chief Executive Officer

File Reference: 15/04/010

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.

Committee Recommendation

That the Chief Executive Officer's recommendation be adopted.

Moved: Cr Brent

Seconded: Cr Stanfield

Carried

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:.....	HEWIA
2. BARKC	3. STIDK
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.

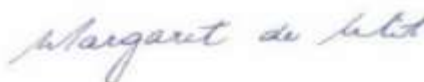
Full details on FAGs payments for the current financial year are available on the Department of Infrastructure and Regional Development website at www.regional.gov.au/local/assistance.

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

File Reference: 25/02/001

Chief Finance Officer's Recommendation

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

Committee Recommendation

That the Chief Executive Officer's recommendation be adopted.

Moved: Cr Sanders

Seconded: Cr West

Carried

Attachments

1. Correspondence received from the Public Safety Business Agency.

Attachment 1 - Correspondence received from the Public Safety Business Agency

Queensland
GovernmentPublic Safety
Business AgencyPh: 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. BARKC 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
PSBACreating 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****File Reference: 12/11/002**

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

Chief Finance Officer's Recommendation

That Council note this report for information.

Committee Recommendation

That the Chief Finance Officer's recommendation be adopted.

Moved: Cr Waistell

Seconded: Cr West

Carried

Attachments

Nil.

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

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

Chief Finance Officer's Recommendation

That Council note this report for information.

Committee Recommendation

That the Chief Finance Officer's recommendation be adopted.

Moved: Cr Waistell

Seconded: Cr West

Carried

Attachments

Nil.

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

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

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

1. Council approve the budget adjustments as contained in the 2014-15 third quarter budget review; and
2. The attached report be made public following the Committee discussions.

Committee Recommendation

That the Chief Finance Officer's recommendation be adopted.

Moved: Cr Waistell

Seconded: Cr West

Carried

Attachments

1. 2014-15 Third Quarter Budget Review.

Attachment 1 - 2014-15 Third Quarter Budget Review



Budget Review

Scenic Rim Regional Council

March 2015

REPORT TO COUNCIL

FINANCIAL
STATEMENTS

Page 1 of 16

Budget Financial Statements

Description	2014/15		2014/15		2014/15		2014/15		2014/15		Yr 3	
	Orig Budget	Orig Budget + CF	Budget Review 1	Budget Review 2	Budget Review 3	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
STATEMENT OF COMPREHENSIVE INCOME												
Income												
Recurrent Revenue												
Net Rates and Utility Charges	\$41,594,300	\$41,594,300	\$41,594,300	\$41,594,300	\$41,594,300	\$43,757,204	\$46,470,150	\$0				
Fees and Charges	\$3,921,750	\$3,921,750	\$3,921,750	\$4,196,750	\$4,196,750	\$4,125,081	\$4,340,217	\$0				
Interest Received	\$1,748,000	\$1,748,000	\$1,748,000	\$1,848,000	\$1,848,000	\$1,748,000	\$1,748,000	\$0				
Recoverable Works	\$3,739,000	\$3,739,000	\$3,968,000	\$3,968,000	\$3,968,000	\$3,851,170	\$3,966,705	\$0				
Operating Grants, Subsidies, Contributions	\$3,225,733	\$3,225,733	\$3,255,733	\$3,284,247	\$3,375,555	\$3,322,370	\$3,421,906	\$81,308	1			
Share of profits of associates	\$1,263,000	\$1,263,000	\$1,263,000	\$1,263,000	\$1,263,000	\$1,701,000	\$1,707,000	\$0				
Other Revenue	\$1,990,300	\$1,990,300	\$2,000,300	\$1,953,300	\$1,995,300	\$2,087,109	\$2,136,232	\$42,000	2			
	\$57,482,083	\$57,482,083	\$57,751,083	\$58,117,597	\$58,240,905	\$60,592,534	\$63,790,210	\$123,308				
Capital Income												
Contributions from Developers	\$1,592,000	\$1,592,000	\$1,592,000	\$1,592,000	\$1,592,000	\$1,640,000	\$2,186,000	\$0				
Capital Grants, Subsidies, Contributions	\$45,320,000	\$47,985,432	\$48,483,587	\$31,790,441	\$31,790,441	\$1,304,000	\$1,343,000	\$0				
	\$46,912,000	\$49,577,432	\$50,075,587	\$33,382,441	\$33,382,441	\$2,944,000	\$3,529,000	\$0				
INCOME	\$104,394,083	\$107,059,515	\$107,826,670	\$91,500,038	\$91,623,346	\$63,536,534	\$67,319,210	\$123,308				
Expenditure												
Employee Expenses	\$25,020,785	\$25,020,785	\$25,133,485	\$25,510,799	\$25,552,409	\$25,683,836	\$26,364,457	\$41,610	3			
Materials and Services	\$18,058,802	\$18,122,597	\$18,398,650	\$17,297,307	\$17,268,807	\$18,417,938	\$18,970,476	(\$10,500)	4			
Finance Costs	\$835,000	\$835,000	\$835,000	\$835,000	\$835,000	\$998,252	\$1,157,300	\$0				
Depreciation, Amortisation and Impairment	\$11,225,000	\$11,225,000	\$11,225,000	\$11,225,000	\$11,225,000	\$12,123,000	\$13,082,840	\$0				
EXPENDITURE	\$55,137,587	\$55,203,382	\$55,592,135	\$54,868,106	\$54,899,216	\$57,223,026	\$59,585,074	\$31,110				
NET SURPLUS / (DEFICIT)	\$49,256,496	\$51,856,133	\$52,234,535	\$36,631,932	\$36,724,130	\$6,313,508	\$7,734,136	\$92,198				
Operating Revenue (Recurrent Revenue)	\$57,482,083	\$57,482,083	\$57,751,083	\$58,117,597	\$58,240,905	\$60,592,534	\$63,790,210	\$123,308				
Operating Expenses (Recurrent Expenses)	\$55,137,587	\$55,203,382	\$55,592,135	\$54,868,106	\$54,899,216	\$57,223,026	\$59,585,074	\$31,110				
Operating Result (Recurrent Result)	\$2,344,496	\$2,278,701	\$2,158,948	\$3,249,491	\$3,341,689	\$3,369,508	\$4,205,136	\$92,198				

Budget Financial Statements									
Description	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast	Movement BR2 -> BR3	Note

Comments

Note 1 - Operating Grants, Subsidies, Contributions - State Library of Queensland contribution to the indigenous mentorship project \$5k;
State Government grant through State Library of Qld for the Best Start Initiative \$36k, 2015 Community Drought Support funding \$40k

Note 2 - Other Revenue - Increase in fuel rebates \$42k

Note 3 - Employee Expenses - Increase due to Best Initiative / Indigenous Mentorship funding (\$41k)

Note 4 - Movement in materials and services due to :

~ Works/Facilities - Transfer \$11k to capital to fund depot facilities for outdoor workforce

~ Fleet - Reduction in sales commission expenses \$17k

~ Property - Transfer to capital for purchase of land - Mumbilla \$22k

~ Community Development - 2015 Community drought support (funded via grant) (\$40k)

Budget Financial Statements

Description	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast	Movement BR2 -> BR3	Note
STATEMENT OF FINANCIAL POSITION									
Current Asset									
Cash	\$16,998,500	\$15,353,373	\$15,235,948	\$14,901,210	\$14,892,208	\$14,380,228	\$14,186,619	(\$9,002)	5
Receivables	\$5,313,000	\$5,563,000	\$5,563,000	\$5,563,000	\$5,563,000	\$5,563,000	\$5,563,000	\$0	
Inventories	\$614,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$0	
Other	\$301,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$0	
	\$23,226,500	\$22,516,373	\$22,398,948	\$22,064,210	\$22,055,208	\$21,543,228	\$21,349,619	(\$9,002)	
Non-Current Asset									
Receivables	\$14,676,000	\$14,676,000	\$14,676,000	\$14,676,000	\$14,676,000	\$14,676,000	\$14,676,000	\$0	
Other Financial Assets	\$31,462,000	\$31,407,024	\$31,407,024	\$31,407,024	\$31,407,024	\$32,386,024	\$33,388,024	\$0	
Property, Plant and Equipment	\$809,017,500	\$760,941,958	\$761,437,785	\$746,169,920	\$745,271,120	\$771,897,149	\$797,032,295	\$101,200	6
	\$855,155,500	\$807,024,982	\$807,520,809	\$792,252,944	\$792,354,144	\$818,959,173	\$845,096,319	\$101,200	
TOTAL ASSETS	\$878,382,000	\$829,541,355	\$829,919,757	\$814,317,154	\$814,409,352	\$840,502,401	\$866,445,938	\$92,196	
Current Liability									
Trade and Other Payables	\$3,854,000	\$4,434,645	\$4,434,645	\$4,434,645	\$4,434,645	\$4,434,645	\$4,434,645	\$0	
Employee Benefits	\$3,087,000	\$3,290,000	\$8,707,000	\$8,707,000	\$8,707,000	\$8,707,000	\$8,707,000	\$0	
Borrowings	\$672,000	\$672,000	\$672,000	\$672,000	\$672,000	\$672,491	\$836,585	\$0	
	\$7,613,000	\$8,396,645	\$13,813,645	\$13,813,645	\$13,813,645	\$13,814,136	\$13,978,230	\$0	
Non-Current Liability									
Employee Benefits	\$6,806,000	\$6,142,000	\$725,000	\$725,000	\$725,000	\$725,000	\$725,000	\$0	
Borrowings	\$17,264,000	\$17,247,556	\$17,247,556	\$17,247,556	\$17,247,556	\$20,674,575	\$22,043,895	\$0	
Provisions	\$4,737,000	\$3,332,000	\$3,332,000	\$3,332,000	\$3,332,000	\$3,332,000	\$3,332,000	\$0	
	\$28,607,000	\$26,721,556	\$21,304,556	\$21,304,556	\$21,304,556	\$24,731,575	\$26,100,895	\$0	
TOTAL LIABILITIES	\$36,220,000	\$35,118,201	\$35,118,201	\$35,118,201	\$35,118,201	\$38,545,711	\$40,079,126	\$0	
NET ASSETS	\$842,162,000	\$794,423,154	\$794,801,556	\$779,198,953	\$779,291,151	\$801,956,690	\$826,366,812	\$92,198	

Budget Financial Statements									
Description	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast	Movement BR2 -> BR3	Note
Equity									
Accumulated Surplus	\$563,417,000	\$561,181,729	\$561,580,131	\$545,957,528	\$548,049,726	\$552,271,036	\$560,005,173	\$92,198	
Asset Revaluation Surplus	\$278,745,000	\$233,241,425	\$233,241,425	\$233,241,425	\$233,241,425	\$249,685,654	\$266,361,639	\$0	
NET COMMUNITY EQUITY	\$842,162,000	\$794,423,154	\$794,801,556	\$779,198,953	\$779,291,151	\$801,956,690	\$826,366,812	\$92,198	

Note 5 - Refer statement of cash flows

Note 6 - Movement in capital budget as per Detailed Capital Budget Review Amendments report

Budget Financial Statements									
Description	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast	Movement BR2 -> BR3	Note
STATEMENT OF CASH FLOWS									
Cashflows from operating activities									
Receipts									
Receipts from customers	\$52,470,000	\$54,646,918	\$54,885,918	\$55,113,918	\$55,155,918	\$53,821,164	\$56,913,304	\$42,000	1
Interest Received	\$1,700,000	\$1,748,000	\$1,748,000	\$1,848,000	\$1,848,000	\$1,748,000	\$1,748,000	\$0	
Operating Grants, Subsidies, Contributions	\$3,226,000	\$3,225,733	\$3,235,733	\$3,294,247	\$3,375,555	\$3,322,370	\$3,421,906	\$81,308	2
Payments									
Payments to employees and suppliers	(\$44,273,000)	(\$45,144,180)	(\$45,532,933)	(\$44,808,904)	(\$44,840,014)	(\$44,101,774)	(\$45,334,934)	(\$31,110)	3,4
Finance Costs	(\$835,000)	(\$835,000)	(\$835,000)	(\$835,000)	(\$835,000)	(\$998,252)	(\$1,157,300)	\$0	
Cash flow from investing activities									
Proceeds from sale of property, plant and equip	\$1,161,000	\$1,371,000	\$1,371,000	\$1,371,000	\$1,289,000	\$1,354,000	\$805,000	(\$103,000)	6
Capital Grants, Subsidies, Contributions	\$46,912,000	\$54,363,338	\$54,861,493	\$38,168,347	\$38,168,347	\$2,944,000	\$3,529,000	\$0	
Dividends received from associate	\$560,000	\$560,000	\$560,000	\$560,000	\$560,000	\$722,000	\$705,000	\$0	
Payments for property, plant and equipment	(\$64,445,500)	(\$72,312,616)	(\$72,808,443)	(\$57,540,578)	(\$57,538,778)	(\$22,760,000)	(\$22,367,000)	\$1,800	6
Cash flows from financing activities									
Proceeds from borrowings	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,100,000	\$2,370,000	\$0	
Redemption of borrowings	(\$604,000)	(\$604,000)	(\$604,000)	(\$604,000)	(\$604,000)	(\$672,491)	(\$836,585)	\$0	
Net cash increase / (decrease)	(\$128,500)	\$1,019,193	\$901,768	\$567,030	\$558,028	(\$520,982)	(\$193,609)	(\$9,002)	
Cash at beginning of period	\$17,127,000	\$14,334,180	\$14,334,180	\$14,334,180	\$14,334,180	\$14,901,210	\$14,380,228	\$0	
Cash at end of period	\$16,998,500	\$15,353,373	\$15,235,948	\$14,901,210	\$14,892,208	\$14,380,228	\$14,186,619	(\$9,002)	

Budget Financial Statements									
Description	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast	Movement BR2 -> BR3	Note
STATEMENT OF CHANGES IN EQUITY									
Retained Surplus									
Balance at beginning of period	\$514,161,000	\$509,325,596	\$509,325,596	\$509,325,596	\$509,325,596	\$545,957,528	\$565,187,893	\$0	
Surplus for the period	\$49,256,000	\$51,856,133	\$52,234,535	\$36,631,932	\$36,724,130	\$6,313,508	\$7,734,136	\$92,198	
Balance at end of period	\$563,417,000	\$561,181,729	\$561,560,131	\$545,957,528	\$546,049,726	\$552,271,037	\$572,922,030	\$92,198	
Asset Revaluation Reserve									
Balance at beginning of period	\$259,551,000	\$214,047,425	\$214,047,425	\$214,047,425	\$214,047,425	\$233,241,425	\$249,685,654	\$0	
Asset revaluation adjustment	\$19,194,000	\$19,194,000	\$19,194,000	\$19,194,000	\$19,194,000	\$16,444,229	\$16,675,985	\$0	
Balance at end of period	\$278,745,000	\$233,241,425	\$233,241,425	\$233,241,425	\$233,241,425	\$249,685,654	\$266,361,639	\$0	
Total Equity									
Balance at beginning of period	\$773,712,000	\$723,373,021	\$723,373,021	\$723,373,021	\$723,373,021	\$779,198,953	\$801,956,690	\$0	
Net operating result for period	\$49,256,000	\$51,856,133	\$52,234,535	\$36,631,932	\$36,724,130	\$6,313,508	\$7,734,136	\$92,198	
Asset revaluation adjustments	\$19,194,000	\$19,194,000	\$19,194,000	\$19,194,000	\$19,194,000	\$16,444,228	\$16,675,986	\$0	
Balance at end of period	\$842,162,000	\$794,423,154	\$794,801,556	\$779,198,953	\$779,291,151	\$801,956,690	\$826,366,812	\$92,198	

CAPITAL

Page 8 of 16

Detailed Capital Budget Review Amendments

Section	2014/2015 December Budget review	2014/2015 March Budget review	Movement	Comment
207 - Information Technology				
9000528 - WAN - Wide Area Network Upgrade	\$5,500	\$5,500	\$0	
	\$5,500	\$5,500	\$0	
209 - Community Development				
9000633 - Blumbergville Clock	\$12,500	\$12,500	\$0	
	\$12,500	\$12,500	\$0	
210 - Libraries				
9000690 - Refurbishment of Beaudesert Library	\$110,992	\$110,992	\$0	
9000734 - Beaudesert Library Shelving	\$31,000	\$31,000	\$0	
9000810 - Books and Related Materials - Grant Expenditure	\$232,000	\$232,000	\$0	
	\$373,992	\$373,992	\$0	
211 - Cultural Services				
9000735 - Commercial oven - The Centre	\$40,000	\$40,000	\$0	
	\$40,000	\$40,000	\$0	
213 - Development Assessment				
9000769 - Technology One - Plan, Track and Report	\$140,500	\$140,500	\$0	
	\$140,500	\$140,500	\$0	
216 - Pest and Animal Management Services				
9000602 - Acceptance Pens for Lost and Found Cats and	\$0	\$0	\$0	
	\$0	\$0	\$0	
218 - Works				
Roads				
Flood Restoration Works - 2011/2012 Events	\$1,320,328	\$1,320,328	\$0	
Flood Restoration Works - 2013 Events	\$26,900,000	\$26,900,000	\$0	
Flood Works in association with flood restoration -	\$904,000	\$904,000	\$0	
Council Funded Works				
Reseals	\$3,360,000	\$3,360,000	\$0	
Resheeting	\$1,733,000	\$1,733,000	\$0	
Shoulder Resheeting	\$473,000	\$473,000	\$0	
Pavement Rehabilitation	\$1,000,000	\$1,000,000	\$0	
Minor Works < \$100,000	\$313,000	\$313,000	\$0	
9000812 - Road Furniture	\$170,000	\$170,000	\$0	
9000643 - Kerry Road - Newman Bridge Approaches	\$520,350	\$520,350	\$0	
9000645 - Munbilla Rd - Floodways	\$200,000	\$200,000	\$0	
9000708 - Christmas Ck Rd - Foxley Bridge Approaches	\$800,000	\$0	(\$800,000)	Defer project to 2015/16
9000709 - Christmas Ck Rd - Lamington Bridge Approach	\$650,000	\$0	(\$650,000)	Defer project to 2015/16
9000710 - Gould Hill Rd	\$1,019,000	\$1,019,000	\$0	
9000711 - Pacer Ave - Kriederman Bridge Approaches	\$151,000	\$151,000	\$0	
9000712 - Munbilla Rd	\$204,000	\$204,000	\$0	

Detailed Capital Budget Review Amendments

Section	2014/2015 December Budget review	2014/2015 March Budget review	Movement	Comment
9000771 - Veresdale Scrub Road (Blackspot Funded)	\$65,169	\$65,169	\$0	
9000875 - Veresdale Scrub Road (Fields Rd to Wornt Dr)	\$0	\$1,415,000	\$1,415,000	Bought forward from 2015/18 (Veresdale Scrub Rd \$760k; Kerry Rd \$655k)
Bridges				
9000070 - Kriederman Bridge	\$225,000	\$241,000	\$15,000	Transfer from 9000723
9000127 - Geiger Bridge	\$180,000	\$180,000	\$0	
9000408 - Koorabyn Bridge	\$20,000	\$20,000	\$0	
9000410 - Murphy Bridge	\$250,000	\$250,000	\$0	
9000608 - Deep Chingee Bridge	\$275,000	\$301,000	\$25,000	Transfer from 9000723
9000610 - Edward O'Neill Bridge	\$1,235,000	\$1,235,000	\$0	
9000640 - Newton Bridge	\$105,000	\$105,000	\$0	
9000641 - Newman (East) Bridge	\$525,000	\$612,000	\$87,000	Transfer from 9000723
9000692 - Addis Bridge	\$35,000	\$35,000	\$0	
9000717 - Lamington Bridge	\$1,404,000	\$1,404,000	\$0	
9000718 - Foxley Bridge	\$1,186,000	\$1,186,000	\$0	
9000720 - Lambert Bridge	\$158,000	\$158,000	\$0	
9000722 - Sharp Bridge	\$155,000	\$155,000	\$0	
Minor Works Bridge Rehabilitation	\$515,000	\$515,000	\$0	
9000723 - Adams Bridge	\$127,000	\$0	(\$127,000)	Transfer to 9000070, 9000608, 9000641
Other				
Design	\$365,000	\$365,000	\$0	
Footpaths	\$382,000	\$382,000	\$0	
Drainage	\$768,000	\$768,000	\$0	
Strategic Projects	\$415,000	\$415,000	\$0	
Section 218 - Works Total	\$48,109,847	\$48,074,847	-\$35,000	
219 - Disaster Management				
9000736 - SES Shed - Harrisville	\$60,000	\$60,000	\$0	
223 - Facilities				
9000581 - Canungra Pool-Replace concourse concrete, P4	\$10,130	\$10,130	\$0	
9000614 - Park Car Parks	\$25,000	\$25,000	\$0	
9000634 - Boonah forecourt improvements for Blumberg	\$10,000	\$10,000	\$0	
9000647 - Beaudesert Admin - Air Con Upgrade St 3	\$21,450	\$21,450	\$0	
9000651 - Park Roads	\$25,000	\$25,000	\$0	
9000654 - The Centre - Stabilise Sinking Stumps	\$11,372	\$11,372	\$0	
9000670 - Beaudesert War Memorial - Refurbish	\$16,000	\$16,000	\$0	
9000676 - Springleigh Pk - Design New Toilet	\$250,000	\$250,000	\$0	

Detailed Capital Budget Review Amendments

Section	2014/2015 December Budget review	2014/2015 March Budget review	Movement	Comment
9000679 - Tamborine Mt Pool - Pool Upgrades	\$100,000	\$100,000	\$0	
9000726 - Replace front fence - Graceleigh Park	\$16,000	\$16,000	\$0	
9000737 - Boonah Admin - Replace Air Con Units and Rep	\$45,000	\$45,000	\$0	
9000738 - Tamborine Mt Library - Replace Air Con Unit	\$40,000	\$40,000	\$0	
9000739 - Boonah Admin - Counter and Swipe Card System	\$54,000	\$54,000	\$0	
9000740 - Boonah Library - Upgrade Counter and Office A	\$30,000	\$30,000	\$0	
9000741 - Boonah Admin - Install Fire Detection System	\$25,000	\$25,000	\$0	
9000742 - Beaudesert Library - Soffit Sheeting and Paint	\$15,000	\$15,000	\$0	
9000743 - Boonah Admin - Surveillance Cameras	\$15,000	\$15,000	\$0	
9000744 - Beaudesert Admin - Waterproof Concrete Roof	\$14,000	\$14,000	\$0	
9000747 - Moriarty Park Community Centre - Roof Access	\$18,000	\$18,000	\$0	
9000750 - The Centre - Sand and Recoat Timber Floor in	\$15,000	\$15,000	\$0	
9000751 - Tamborine Mt Depot - New Water Bore	\$25,000	\$25,000	\$0	
9000752 - Beaudesert Depot - Replace Concrete Apron Sur	\$15,000	\$15,000	\$0	
9000753 - Overseers - Paint Exterior	\$15,000	\$15,000	\$0	
9000755 - Region Wide Picnic Shelter Replacement Progr	\$50,000	\$50,000	\$0	
9000756 - Cedar Creek Pony Club - New Effluent Dispos	\$17,000	\$17,000	\$0	
9000757 - Lions Park / Sharp park - Electric BBQ's	\$18,000	\$18,000	\$0	
9000758 - Rosins Lookout - Electric BBQ's	\$16,000	\$16,000	\$0	
9000759 - Sharp Park - Install Bollards and Lock Rail, Gra	\$16,000	\$16,000	\$0	
9000760 - Tiny Tots Playground - Shade Structure	\$15,000	\$15,000	\$0	
9000761 - Darlington Park - Bollard Fencing and Gate	\$12,000	\$12,000	\$0	
9000762 - Beaudesert Nursery - Shade Facility	\$10,000	\$10,000	\$0	
9000764 - Beaudesert Pool - Water Feature for Water Play	\$20,000	\$20,000	\$0	
9000765 - Beaudesert Pool - Auto Pool Cleaner	\$16,000	\$16,000	\$0	
9000766 - Beaudesert Pool - Covered Area Disabled Holst	\$12,000	\$12,000	\$0	
9000773 - SP-Gallery Walk improvements, Tamborine Mo	\$75,000	\$75,000	\$0	
9000774 - SP-Landscaping and Upgrade of Car Park at th	\$50,000	\$50,000	\$0	
9000781 - SP-Stage 1 Aratula Community Centre Access,	\$100,000	\$100,000	\$0	
9000785 - Doughty Park Toilet - Install new effluent tank a	\$35,000	\$35,000	\$0	
9000786 - Two Way Stations Reconfiguration	\$12,000	\$12,000	\$0	
9000787 - Flood Warning Systems Improvement	\$160,000	\$160,000	\$0	
9000878 - 100 Brisbane Street Upgrades	\$35,000	\$35,000	\$0	
9000886 - Depot facilities for Council outdoor workforce	\$0	\$11,000	\$11,000	Budget transfer from operating
224 - Fleet	\$10,130	\$10,130	\$0	
9900005 - Fleet Capital Budget	\$3,483,500	\$3,483,500	\$0	
	\$3,483,500	\$3,483,500	\$0	

Detailed Capital Budget Review Amendments

Section	2014/2015 December Budget review	2014/2015 March Budget review	Movement	Comment
225 - Parks, Gardens & Cemeteries				
9000433 - Botanic Gardens Capital Support	\$30,000	\$30,000	\$0	
9000683 - Springleigh Pk - Installation of Bollard Fencing	\$12,000	\$12,000	\$0	
9000686 - Billabong Pk - Design	\$3,355	\$3,355	\$0	
9000724 - Jubilee Park Road and Carpark St 1 & 2	\$380,155	\$380,155	\$0	
9000727 - Round top bollard fencing - Davidson Park	\$13,000	\$13,000	\$0	
9000776 - SP-Landscaping and Beautification - Christie St	\$60,000	\$60,000	\$0	
9000778 - SP-Landscaping William St, Beaulesert	\$50,000	\$50,000	\$0	
265 - Property Management	\$30,000	\$30,000	\$0	
9000450 - Property Acquisition - Croyna Rd	\$30,000	\$30,000	\$0	
9000599 - Purchase of part of Spring Creek Park Land (L1)	\$436,950	\$436,950	\$0	
9000782 - Acquisition of Land Finch Road, Canungra	\$315,000	\$315,000	\$0	
9000984 - Purchase of Land - MacFarlane Road, Munbilla	\$0	\$8,300	\$8,300	Budget transfer from Property Expenses
9000985 - Purchase of Land - Munbilla Road, Munbilla	\$0	\$13,900	\$13,900	Budget transfer from Property Expenses
271 - Waste Disposal	\$30,000	\$30,000	\$22,200	
9000079 - New Cell for Central Landfill	\$2,041,512	\$1,941,512	(\$100,000)	Transfer to 90000728
9000606 - Truck turning areas	\$30,000	\$30,000	\$0	
9000687 - Central Landfill - Leachate Pump, Sprinklers & t	\$17,815	\$17,815	\$0	
9000728 - RORO Bins 15 x 60 metre	\$230,000	\$330,000	\$100,000	Transfer from 90000079
9000729 - Stormwater dam desludge - Central	\$100,000	\$100,000	\$0	
9000730 - Upgrade amenities buildings- Central	\$30,000	\$30,000	\$0	
9000731 - New water monitoring bores x 2 - Central	\$30,000	\$30,000	\$0	
9000732 - New stormwater pond - Central	\$25,000	\$25,000	\$0	
	\$2,041,512	\$1,941,512	\$0	
Total Capital Expenditure	\$57,540,578	\$57,538,778	-\$1,800	
Disposals - Fleet and Property				
9000006 - Fleet Trade-Ins	(\$856,000)	(\$856,000)	\$0	
9000007 - Property Disposals	(\$515,000)	(\$412,000)	(\$103,000)	Property sales lower than anticipated
Total Receipts from Asset Sales	-\$1,371,000	-\$1,268,000	-\$103,000	
Net	\$56,169,578	\$56,270,778	\$101,200	

INDICATORS

Budget Financial Statements													
Description	2014/15 Orig Budget	2014/15 Orig Budget + CP	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Y12 Forecast	Y13 Forecast	Y14 Forecast	Y15 Forecast	Y16 Forecast	Y17 Forecast	Y18 Forecast	Y19 Forecast
RATIOS													
Financial Sustainability Indicators	Target												
Operating Surplus Ratio (Net result (excluding capital items) / Recurrent Revenue)	4.1%	4.0%	3.7%	5.0%	5.7%	5.0%	6.0%	8.1%	9.2%	10.0%	10.0%	10.0%	10.0%
Net Financial Liabilities Ratio (Total Liabilities less Current Assets) / Recurrent Revenue	22.6%	21.9%	22.0%	22.5%	22.4%	28.1%	29.4%	27.5%	23.3%	18.6%	18.6%	15.3%	11.6%
Asset Sustainability Ratio (Capital Expenditure on Renewals / Depreciation Expense)	521.0%	547.6%	551.3%	435.7%	435.7%	335.5%	317.9%	111.2%	107.3%	111.8%	111.1%	112.0%	111.0%
Cash Holdings Ratio (Cash / (Operating Expenditure less Depreciation))	4.6	4.2	4.1	4.1	4.1	3.8	3.7	3.4	3.6	4.0	3.4	3.4	3.8

OTHER INFORMATION

Estimated Activity Statement

	2014/15 Orig Budget	2014/15 Orig Budget + CF	2014/15 Budget Review 1	2014/15 Budget Review 2	2014/15 Budget Review 3	Yr 2 Forecast	Yr 3 Forecast
Roads Activity							
Revenue payable to:							
Scenic Rim Regional Council	\$3,739,000	\$3,739,000	\$3,968,000	\$3,968,000	\$3,968,000	\$3,851,170	\$3,966,705
Other Parties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure							
Direct	\$3,127,000	\$3,127,000	\$3,327,364	\$3,327,364	\$3,327,364	\$3,189,540	\$3,285,226
Overhead Allocation	\$388,993	\$388,993	\$388,993	\$388,993	\$388,993	\$396,773	\$408,676
Net Surplus / (Deficit)	\$223,007	\$223,007	\$251,643	\$251,643	\$251,643	\$264,857	\$272,802
Community Service Obligations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Certifying Activity							
Revenue payable to:							
Scenic Rim Regional Council	\$398,000	\$398,000	\$398,000	\$418,000	\$418,000	\$418,696	\$440,468
Other Parties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure							
Direct	\$378,516	\$378,516	\$378,516	\$377,066	\$377,066	\$388,250	\$398,702
Overhead Allocation	\$152,590	\$152,590	\$152,590	\$152,590	\$152,590	\$155,642	\$160,311
Net Surplus / (Deficit)	(\$133,106)	(\$133,106)	(\$133,106)	(\$111,656)	(\$111,656)	(\$125,196)	(\$118,545)
Community Service Obligations	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Waste Collection Activity							
Revenue payable to:							
Scenic Rim Regional Council	\$4,433,000	\$4,433,000	\$4,433,000	\$4,433,000	\$4,433,000	\$4,663,516	\$4,952,654
Other Parties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditure							
Direct	\$3,194,283	\$3,194,283	\$3,194,283	\$3,191,283	\$3,191,283	\$3,259,054	\$3,356,336
Overhead Allocation	\$535,030	\$535,030	\$535,030	\$535,030	\$535,030	\$577,832	\$624,059
Net Surplus / (Deficit)	\$703,687	\$703,687	\$703,687	\$706,687	\$706,687	\$826,630	\$972,259
Community Service Obligations	\$0	\$0	\$0	\$0	\$0	\$0	\$0

3. REGIONAL SERVICES

3.1 Audit and Risk Committee Policy and Procedures

Executive Officer: Director Regional Services

File Reference: 04/03/001

Director's Recommendation

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

Committee Recommendation

That the Director Regional Services' recommendation be adopted.

Moved: Cr West

Seconded: Cr Stanfield

Carried

Attachments

1. Council Policy: Audit and Risk Committee.

Attachment 1 - Council Policy: Audit and Risk Committee

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; 26 May 2016
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:	Local Government Act 2009 Local Government Regulation 2012 Financial Accountability Act 2009 Financial and Performance Management Standard 2009 Internal Audit Policy Council Policy: Risk Management
Related Documents:	Audit Committee Guidelines; Improving Accountability and Performance December 2009 published by Queensland Treasury Scenic Rim Regional Council Enterprise Risk Management Guidelines

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	Organisational Sustainability 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
Goal/s	Implement effective risk management and maintain contemporary business processes.

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*. 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 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****File Reference: 12/18/008**

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

Director's Recommendation**That:**

1. Council award the contract for Tender No SRRC004468 Supply of Security Services to Pride Services Group for the approximate sum of \$99,960.00 per annum (excluding GST) on a Schedule of Rates basis for the period 1 July 2015 to 30 June 2017; and
2. Council delegate authority to the Chief Executive Officer to extend the contract for a further 12 months prior to the expiration of the contract term as necessary, in accordance with contract provisions.

Committee Recommendation

That the Director Infrastructure Services' recommendation be adopted.

Moved: Cr West

Seconded: Cr Stanfield

Carried

Attachments

Nil.

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

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders
Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders
Seconded Cr Stanfield

CARRIED

Director's Recommendation**That:**

1. Council award the contract for Tender No SRRC004467 Supply of On-call Plumbing Services to Hohl Plumbing Pty Ltd for the approximate amount of \$110,000.00 per annum (excluding GST) on a Schedule of Rates basis for the period 1 July 2015 to 30 June 2017; and
2. Council delegate authority to the Chief Executive Officer to extend the contract for a further 12 months prior to the expiration of the contract term as necessary, in accordance with contract provisions.

Committee Recommendation

That the Director Infrastructure Services' recommendation be adopted.

Moved: Cr Sanders
Seconded: Cr West

Carried

Attachments

Nil.

4.3 Tender for Cleaning of Council Premises 2015-2017 [Closed s.275(1)(e)]**Executive Officer: Director Infrastructure Services****File Reference: 12/18/008; SRRC004466**

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of Item 4.4, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

Director's Recommendation**That:**

1. Council award the contract for Tender No. SRRC004466 Cleaning of Council Premises to Total Building Maintenance for the approximate sum of \$278,000.00 per annum (excluding GST) on a Schedule of Rates basis for the period 1 July 2015 to 30 June 2017; and
2. Council delegate authority to the Chief Executive Officer to extend the contract for a further 12 months prior to the expiration of the contract term as necessary, in accordance with contract provisions.

Committee Recommendation

That the Director Infrastructure Services' recommendation be adopted.

Moved: Cr Stanfield

Seconded: Cr Sanders

Carried

Attachments

Nil.

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

Council resolved into closed session in accordance with the provisions of Section 275(1) of the Local Government Regulation 2012 and Council's Meetings and Other Forums Policy relating to closed session meetings to discuss this and other closed items.

Moved Cr Sanders

Seconded Cr West

CARRIED

Following discussion in closed session of this item, Council resumed in open session for the proposal of Committee recommendations.

Moved Cr Sanders

Seconded Cr Stanfield

CARRIED

Director's Recommendation**That:**

1. Council award the contract for Tender No SRRC004485 Provision of Gravedigging and Backfilling Services at Council controlled Cemeteries to MJ & PD Ruthenberg for the approximate amount of \$120,000.00 per annum (excluding GST) on a Schedule of Rates basis for the period 1 July 2015 to 30 June 2018; and
2. Council delegate authority to the Chief Executive Officer to extend the contract for a further 12 months prior to the expiration of the contract term as necessary, in accordance with contract provisions.

Committee Recommendation

That the Director Infrastructure Services' recommendation be adopted.

Moved: Cr Brent

Seconded: Cr Stanfield

Carried

Attachments

Nil.

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Cr N. O'Carroll
CHAIRPERSON
FINANCE COMMITTEE