NOTICE OF THE
CITY GOVERNANCE COMMITTEE

Date: Tuesday, 21 July, 2020
Time: 9:00 am
Location: Logan Entertainment Centre
170 Wembley Road, Logan Central

Committee Members:
Councillor Bradley (Chairperson)
Councillor Willcocks (Deputy Chairperson)
Councillor Lane
Councillor Russell
Councillor Koranski
Councillor Raven
Councillor Hall
Councillor Frazer
Councillor Heremaia
Councillor Bannan
Councillor Stemp
Councillor Murphy
His Worship the Mayor, Councillor Power
1. Welcome
2. Acknowledgement of Country
3. Leave of Absence
4. Administration
   4.1 Covering report - Proposed lease of Council building in Jimboomba
5. Director of Organisational Services
   5.1 Establishment of Procurement and Appropriations Special Committee
6. Confidential Documentation
   This section includes any supporting confidential documentation relating to specified Committee reports.
   6.1 Confidential Report - Proposed Lease of Council Building in Jimboomba
7. Late Reports
   7.1 Audit Committee Meeting June 2020
Logan City Council
Committee Business Papers -
Use of Information by Councillors

Please retain the attached Business Paper as it will be considered in conjunction with the recommendations of the relevant Committee meeting by Council.

Councillors are reminded that if a person is convicted of an offence against the following section 171 of the Local Government Act 2009 (Use of information by councillors), that penalties apply.

**171 Use of information by councillors**

(1) A person who is, or has been, a councillor must not use information that was acquired as a councillor to—

(a) gain, directly or indirectly, a financial advantage for the person or someone else; or

(b) cause detriment to the local government.

*Maximum penalty—100 penalty units or 2 years imprisonment.*

(2) Subsection (1) does not apply to information that is lawfully available to the public.

(3) A councillor must not release information that the councillor knows, or should reasonably know, is information that is confidential to the local government.

*Note—*

*A contravention of subsection (3) is misconduct that is dealt with by the tribunal.*
4.1 Covering Report
Refer to Confidential Agenda in accordance with
Section 275 (1) (e) of the Local Government Regulation 2012

PROPOSED LEASE OF COUNCIL BUILDING IN JIMBOOMBA

REPORT OF: Administration Manager

REPORT OVERVIEW

EXECUTIVE SUMMARY

The purpose of this report is to obtain a decision from Council regarding the lease of a Council building in Jimboomba.

Criteria:
- Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

Submitted under separate cover is confidential documentation relating to the above matter. This documentation is considered confidential due to the following reason: "It contains business for which a public discussion would be likely to prejudice the interests of the local government or someone else, or enable a person to gain a financial advantage."

RECOMMENDATIONS

IT IS RECOMMENDED:-

For consideration.

REPORT DETAILS

INTERESTED PARTIES

This information is confidential and is included in the confidential attachments to this report.

PURPOSE OF REPORT/BACKGROUND

This information is confidential and is included in the confidential attachments to this report.

ANY PREVIOUS COUNCIL DECISIONS

This information is confidential and is included in the confidential attachments to this report.

FINANCIAL/RESOURCE IMPLICATIONS

This information is confidential and is included in the confidential attachments to this report.

RISK MANAGEMENT IMPLICATIONS

This information is confidential and is included in the confidential attachments to this report.
LEGAL/POLICY

This information is confidential and is included in the confidential attachments to this report.

COMMUNITY AND OTHER CONSULTATION

This information is confidential and is included in the confidential attachments to this report.

CONCLUSION

This information is confidential and is included in the confidential attachments to this report.

ATTACHMENTS TABLE

This information is confidential and is included in the confidential attachments to this report.
5.1 ESTABLISHMENT OF PROCUREMENT & APPROPRIATIONS SPECIAL COMMITTEE

REPORT OF: Director of Organisational Services

REPORT OVERVIEW

EXECUTIVE SUMMARY

This report is to consider the establishment of a Procurement & Appropriations Special Committee, including the Terms of Reference.

Criteria: Direction - It requires Council to make a decision of a strategic nature; or Council has specifically requested it

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

1. That, in accordance with Section 264 of the Local Government Regulation 2012, the membership of the Procurement & Appropriations Special Committee be appointed as follows:
   
   Chairperson: To be elected.
   
   Members: To be nominated.

2. That, commencing from 8 September 2020, the Procurement & Appropriations Special Committee frequency will be quarterly and held on the Tuesday in the week of the Council’s Standing Committee meetings, commencing at 10.00 am or 10 minutes after the conclusion or adjournment of the City Infrastructure Committee.

3. That, in accordance with Section 272(6) of the Local Government Regulation 2012, Council resolves to exempt its Special Committees from keeping minutes of its proceedings.

4. That, in accordance with Section 272(8) of the Local Government Regulation 2012, Council resolves to provide a written report of the Procurement and Appropriations Special Committee’s recommendations to the Ordinary Council meeting for consideration and adoption via the City Governance Committee.

5. That the amended Calendar of Meetings for the period July to December 2020, as attached to the report of the Director of Organisational Services dated 21 July 2020, be adopted.

6. That the Corporate Governance Manager be requested to:
   
   a) advise all staff of Council’s resolution;
   
   b) ensure that the councillors’ personal diaries are updated to incorporate the meeting dates, as detailed in Clause 5 above; and
   
   c) include the Calendar of Meetings, as detailed in Clause 5 above, on Council’s website.

7. That the Terms of Reference for the Procurement & Appropriations Special Committee, as attached to the report of the Director of Organisational Services dated 21 July 2020, be adopted.
Council at its meeting of 8 July 2020 resolved:

1. That the establishment of the Procurement & Appropriations Special Committee be endorsed.

2. That the Director of Organisational Services be requested to prepare a report to the City Governance Committee meeting to be held on 21 July 2020, detailing the Procurement & Appropriations Special Committee’s Terms of Reference.

3. That the Director of Organisational Services be requested to make the necessary arrangements to facilitate the election of the Chairperson of the Procurement & Appropriations Special Committee at the City Governance Committee meeting to be held on 21 July 2020.

A draft Terms of Reference has been developed based on the consultation and is attached for consideration.

Council at its meeting of 17 June 2020 (Minute Number 22/2020) resolved as follows:

That the Director of Organisational Services be requested to prepare a report to the next City Governance Committee meeting to be held on 30 June 2020 on the establishment of a Procurement and Appropriations Oversight Committee, including consideration of the governance arrangements and terms of reference for the committee.

As outlined above, Council at its meeting of 8 July 2020, resolved (Minute No. 69/2020) as follows:

1. That the establishment of the Procurement & Appropriations Special Committee be endorsed.

2. That the Director of Organisational Services be requested to prepare a report to the City Governance Committee meeting to be held on 21 July 2020, detailing the Procurement & Appropriations Special Committee’s Terms of Reference.

3. That the Director of Organisational Services be requested to make the necessary arrangements to facilitate the election of the Chairperson of the Procurement & Appropriations Special Committee at the City Governance Committee meeting to be held on 21 July 2020.

The establishment of a Procurement & Appropriations Special Committee will have an administrative resource impact, particularly on the Administration and Corporate Governance branches. However, any additional costs will be absorbed within existing recurrent budgets.

The establishment of the Procurement and Appropriations Special Committee must be in accordance with the requirements in the Local Government Act 2009, the Local Government Regulation 2012 and the Local Government and Committee Meeting Code.
COMMUNITY AND OTHER CONSULTATION

Internal communication with the Deputy Mayor, Chair of the City Governance Committee, Councillor for Division 8, Administration Manager and Corporate Governance branch.

CONCLUSION

That the Procurement and Appropriations Special Committee be established in accordance with the requirements in the Local Government Act 2009, the Local Government Regulation 2012 and the Local Government and Committee Meeting Code.

ATTACHMENTS TABLE

Attachment 1 - Draft Amended Calendar of Meetings for July to December 2020
Attachment 2 - Draft Terms of Reference - Procurement & Appropriations Special Committee
## JULY 2020

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| Boxing Day (observed) |

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<tr>
<td>IN - City Infrastructure</td>
<td>8.30 am Wed (prev wk)</td>
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<tr>
<td>PL - City Planning, Economic Development and Environment</td>
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<td>GO - City Lifestyle</td>
<td>8.30 am Wed (prev wk)</td>
<td>9.30 am*</td>
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<tr>
<td>CN - Ordinary Council Meeting</td>
<td>8.30 am Fri (prev wk)</td>
<td>10.00 am</td>
</tr>
<tr>
<td>PR - Procurement &amp; Appropriations Special C'tee</td>
<td>8.30 am Wed (prev wk)</td>
<td>10.00 am*</td>
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</table>

*The subsequent committee meetings of the day will commence at their designated time (9.30 am/10.00 am, as detailed above) or 10 minutes after the conclusion of the previous committee meeting.
1. **NAME OF THE COMMITTEE**

1.1 The name of the Special Committee is the Procurement & Appropriations Special Committee.

1.1.1 **Establishment**

The Procurement & Appropriations Special Committee (Special Committee) is established as a Special Committee in accordance with Section 264 of the Local Government Regulation 2012 and Council's Local Government and Committee Meeting Code.

2. **PURPOSE, OBJECTIVES AND RESPONSIBILITIES**

2.1 The Committee will broadly align with the Corporate Plan Priority, 'Next Generation Governance'.

2.2.1 This Special Committee has been established to provide support, advice and guidance on Council's procurement and appropriation activities.

2.2 The Special Committee is to:

2.2.2 Provide support, guidance and advice on the Council’s procurement and appropriation activities in line with relevant legislation;

2.2.3 Fulfil the Committee’s main functions of:

   (a) Requesting the receipt of reports from appropriately delegated officers;
   (b) Proactively request and consider reports provided by appropriately delegated officers;
   (c) Engaging in reviews of Council’s procurement and appropriation activities;
   (d) Consulting with external and internal subject matter experts; and
   (e) Formulating reports and recommendations to the Ordinary Council meeting via the City Governance Committee.

2.2.4 Review its performance against the Committee’s strategic goals at the end of each financial year.

2.4 **Membership**

Council at its meeting of 29 July 2020 (Minute No. xx/2020) resolved that the membership of the Special Committee be appointed as follows:

Chairperson: Councillor ??

Members: Councillor ??
2.5 **Spokesperson**

The Chairperson of the Special Committee is the appointed Spokesperson for Committee related matters.

2.6 **Prefix**

The Committee prefix is 'PR'.

### 3. PLACE AND FREQUENCY OF MEETINGS

3.1 The Special Committee meeting is held at the Logan City Council Administration Centre, 150 Wembley Road, Logan Central.

3.2 The Calendar of Meetings, as endorsed by Council, determines the Special Committee's meeting frequency.

### 4. TIMEFRAMES AND DISTRIBUTION OF THE NOTICE AND AGENDA

4.1 The Notice of Meeting and agenda for this Committee will be distributed in accordance with Section 258 of the *Local Government Regulation 2012* and Council's Local Government and Committee Meetings Code.

4.2 The Chief Executive Officer, in conjunction with the Executive Leadership Team, is responsible for the preparation of the Committee meeting agenda. Where considered necessary, the Chief Executive Officer, in conjunction with the Executive Leadership Team, may liaise with the Chairperson in relation to relevant matters.

### 5. RECORDING OF MINUTES

5.1 Council at its meeting of XX July 2020 (Minute No. XX/2020) resolved as follows:

(a) That, in accordance with Section 272(6) of the *Local Government Regulation 2012*, Council resolves to exempt its Special Committees from keeping minutes of its proceedings.

(b) That, in accordance with Section 272(8) of the *Local Government Regulation 2012*, Council resolves to provide a written report of the Procurement and Appropriations Special Committee's recommendations to the Ordinary Council meeting for consideration and adoption via the City Governance Committee.

### 6. SUPPORTING DOCUMENTS

6.1 This document should be read in conjunction with the following documents:

(a) *Local Government Act 2009*;

(b) *Local Government Regulation 2012*;

(c) Logan City Council's Local Government and Committee Meeting Code; and

(d) Council's policies, delegations of authority and management directives relevant to meeting procedures.
7. **DOCUMENT CONTROL**

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<td>Creation</td>
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7.1 AUDIT COMMITTEE MEETING JUNE 2020

REPORT OF: Director of Organisational Services

REPORT OVERVIEW

EXECUTIVE SUMMARY

To give the local government a written report about the matters reviewed at the Audit Committee meeting held on 02 June 2020 and the Committee’s recommendations about those matters.

Criteria: Legislative - It is a legislative requirement that cannot be delegated

CORPORATE PLAN PRIORITY

Next Generation Governance

RECOMMENDATIONS

IT IS RECOMMENDED:

That the recommendations of the Audit Committee meeting held on 2 June 2020, as detailed in the report of the Director of Organisational Services dated 21 July 2020, be noted.

REPORT DETAILS

INTERESTED PARTIES

Nil.

PURPOSE OF REPORT/BACKGROUND

The principal agenda items for the Audit Committee meeting held on 02 June 2020 were:

- Strategic Risk Register Report
- Corporate Procurement Non-Compliance Register
- Property, Plant and Equipment Asset Valuations
- Water Infrastructure Asset Valuation
- FY2021 Internal Audit Plan
- 2020 Interim Report to the Mayor
- QAO Briefing Paper

ANY PREVIOUS COUNCIL DECISIONS

Not applicable.

FINANCIAL/RESOURCE IMPLICATIONS

Not applicable.
RISK MANAGEMENT IMPLICATIONS

Not applicable.

LEGAL/POLICY

Not applicable.

COMMUNITY AND OTHER CONSULTATION

Not applicable.

CONCLUSION

Strategic Risk Register Report

The Strategic Risk Register is a tool to store identified risks at an organisational level. This tool is useful to fulfil regulatory compliance and to also identify potential unintended outcomes.

A risk item had been upgraded; ‘Pandemic” from H2 (risk rating; high, likelihood unlikely, and consequence catastrophic) to a rating of E3 (risk rating extreme likelihood almost certain, consequence major). The business continuity processes had been tested well during these current COVID circumstances.

As part of Council’s Business Continuity Planning, the Crisis Management team meet three times per week with the following agenda

- Local Recovery Group
- Workforce Management
- Building Management / Transport / Procurement
- Technology
- Customers
- Communications
- Finance

approximately 60% of staff are working from home, staff had been surveyed and results are available if requested. Council have also been working closely with the Disaster Management and Debt and Local Recovery groups. The State Government’s current roadmap and social distancing requirements will determine Council’s return to work strategy.

The Audit Committee recommended that the report be noted.

Corporate Procurement Non-Compliance Register

The purpose of the Corporate Procurement Non-Compliance Register is to highlight any procurement non-compliance activity that occurs across the organisation and to outline what action, if any, is taken to ensure further non-compliance action does not occur in the future.

Since the November 2019 audit committee meeting, two instances were identified in Water Business and RCM. The feedback from these Branches has been positive and no further non-compliance actions have taken place between March 2020 and 02 June 2020.

The Audit Committee recommended that the report be noted.

Property, Plant and Equipment (PPE) Asset Valuations

The purpose of the report is to provide information in relation to the valuation of PPE assets as at 30 June 2020.
The committee was advised that in the current 2020 financial year all equipment and plant evaluations have been completed and are currently with the auditors. Valuations are undertaken between December to March, which provides time for the audits to be undertaken. Various techniques are used to provide fair market value. Where market techniques are not possible other techniques are used to generate valuations. Australian Pacific Valuers are to provide a report on land and building.

The Committee requested Mr David Lyness to provide the information pack that he referred to in his report to the committee at the next meeting in September 2020.

The Audit Committee recommended that the report be noted.

**Water Infrastructure Valuations**

The purpose of the report is to provide information in relation to the valuation of Water Infrastructure assets as at 30 June 2020.

The methodology is unchanged from last year with the exception of the determination of the Weighted Average Cost of Capital (WACC). PricewaterhouseCoopers have provided an update to the WACC in April 2020 to take account of impacts of COVID and the recent reduction in interest rates announced by the Reserve Bank of Australia.

The committee was advised that the valuations were based on cash inflow and cash outflow. There was an equity and debt component provided by Price Waterhouse Coopers.

The Committee proposed the question of valuation driving water pricing and how can a different pricing be used on revenue than on valuation. It was also queried what the difference was between the two valuations.

The Committee requested some modelling be done on the valuation figures and an update at the next committee meeting.

The Audit Committee recommended that the report be noted.

**FY2021 Internal Audit Plan**

The purpose of this report is to assist the Committee to make recommendations on the new Audit Plan to facilitate its implementation in the first quarter of FY2021.

This report identifies eleven areas for evaluation, the committee resolved to gain a greater understanding of the plan and that this be discussed out of session and resolved prior to the September Audit and Risk Committee meeting.

The Audit Committee resolved for a report to be provided at the September 2020 Audit Committee.

**2020 Interim Report to the Mayor**

This report is prepared by Council’s external auditors, the purpose of this report, is to provide the Audit and Risk Committee with an assessment of Council’s internal controls, financial reporting and a summary of deficiencies.

There were a number of interim visits and testing of internal controls, there was an instance of access after an employee’s termination date. The committee was advised that Council management investigated the issue, the outcome being, the employee had not been terminated but was under ACCC investigation.

Other matters covered in the report included the waste management levee and changes which had been implemented from July 2019. The report advised that adequate systems be put in place as well as staff training, it was noted this was a sector wide issue.
The committee was informed that management had met all the milestones, even though it had been a challenging time with Covid issues.

The Audit Committee recommended that the report be noted.

**QAO Briefing Paper**

This paper is prepared by Council’s external auditors, the purpose of this paper is to provide the Audit and Risk Committee with a summary of audit progress, areas of significance, and reports to parliament and other matters.

The committee was informed the audit plan is still on track and milestones agreed to and signed off by the Acting CEO, Silvio Trinca, are being met.

The committee was advised of a recent report sent to Parliament in regards to Local Government Entities. It was acknowledged there were significant deficiencies identified and this will continue to be a focus.

Long term asset management in Local Government needs to be strengthened and training needs to be more vigilant in spotting fraudulent correspondence and in regards to Covid issues.

The committee was advised that the tabling of projects in July 2020 was still on track.

**ATTACHMENTS TABLE**

No attachments.