



GLADSTONE
REGIONAL COUNCIL

**GENERAL MEETING NOTICE
AND AGENDA**

**TO BE HELD AT THE COUNCIL CHAMBERS – CIVIC CENTRE
101 GOONDOON STREET, GLADSTONE**

On Tuesday 6 August 2024

Commencing at 9.00am

**Leisa Dowling
CHIEF EXECUTIVE OFFICER**

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G/1. MAYORAL STATEMENT OF CURRENT ISSUES

G/2. CONFIRMATION OF MINUTES

G/2.1. CONFIRMATION OF SPECIAL BUDGET MEETING MINUTES FOR 16 JULY 2024

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 6 August 2024

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the Special Budget Meeting held on 16 July 2024.

Officer's Recommendation:

That the minutes of the Special Budget Meeting of Council held on 16 July 2024 be confirmed.

Attachments:

1. Minutes of the Special Budget Meeting of Council held on 16 July 2024.

G/2.2. CONFIRMATION OF GENERAL MEETING MINUTES FOR 16 JULY 2024

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 6 August 2024

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the General Meeting held on 16 July 2024.

Officer's Recommendation:

That the minutes of the General Meeting of Council held on 16 July 2024 be confirmed.

Attachments:

1. Minutes of the General Meeting of Council held on 16 July 2024.

G/2.3. CONFIRMATION OF SPECIAL MEETING MINUTES 30 JULY 2024

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 6 August 2024

File Ref: CM7.2

Purpose:

Confirmation of the minutes of the Special Meeting held on 30 July 2024.

Officer's Recommendation:

That the minutes of the Special Meeting of Council held on 30 July 2024 be confirmed.

Attachments:

1. Minutes of the Special Meeting of Council held on 30 July 2024.

G/3. DEPUTATIONS

G/3.1. BOYNE TANNUM ARTS BUSINESS COMMUNITY

Responsible Officer: Chief Executive Officer

Prepared By: Executive Secretary

Council Meeting Date: 6 August 2024

File Ref: CM7.6

Purpose:

For Boyne Tannum Arts Business Community to provide information regarding the Under The Trees Music and Arts Festival.

Officer's Recommendation:

That the deputation from Boyne Tannum Arts Business Community be received.

Background:

Deputation details are as follows:

Time of Presentation	9:10am
Duration of Presentation plus question time	15 mins
Speakers to present	Gaston Boulanger Maxine Brushe Esther Groen

Attachments:

Nil

G/4. OFFICERS' REPORTS

G/4.1. ENDORSEMENT OF GLADSTONE REGIONAL COUNCIL 2024/25 STRATEGIC PRIORITIES

Responsible Officer: General Manager People and Strategy

Prepared By: Manager Strategy Improvement, Acting

Council Meeting Date: 6 August 2024

File Ref: ED6.1

Purpose:

The purpose of this report is to seek Council's endorsement of the proposed Strategic Priorities publication for 2024/25.

Officer's Recommendation:

That Council endorses the 2024/25 Strategic Priorities for publication and advocacy as:

- Renewable Energy and the Transitioning Economy
- Health
- Housing
- Skills Development and Retention
- Regional Water Supply and Wastewater Infrastructure
- Waste
- Establishing the Royal Navy Fleet Base North - Port of Gladstone
- Gladstone Heavy Vehicle and Oversize Overmass Load Transport Corridor
- Inland Rail Extension to the Port of Gladstone
- Boyne Tannum Aquatic Recreation Centre (BTARC)
- Harvey Road Sports and Events Precinct
- Harbour Arbour

Summary:

Annually, Council identify and advocate for a selection of Strategic Priorities - significant projects and policies that will make a positive impact for our community. A publication is prepared to support advocacy efforts to all levels of Government and other stakeholders.

Identified priorities complement Council's Investment Prospectus and Social Investment Infrastructure Priorities (SIIP), align to several business strategies, and support the delivery of our Corporate Plan.

The 2024/25 publication was developed with robust stakeholder engagement and collaboration cross functionally and with Council. Officers continue to work to mature Council's advocacy program and approach.

Link to Corporate Plan:

- Connecting Communities - We work with you and for you, supporting the success of our communities.
- Resilient Economy - We play our part in supporting the success of our region.

Background:

Council's role in influencing decision makers is crucial to future-proofing our region.

Throughout the year, there are several opportunities for Council to advocate formally and informally to all levels of Government, as well as stakeholders, industry, and prospective investors. As such, the publication presented for endorsement has evolved from being a list of projects, to being a publication focused on regional advocacy.

Annual adoption of Council's Strategic Priorities, with the annual Operational Plan and Budget forms part of Council's Integrated Planning Framework.

Risk Management Summary:

Council has established a minimal appetite for reputational, environmental, and regulatory and legal risk and a moderate appetite for financial and service delivery risk. The publication, and the Officer's recommendation is consistent with Council's risk appetite.

The proposed 2024/25 Strategic Priorities support Council in responding to identified Corporate Risks, namely Climate Change, Waste Management, Asset Management Maturity, Critical Service Delivery, and Financial Sustainability. They also support broader liveability improvements that have the potential to reduce risks related to critical community issues such as homelessness, job insecurity, economic sustainability and adequate access to health services.

Options and Opportunity Analysis:

In May 2024, Council undertook its annual review of Strategic Priorities, considering both internal and external factors to refine our priorities to allow focused and meaningful advocacy in 2024/25. The attached Strategic Priorities publication proposed for endorsement provides a clear and concise set of priorities and policy initiatives to enhance regional prosperity. Council may elect to amend priorities during the year as the economic and community landscape changes.

Pending adoption of the 2024/25 Strategic Priorities, the publication will be available on Council's website and supported by a communication plan, including targeted advocacy in the lead up to the State Government election, with a State Election Advocacy Toolkit.

Targeted stakeholders will be emailed a digital version of the publication, including the State and Federal Government's sitting and shadow ministers, State Government department leads and other stakeholders.

The proposed list of 2024/25 Strategic Priorities are:

- **Renewable Energy and the Transitioning Economy** – Advocating for funding and regional representation on the Transition Authority.
- **Health** – Advocating for fit for purpose, affordable and accessible health care solutions for our region.
- **Housing** – Advocating for immediate solutions to the accommodation crisis in the Gladstone Region.
- **Skills Development and Retention** – Advocating for policy change and solutions that help develop and retain skills in the region.
- **Regional Water Supply and Wastewater Infrastructure** – Advocating for funding to ensure sufficient water supply to support population growth and supply and infrastructure for new economy industries and precincts.
- **Waste** – Advocating for a Materials Recovery Facility (MRF) in the Gladstone Region.

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- **Defence** – Establishing a permanent Royal Australian Navy Base in Gladstone, as the primary home of the Royal Australian Navy's east-coast fleet.
- **Gladstone Heavy Vehicle and Oversize Overmass Load Transport Corridor** – Advocating for suitable heavy vehicle access to the port of Gladstone.
- **Inland Rail Extension to the Port of Gladstone** – Linking the inland rail to the Port of Gladstone for economic benefit.
- **Boyne Tannum Aquatic Recreation Centre (BTARC)** – Developing a year-round multi-functional aquatic recreation hub for our community.
- **Harvey Road Sports and Events Precinct** – Developing Gladstone Region's premier outdoor sporting and events precinct.
- **Harbour Arbour** – Making the Gladstone CBD a vibrant City Heart destination by urban revitalisation.

Stakeholder Engagement:

Councillor feedback throughout the year drives and shapes the Strategic Priorities focus, along with external stakeholder influence through community engagement opportunities.

Internal stakeholder engagement involved numerous teams across the business including Strategy and Improvement, Asset Planning, Economic Development, Strategic Projects, Community Partnerships, Development Services and Brand and Communications. This cross-functional engagement ensures that the Strategic Priorities are reflective of a breadth of priorities, important to our community. Engagement is regularly ongoing as cross functional teams' outwork and progress Council's advocacy.

Legal and Regulatory Implications:

N/A

Financial and Resource Implications:

The publication is planned work with resources required to collate, design and print being accommodated within approved resource plans and budgets.

Internal resources are allocated to progress advocacy activities.

Anticipated Resolution Completion Date:

20 August 2024

Attachments:

1. 2024/25 Strategic Priorities publication

G/4.2. CONTESTABLE ENERGY - LARGE SITES

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement

Council Meeting Date: 6 August 2024

File Ref: FM21.1

Purpose:

The purpose of this report is to provide an update to Council on the joint Council contestable energy supply agreement for large sites and seek endorsement of a further term.

Officer's Recommendation:

That Council endorses the Chief Executive Officer's actions in accepting the best value price offered by Shell Energy for contestable electricity supply for the period 1 January 2025 to 31 December 2025.

Summary:

Council is party to a joint agreement between 15 Councils, 2 NFPs and 1 member-based organisation for electricity supply for large sites, coordinated through Peak Services (An affiliate of LGAQ).

A recommendation was provided by Peak for all parties to accept an offer from the current provider for a further 1-year period, and tender for a new 3-year contract in March-April 2025 when the market is forecasted to be lower.

Given the volatilities within the electricity market the market offers are only valid for 72 hours hence the requirement for the offers to be executed by the Chief Executive Officer within that period.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

The Queensland Government introduced full retail contestability on 1 July 2007. This allows all Queensland customers connected to the national electricity grid to enter into an electricity supply contract with any electricity retailer. Typically, contestable electricity agreements are only favourable for large electricity users with consistent demands, i.e. connections with demands greater than 100 MW/annum. For lower electricity users, or users with fluctuating demands, tariff-based agreements are more cost effective.

Council, along with other parties to the agreement, have agreed for Local Buy Network to tender for these services on their behalf.

The contestable electricity market is a fast-moving market with spot pricing adjusting half hourly to real time supply and demand conditions. The electricity market therefore does not align with Council's Contracting and Procurement Policy. Council Policy requires contracts above \$200,000 to be publicly advertised, however Electricity Retailers will not typically respond to advertised tenders and will only hold their tendered prices for up to one week, which does not allow for Council evaluation and standard approval processes.

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Under this arrangement through Peak Services, Council has previously entered into the following Joint Council Contracts:

- Contract with ERM Power Retail Pty Ltd established for 15 Queensland Local Councils. expired on 31 December 2021.
- Contract with Shell Energy Retail Pty Ltd established for 15 Queensland Local Councils, 2 NFPs and 1 member-based organisation, due to expire on 31 December 2024.

During the term of these contracts, Council benefited from savings of approximately \$15,000 - \$97,000 ex GST per month (depending on market movements and peak/ off peak usage) compared to retail tariffs.

Currently the load for the large sites with the 18 organisations is approximately 274GWh annually and Council's portion is 11.8 GWh annually or 4.3%.

Risk Management Summary:

Council has a moderate appetite for Financial, Regulatory and Legal Risk, and takes a balanced approach to taking risks of this nature.

The timing between the receipt of offers, evaluation and contract execution is very short (3 days) and there is a risk if Council were not able to commit to the new term, Council would not be party to the new agreement and would be subject to retail tariffs.

Options and Opportunity Analysis:

Inclusion in the Joint Contract process ensures that Council receives the best value price for contestable electricity supply.

Not participating in the joint contract process will result in an increase to Council's electricity costs.

Stakeholder Engagement:

The tender and negotiation process is conducted by Peak Services (on behalf of LGAQ).

Legal and Regulatory Implications:

Utilising the services of Local Buy to negotiate a new electricity supply agreement is within the bounds of the Procurement Policy. Council would obtain competitive pricing for electricity as Local Buy Pty Ltd tender and negotiate for this service on Council's behalf.

Financial and Resource Implications:

The estimated annual cost of the intended contract over the 1-year term is approximately \$1,315,790 excluding GST based on the current spend profile.

Utilising Local Buy Pty Ltd increases the purchasing power of Council to obtain more favorable pricing.

Anticipated Resolution Completion Date:

13 August 2024.

Attachments:

Nil

G/4.3. TENDER 122-24 - MAINTENANCE DOCUMENTATION

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Manager Contracts and Procurement (Acting)

Council Meeting Date: 6 August 2024

File Ref: FM21.1

Purpose:

This report seeks resolution from Council to enter into contracts with Assetivity Ptd and MBMpl Pty Ltd for separable portions of the Development of Maintenance Documentation.

Officer's Recommendation:

That Council:

1. Endorse the Tender Evaluation Team's recommendation to enter into a contract for:
 - a. The development of maintenance documentation for water and wastewater assets and corporate and community facilities with Assetivity Pty Ltd.
 - b. The development of maintenance documentation for Parks and vegetation (infrastructure assets, cemeteries, horticulture) and Waste assets with MBMpl Pty Ltd.
2. Authorise the Chief Executive Officer to negotiate, finalise and execute any and all matters associated with or in relation to the contracts.

Summary:

A tender process has been undertaken for four separable portions of work identified for the development of maintenance documentation. Award is recommended to two tenderers.

Link to Corporate Plan:

Delivering Value - We work efficiently to deliver value for your rates.

Background:

Council employs an operating model encompassing Asset Owner, Asset Manager, and Service Provider functions. Presently, a comprehensive initiative is underway to enhance the delivery of safe and consistent maintenance practices, overseen by the dedicated Transformation Team. As part of this endeavour, recent modifications have been made to the organisational structural to centralise maintenance planning within a dedicated team.

Maturing maintenance practices through centralised planning is a specific focus of this program with this engagement targeted at evaluating and enhancing work instructions pertaining to wastewater assets, stemming from a prior engagement. Leveraging these existing documents as a foundational reference point and aligning them with recently adopted maintenance strategies, the objective is to undertake a review and refinement of existing documents as well as development of new documentation for assets not previously addressed.

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Council requires suitably qualified Consultant/s to undertake development of Maintenance Documentation including technical review, refinement, and development of maintenance documents for the following categories:

- Water and Wastewater assets;
- Parks and vegetation (infrastructure assets, cemeteries, horticulture);
- Corporate and Community Facilities (provisional); and
- Waste (provisional).

The intent of the Invitation to Tender (ITT) was to award to one company, however if it was strategically advantageous or necessary based on the submissions received, Council reserved the right to award separate contracts for different scopes of work.

Water and Wastewater assets Parks and Vegetation (infrastructure assets, cemeteries, horticulture), have ready Scope of Works, while Corporate and Community Facilities and Waste Assets are provisional and will be completed early next year.

Risk Management Summary:

If Council does not engage sufficient expertise in the development of maintenance documentation there is a risk that Council will be unable to activate the Computerised Maintenance Management System (CMMS) within the Works Delivery Improvement Plan timeline, resulting in incomplete data migration and configuration leading to critical path delays.

Optimising Maintenance Delivery has been adopted by Council as an Operational plan item for 2024/25 and the award of this contract mitigates the risk of this not being achieved in the required timeframe.

Options and Opportunity Analysis:

An invitation to tender (ITT) was released to the open market 30 April 2024 and originally had a closing date of 24 May 2024, however, was extended until 7 June 2024.

Offers were received from the following tenderers:

Water and Wastewater assets	AMREP Australia Pty Ltd APP Corporation Pty Ltd Assetivity Pty Ltd Continuous Solutions Pty Ltd T/A CSPM Consulting MBMpl Pty Ltd SAPSORB WATER SERVICES PTY LTD Verbrec Australia Pty Ltd
Parks and vegetation (infrastructure assets, cemeteries, horticulture)	AMREP Australia Pty Ltd APP Corporation Pty Ltd MBMpl Pty Ltd Verbrec Australia Pty Ltd XYST AUSTRALIA PTY LTD
Corporate and Community Facilities (provisional)	AMREP Australia Pty Ltd APP Corporation Pty Ltd Assetivity Pty Ltd MBMpl Pty Ltd Verbrec Australia Pty Ltd XYST AUSTRALIA PTY LTD
Waste	AMREP Australia Pty Ltd

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(provisional)	MBMpl Pty Ltd Verbrec Australia Pty Ltd
Response provided without required documentation or nominating categories.	Environics Pty Ltd

The ITT was closed with six (6) conforming offers received, some across multiple categories.

Technical evaluation was carried out against the evaluation criteria as specified in the ITT:

Objective Evaluation Criteria	Weighting
Proposed Program/Schedule meets GRC timing requirements and includes all key milestones/tasks (4 Categories)	10%
Offer demonstrates understanding of the scope and GRC's requirements and includes a Resourcing Plan which addresses all aspects of the scope and GRC's requirements. (2 Categories)*	30%
Nominated past projects performed meet GRC's experience and requirements (4 Categories)	40%
Proposed Key Personnel have the qualifications, experience and allocation to the scope as required by GRC (4 Categories)	20%

**For the two provisional classes (Corporate and Community Facilities and Waste), this criterion was not evaluated as the scope and requirements are not yet available.*

Following technical and commercial evaluation, award is recommended to two (2) tenderers:

- Assetivity Pty Ltd be awarded Water and Wastewater Assets and Corporate and Community Facilities; and
- MBMpl Pty Ltd be awarded Parks and vegetation (infrastructure assets, cemeteries, horticulture) and Waste Assets

Assetivity Pty Ltd scored extremely well for the Water and Wastewater assets component providing a comprehensive level of detail for their methodology on how they will complete the maintenance documentation, demonstrated that this is their core business in completing maintenance documentation for Water and Wastewater asset and their key personnel exceeded the experience to complete these works.

Assetivity Pty Ltd scored well for Corporate and Community Facilities, scoring well in past performance and key personnel exceeded the experience to complete the provisional works.

Assetivity Pty Ltd are within the allocated budget for Water and Wastewater assets and Corporate and Community Facilities.

MBMpl Pty Ltd scored well having a good clear level of understanding of the scope for the Parks and vegetation (infrastructure assets, cemeteries, horticulture) and exceeding the level of past experience of completing maintenance documentation for Parks and vegetation (infrastructure assets, cemeteries, horticulture). Key personnel and proposed program met the requirements.

MBMpl Pty Ltd scored well for the Waste assets, scoring well in past performance and meeting the experience required for key personnel to complete the provisional works.

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MBMpl Pty Ltd are within the allocated budget for Parks and vegetation (infrastructure assets, cemeteries, horticulture) and Waste assets.

Although Assetivity Pty Ltd and MBMpl Pty Ltd were not the highest scoring in Level 1 evaluations for the provisional classes (Corporate and Community Facilities and Waste), it was recommended that these categories be awarded to them.

These provisional works do not have a scope of works, and based on their other offers, it is likely that with additional information, the offerings from the highest-ranking tenderer will be less competitive.

By reducing the number of contractors engaged for this work, the risk of misalignment between asset classes is reduced.

Stakeholder Engagement:

Technical evaluation of the confirming offers was completed by subject matter experts from the Transformation and Engineering Asset Solutions teams.

Legal and Regulatory Implications:

This procurement has been undertaken in accordance with the provisions of the Local Government Act 2009 and Local Government Regulation 2012.

Financial and Resource Implications:

The approved budget for these works is \$800,000 ex GST.

The total of the offers for the four categories is \$731,457.50 ex GST. It is recommended that the contracts be awarded for the total amount of \$800,000 ex GST, to allow for minor variations once the scopes for Corporate and Community Facilities and Waste are developed.

Anticipated Resolution Completion Date:

The contracts will be awarded in August 2024.

Attachments:

1. CONFIDENTIAL – Final Evaluation Outcome (Water & Wastewater)
2. CONFIDENTIAL – Final Evaluation Outcome (Parks & Vegetation)
3. CONFIDENTIAL – Final Evaluation Outcome (Corporate & Community Facilities)
4. CONFIDENTIAL – Final Evaluation Outcome (Waste)

G/4.4. AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING SUMMARY 17 APRIL 2024

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Principal Internal Auditor

Council Meeting Date: 6 August 2024

File Ref: CM26.2

Purpose:

To provide a written report of the Audit Risk and Improvement Committee Meeting held 17 April 2024, pursuant to section 211(1)(c) of the Local Government Regulation 2012.

Officer's Recommendation:

That Council receive the summary of the Audit Risk and Improvement Committee Meeting that was held on 17 April 2024.

Summary:

The Audit Risk and Improvement Committee (the Committee), met on 17 April 2024. The detailed meeting minutes and papers presented at the meeting are available for Councillors in Docs On Tap.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Background:

In accordance with section 211(1)(c) of the Local Government Regulation 2012 the audit committee of Council must, as soon as practicable after a meeting of the committee, give a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

Risk Management Summary:

In accordance with Councils' Audit Risk and Improvement Committee Policy (P-2020-15), the Committee has the following risk management responsibilities:

- Review the effectiveness of the risk management framework and assist with the development of a risk aware culture through the facilitation of risk management.
- Monitor that Councils risk management activities are not limited to insurance coverage but includes active risk minimisation.

Options and Opportunity Analysis:

Below is a summary of the Committee meeting held 17 April 2024:

1. No matters to report from the Committee in Camera and the Confidential Session.
2. Apologies were noted and there were no Conflicts of Interest to be declared.
3. Minutes of the Audit Risk and Improvement Committee Meeting held on the 6 December 2023 were approved with a minor amendment.

4. The following noting papers were presented to the Committee:

a. People, Culture and Safety Quarterly Report

Discussions were held regarding:

- the various recruitment challenges being experienced
- Culture Survey data and process
- Commended progress with managing excess leave
- Safety incidents and the high number of overdue investigations.

b. Information, Communication and Technology (ICT) Quarterly Update

Technology controls and that thorough testing is always undertaken prior to any upgrades or implementation of new software or systems to ensure safe, secure and device appropriate, were discussed.

c. Contracts And Procurement Report

A discussion was held regarding current procurement challenges, changes in the market and the escalation process for repeated non-conformances.

d. Prior Period Financial Statements – report was noted.

e. Insurance Report – report was noted.

5. External Audit

The Queensland Audit Office (QAO) provided an overview of the briefing paper and highlighted the 6 focus areas for the coming year as well as reports tabled to parliament.

KPMG provided an overview of the external audit plan and highlighted the key audit and financial reporting milestones.

6. Internal Audit

An overview of the Ethics, Integrity and Audit progress report was provided. It was noted that a new class of 'implementation to be verified' has been included. The committee expressed concern regarding the rescheduling of audit tasks.

A discussion was held regarding the End-to-End Capital Program Delivery Internal Audit report with reference to reporting on areas that require improvement, risk management and the Investment Decision Framework.

An overview of the draft internal audit plan 2024-2025 was provided. It was confirmed that feedback provided by the committee has been included.

7. Financial Reports

An overview of the financial statement preparation and process update for 23/24 was provided with the risk table highlighted.

8. Officer's Reports - Works Delivery Improvement Program Update

An update to the works delivery improvement program was provided including that although the program is marked 'as concern', mitigation steps are being outworked to bring the project back on track. The committee enquired if there would be a budget implication for the 2024/25 budget. It was noted that a project has been submitted for 2024/25 budget consideration.

9. The committee members discussed their self-development.

10. There were no Council referrals

11. General business was noted

12. A closed session with audit representatives was not required.

Stakeholder Engagement:

The minutes of the Committee are reviewed by the ARIC members, the Principal Internal Auditor, General Manager Finance Governance and Risk and the Chief Executive Officer.

Legal and Regulatory Implications:

The Local Government Act 2009 requires that the audit Committee of Council - the Audit Risk and Improvement Committee – oversee audit, annual financial reporting and other relevant governance functions to provide Council with an additional level of assurance that systems and controls are in place to minimise risk exposure.

The Committee also operates in accordance with Councils' Audit Risk and Improvement Committee Policy (P-2020-15).

Financial and Resource Implications:

Nil

Anticipated Resolution Completion Date:

N/A - information only report.

Attachments:

Nil

G/4.5. AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING SUMMARY 12 JUNE 2024

Responsible Officer: General Manager Finance Governance and Risk

Prepared By: Principal Internal Auditor

Council Meeting Date: 6 August 2024

File Ref: CM26.2

Purpose:

To provide a written report of the Audit Risk and Improvement Committee Meeting held 12 June 2024, pursuant to section 211(1)(c) of the Local Government Regulation 2012.

Officer's Recommendation:

That Council receive the summary of the Audit Risk and Improvement Committee Meeting that was held on 12 June 2024.

Summary:

The Audit Risk and Improvement Committee (the Committee), met on 12 June 2024. The detailed meeting minutes and papers presented at the meeting are available for Councillors in Docs On Tap.

Link to Corporate Plan:

Accountable Council - We are providing good stewardship built on a foundation of trust.

Background:

In accordance with section 211(1)(c) of the Local Government Regulation 2012 the audit committee of Council must, as soon as practicable after a meeting of the committee, give a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.

Risk Management Summary:

In accordance with Councils' Audit Risk and Improvement Committee Policy (P-2020-15), the Committee has the following risk management responsibilities:

- Review the effectiveness of the risk management framework and assist with the development of a risk aware culture through the facilitation of risk management.
- Monitor that Councils risk management activities are not limited to insurance coverage but includes active risk minimisation.

Options and Opportunity Analysis:

Below is a summary of the Committee meeting held 12 June 2024:

1. No matters to report from the Committee in Camera and the Confidential Session.
2. Apologies were noted and there were no Conflicts of Interest to be declared.
3. Minutes of the Audit Risk and Improvement Committee Meeting held on the 17 April 2024 were approved.

4. The following noting papers were presented to the Committee:

a. People, Culture and Safety Quarterly Report

Discussions were held regarding:

- the various recruitment challenges being experienced
- improved WHS reporting resulting in increase in injuries and illness and the current 30-Day Safety Challenge
- the impact of merging the People and Culture business unit and Strategy and Transforming business unit
- the embedding of safety into regular business.

b. Environmental Performance Report 1 October 2023 to 31 March 2024

Discussions were held regarding:

- environmental incidents since the report was issued
- reported incidents and no response received from the Department.
- the pre-enforcement notice received in May 2024 regarding a landfill gas release from 2023.

c. Contracts And Procurement Report

A discussion was held regarding invoices before purchase orders statistics and the need for additional purchase order reporting to the Committee.

d. Annual Report on Status Of Council Policies

A discussion was held regarding the number of Policies and Procedures and the potential introduction of a policy and legislative review committee.

e. Risk Management Report

Discussions were held regarding the future risk reports, risk appetite, corporate risks and the review frequency of corporate risks.

f. Asset Management Report

Discussions were held regarding the Asset and Service Management Steering Group, the self-assessed maturity of asset management, related risks and control effectiveness.

5. External Audit

The Queensland Audit Office (QAO) provided an overview of the briefing paper and encouraged the committee to read the 'Responding to and recovering from Cyber Attacks' report.

KPMG advised that the team had attended Council on site for 2 weeks and that they are in the process of reviewing procedures with no changes to risk assessments identified at this stage. KPMG highlighted the importance of undertaking policy reviews.

A discussion was held regarding the interim management letter and the implementation of recommendations included in the interim management letter. It was noted that the draft financials could be provided to KPMG with a note that they are subject to review by the Committee.

No matters to report from the closed session with the audit representatives.

6. Internal Audit

An overview of the Ethics, Integrity and Audit progress report was provided. The committee highlighted that there were 31 new tasks and noted that it would be challenging to complete the tasks on time.

Discussions were held regarding the Payroll Review audit and the Cyber Security – Governance Controls audit. The committee noted that the Payroll Review audit report was very thorough with some significant risks that Council could be exposed to. The agreed management actions, responsibilities and timeframes of both audits will be presented at the next Committee meeting.

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7. Financial Reports

Prior Period Financial Statements 30 April 2024 were noted and the proforma financial statements 2023/24 were received.

Discussions were held regarding the status of position papers for impairment (Gladstone Airport Corporation (GAC)), asset valuations and the treatment of donated leave.

8. Officer's Reports

a. Annual Review of Committees Responsibilities Against Policy

Discussions were held regarding:

- Fraud and Corruption Policy review
- The committee recommended a review of the Audit Risk and Improvement Committee Policy to consider the term of appointed members.

b. Form And Scope of Annual Committee Surveys

It was confirmed to distribute to previous committee members and the current members. The Committee encouraged anyone completing the survey to include comments / responses along with the rating.

9. The committee members discussed their self-development.

10. There were no Council referrals

11. General business was noted.

Stakeholder Engagement:

The minutes of the Committee are reviewed by the ARIC members, the Principal Internal Auditor, General Manager Finance Governance and Risk and the Chief Executive Officer.

Legal and Regulatory Implications:

The Local Government Act 2009 requires that the audit Committee of Council - the Audit Risk and Improvement Committee – oversee audit, annual financial reporting and other relevant governance functions to provide Council with an additional level of assurance that systems and controls are in place to minimise risk exposure.

The Committee also operates in accordance with Councils' Audit Risk and Improvement Committee Policy (P-2020-15).

Financial and Resource Implications:

Nil

Anticipated Resolution Completion Date:

N/A - information only report.

Attachments:

Nil

G/5. COUNCILLORS REPORT

G/6. URGENT BUSINESS

G/7. NOTICE OF MOTION

G/8. CONFIDENTIAL ITEMS