

Ipswich Arts Foundation
Financial Report for the year ended 30 June 2018

Note 1 Summary of Significant Accounting Policies (continued)

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and all cash and cheques received but not banked at year end.

(f) Receivables

Receivables are recognised at the amounts due at the time of sale. The collectability of receivables is assessed periodically in which they are recognised. No interest was payable on receivables and no security is obtained.

(g) Payables

Payables are recognised for amounts payable in the future for goods or services received and are measured at the agreed purchase price. They are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(h) Taxation

The income of the Foundation is exempt from Commonwealth taxation under section 50-5 of the Income Tax Assessment Act 1997, except for Goods and Services Tax. Input tax credits receivable and Goods and Services Tax payable from / to the Australian Taxation Office are recognised and accrued. The net amount of GST recoverable from the ATO and payable to the ATO is shown as an asset or liability.

(i) Directors and Executive Members Remuneration

Directors and Executive Members of the Foundation do not receive remuneration from the Foundation for their services.

(j) Issuance of Financial Statements

The financial statements are authorised for issue by the Honorary Treasurer and President at the date of signing the Management Certificate.

(k) Accounting Estimates and Judgements

No significant accounting estimate or judgements have been made during this reporting period.

Ipswich Arts Foundation
Financial Report for the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
Note 2	(a) Fundraising & events program		
	Annual gala dinner	17,491	18,773
	Other events	854	1,022
		18,345	19,795
	(b) Contributions to Ipswich Arts Foundation Trust		
	Term deposit transfer to Trust	-	370,435
	Funds transfer to Trust	7,000	61,750
		7,000	432,185
	(c) Other Expenses		
	Accounting fees	1,323	5,049
	External audit services*	5,600	6,500
	Function expenses	6,058	5,802
	Printing, design and stationery expenses	3,898	7,885
	Other expenses	2,639	8,847
		19,519	34,083
	* Total audit fees quoted by the Queensland Audit Office relating to the 2017-2018 financial statements are \$5,600 (2016-2017: \$6,500).		
Note 3	Cash and cash equivalents		
	Cash at bank	75,832	35,798
	Cash on hand	150	150
		75,982	35,948
Note 4	Trade and other receivables		
	GST receivable	3,001	3,150
		3,001	3,150
Note 5	Trade and Other Payables		
	Accrued expenses	7,600	12,000
		7,600	12,000

Note 6 **Contingent Liabilities and Contingent Assets**

The Foundation has not been engaged in any litigation or claim, has not provided any guarantees and is not aware of any other contingent liabilities or of any contingent assets.

The Ipswich City Council has provided members of the Board and officers indemnification against all costs, losses and expenses which any of them may incur or become liable to by reason of any act by any of them in any way in the discharge of their duties in relation to the Foundation.

Ipswich Arts Foundation
Financial Report for the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 7 Directors and Executive Members

(i) Directors

The names of each person holding the position of Directors of Ipswich Arts Foundation during the financial year:

	Start Date	Cease Date
Dr Ian Lupton	14/11/2016	N/A
Professor Alan Rix	14/11/2006	N/A
James Sturges	23/06/2003	N/A
Jeff Bugden	01/04/2014	N/A
Louise Litchfield	05/10/2009	09/08/2017

No board meeting fees are paid to these Directors.

(ii) Executive Members

The names of each person holding the position of Executive Members of Ipswich Arts Foundation during the financial year:

	Start Date	Cease Date
Charlie Pisasale	14/06/2005	N/A
Michael Beckmann	13/03/2007	N/A
Andrew Antonioli	02/06/2008	N/A

All Executive Members are remunerated by Ipswich City Council for their substantive roles with Council and are not separately paid for their roles within Ipswich Arts Foundation.

Note 8 Related Party Transactions

Transactions between Foundation and related parties were on arm's length basis in a normal commercial term.

Ultimate controlling entity

Ipswich City Council is the ultimate controlling entity. The Foundation operates on the premises owned by the Council for which no consideration is paid. Fundraising events are also held on these premises.

The following amounts (excluding GST if applicable) were paid to related entities for services or resources provided during the year ending 30 June 2017 and 30 June 2018.

	2018	2017
	\$	\$
Contribution to Ipswich Arts Foundation Trust	7,000	432,185
Fundraising event to Ipswich Arts Foundation Trust	1,133	5,959
Donations to Ipswich Arts Foundation Trust (agency transaction) - refer note 1 (c)(ii)	19,631	14,105
Ipswich City Council contribution to Ipswich Art Foundation Trust (agency transaction) - refer note 1 (c)(i)	12,000	12,000
Accounting support payable to Ipswich City Council	2,000	-
	41,764	464,249

Ipswich Arts Foundation
Financial Report for the year ended 30 June 2018

Note 8 Related Party Transactions (continued)

The following amounts (excluding GST if applicable) were received from related parties for services provided during the year ending 30 June 2017 and 30 June 2018.

	2018	2017
	\$	\$
Non-reciprocal grant from Ipswich City Council	38,000	38,000
Management fees from Ipswich Arts Foundation Trust	12,000	12,000
Ipswich City Council attendance at Gala dinner	1,682	1,591
Ipswich City Council Councillors attendance at fundraising events	36	-
Ipswich City Council related entity attendance at fundraising events	-	91
Ipswich Arts Foundation Directors attendance at fundraising events	3,891	3,500
Ipswich Arts Foundation Directors friends subscriptions	145	82
	<u>55,754</u>	<u>55,264</u>

Note 9 Other matters including events occurring after balance date

A Council initiative to amalgamate the operations of the Ipswich Arts Foundation and the Ipswich Arts Foundation Trust into a single entity will likely take effect in the 2018-2019 financial year. The amalgamation will occur through winding up the Ipswich Arts Foundation while maintaining the Ipswich Arts Foundation Trust. The assets and liabilities of Ipswich Arts Foundation will be transferred to Ipswich Arts Foundation Trust at their carrying values. A Company limited by guarantee called 'IA Foundation Limited' has been established to act as the new trustee of the Ipswich Arts Foundation Trust. Notwithstanding this initiative, there were no events occurring after balance date to the date of this report that would have a material impact on the financial statements. Accordingly, the financial report has been prepared on a basis consistent with the going concern basis.

During the 2017 financial year, a former Executive Member has been charged by the Crime and Corruption Commission with serious offences. During the 2018 financial year, the Crime and Corruption Commission has charged another former Executive Member with serious offences, in relation to his role with Ipswich City Council. These Executive Members have not acted on behalf of the Foundation since being charged. Court proceedings for those charged are continuing. To the best of the Foundation's knowledge at the date of this report, there is no material impact on this financial report.


Ipswich Arts Foundation
Financial Report for the year ended 30 June 2018

Certificate by Members of Board

The Board of Ipswich Arts Foundation declares that this general purpose financial report and notes thereto, including the matters disclosed in Note 9, Other matters including events occurring after balance date, have been prepared in accordance with the requirements of the Constitution of Ipswich Arts Foundation dated 9 February 2007 and Australian Accounting Standards - Reduced Disclosure Requirements.

In the opinion of the Board:

- 1 The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Ipswich Arts Foundation for the financial year ended 30 June 2018 and of the financial position of the Foundation at the end of that year.
- 2 There are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.


Michael Beckmann (Honorary Treasurer)


Dr Ian Lupton (President)

Dated

26/11/18

INDEPENDENT AUDITOR'S REPORT

To Members of Ipswich Arts Foundation

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Ipswich Arts Foundation.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the Constitution of the Ipswich Arts Foundation and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate by members of Board.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Council intend to amalgamate the operations of Ipswich Arts Foundation and the Ipswich Arts Foundation Trust and wind up the Foundation

I draw attention to Note 9 of the financial report, which describes the intention to amalgamate the operations of the Ipswich Arts Foundation to the Ipswich Arts Foundation Trust, including by transferring the Foundation's assets and liabilities to the Trust at their carrying values and then winding up the Foundation. IA Foundation Limited has been established to act as the new trustee for the Ipswich Arts Foundation Trust. As a result, the entity's financial report has been prepared on a basis consistent with the going concern basis. My opinion is not modified in respect of this matter.

Emphasis of matter – Charges against former Executive Members

I draw attention to Note 9 of the financial report, which describes that the Crime and Corruption Commission has charged former executive members of the foundation with serious offences. These offences relate to their roles with Ipswich City Council. These executive members have not acted on behalf of the foundation since being charged. My opinion is not modified in respect of this matter.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Constitution of the Ipswich Arts Foundation and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board are also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the entity.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Patrick Flemming
as delegate of the Auditor-General

30 November 2018

Queensland Audit Office
Brisbane

Ipswich Arts Foundation Trust

ABN : 75 833 582 216

Financial Statements

For the Year Ended 30 June 2018

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

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Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Revenue from continuing operations			
Cash donated specifically for artwork acquisitions		41,591	30,272
Other cash donations		8,518	17,188
Donated artworks		138,100	78,600
Ipswich City Council contributions for operations		12,000	14,055
Transfers from Ipswich Arts Foundation		7,000	432,185
Other revenue		970	787
Interest		12,003	4,405
Total revenue from continuing operations		220,181	577,492
Expenses from continuing operations			
Accounting fees		356	7,168
Audit fees		5,700	4,000
Donated artworks to Ipswich City Council		213,364	115,490
Artwork purchases expenses		5,748	16,350
Management fees to Ipswich Arts Foundation		12,000	12,000
Other expenses		5,278	3,470
Bad debts		-	1,000
Total expenses from continuing operations		242,446	159,478
TOTAL COMPREHENSIVE INCOME		(22,265)	418,014

The accompanying notes form part of these financial statements.

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Assets			
Current Assets			
Cash and cash equivalents	2	645,930	625,452
Trade and other receivables	3	2,960	3,489
Artwork	4	2,185	46,685
Prepayments		775	798
Total Current Assets		<u>651,851</u>	<u>676,424</u>
TOTAL ASSETS		<u>651,851</u>	<u>676,424</u>
Liabilities			
Current Liabilities			
Trade and Other Payables	5	8,100	10,409
Total Current Liabilities		<u>8,100</u>	<u>10,409</u>
TOTAL LIABILITIES		<u>8,100</u>	<u>10,409</u>
NET ASSETS		<u>643,751</u>	<u>666,015</u>
Equity			
Settlement capital		10	10
Accumulated surplus		643,741	666,005
TOTAL EQUITY		<u>643,751</u>	<u>666,015</u>

The accompanying notes form part of these financial statements.

Ipswich Arts Foundation Trust
 Financial Report for the year ended 30 June 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Note	Trust Capital \$	Accumulated surplus \$	Total \$
Balance as at 01 July 2016		10	247,991	248,001
Total comprehensive income for the year		-	418,014	418,014
Balance as at 30 June 2017		<u>10</u>	<u>666,005</u>	<u>666,015</u>
Balance as at 01 July 2017		10	666,005	666,015
Total comprehensive income for the year		-	(22,265)	(22,265)
Balance as at 30 June 2018		<u>10</u>	<u>643,741</u>	<u>643,751</u>

The accompanying notes form part of these financial statements.

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
Cash Flows from Operating Activities			
Interest Received		10,297	4,453
Ipswich City Council Contributions		12,000	14,055
Transfers from Ipswich Arts Foundation		7,000	432,185
Artworks purchased		(30,764)	(82,920)
Management fees to IAF		(12,000)	(12,000)
Cash donations for artwork		41,591	30,272
Cash donations general		8,518	17,187
Other receipts from customers		3,410	83,558
Other payments to suppliers		(19,574)	(111,858)
Net Cash Provided by Operating Activities		<u>20,478</u>	<u>374,932</u>
Cash Flows from Investing Activities			
Investment in term deposit		-	-
Net Cash Used in Investing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents Held		20,478	374,932
Cash and Cash Equivalents at the Beginning of the Financial Year		625,452	250,520
Cash and Cash Equivalents at the End of the Financial Year	2	<u>645,930</u>	<u>625,452</u>

The accompanying notes form part of these financial statements.

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 1 Summary of Significant Accounting Policies

(a) The Ipswich Arts Foundation Trust reporting entity

The Ipswich Arts Foundation Trust ("the Trust") was established on 27 February 2003 as:

- (i) a not for profit fund established in Australia for public charitable purposes; and
- (ii) a public fund established and maintained solely for:
 - (a) the purpose of providing money, properties or benefits:
 - to a fund, authority or institution, gifts to which are deductible under Item 2 of the table in subsection 30-15(1) of the Income Tax Assessment Act 1997; and
 - for any purpose set out in the item of the table in Subdivision 30-B of the Income Tax Assessment Act 1997 that covers the fund, authority or institution; or
 - (b) the establishment of such a fund, authority or institution.

Tax-deductible cash donations to the Trust are accounted for in a separate bank account for the Gift Fund.

The place of business of the Trust is care of the Ipswich Arts Foundation, 116 Brisbane Street, Ipswich.

A management deed between the Ipswich Arts Foundation (the Foundation) and the Trust provides for the Foundation to provide administrative and managerial services to the Trust.

(b) Basis of preparation

(i) General

These financial statements are a general purpose financial report, prepared in accordance with the requirements of Clause 22 of the Trust Deed of Ipswich Arts Foundation, Australian Accounting Standards - Reduced Disclosure Requirements, Australian Accounting Interpretations, Australian Charities and Not-for-profit Commission Act 2012 and Australian Charities and Not-for-profit Commission Regulation 2013.

The financial report has been prepared on an accrual and going concern basis. The report has also been prepared under the historical cost convention except where specifically stated. All amounts throughout the financial statements are in Australian dollars and have been rounded to the nearest \$1.00.

(ii) Accounting Policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year.

(c) Recognition and measurement

The Trust has been established to receive donations and donated artworks for Ipswich Art Gallery under the Income Tax Assessment Act 1997. This scheme entitles donors to receive tax deductions equal to the value of the cash donation of \$2 and upwards.

Cash donations are recognised as revenues upon receipt by the Trust. Interest revenue is recognised as earned on an effective yield basis. Contributions from Ipswich City Council and transfers from Ipswich Art Foundation are recognised upon receipt by the Trust.

Purchased and donated artwork has been recognised as both revenue and assets in the year in which control over the asset is obtained. Control over artworks donated through the Cultural Gifts Program is upon notification from the Program of tax deductibility.

The Trust utilises certain Council assets and resources during the normal course of its operations. These include:

- use of Council offices and boardroom.
- use of council employees to run the operations of the Trust.

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

Note 1 Summary of Significant Accounting Policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Receivables

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written-off as at 30 June.

(f) Artwork

Purchased and Donated Artwork is received by the trust throughout the financial year. At meetings held by the Trustees, these items are identified and recognised from the period since the last meeting and the members agree to donate these assets to Council. Upon this agreement, documentation is drafted and submitted to Council for acceptance of the trust donated assets as ratified.

(g) Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

(h) Taxation

The income of the Trust is exempt from Commonwealth taxation under section 50-5 of the Income Tax Assessment Act 1997, except for Fringe Benefits Tax and Goods and Services Tax. Input tax credits receivable and Goods and Services Tax payable from / to the Australian Taxation Office are recognised and accrued. The net amount of GST Recoverable from the ATO and payable to the ATO is shown as an asset or liability.

(i) Trustee remuneration

The trustees of the Trust do not receive remuneration from the Trust for their services.

(j) Issuance of financial statements

The financial statements are authorised for issue by the Trustees at the date of signing the Trustee's Declaration.

(k) Critical accounting estimates and judgments

No significant accounting estimates and judgements have been made during this reporting period.

(l) Agency

The Ipswich Art Foundation performs certain agency transactions and acts only in a custodial role for these transactions and balances for Ipswich Arts Foundation Trust. These transactions and balances are not disclosed in the financial statements of Ipswich Art Foundation are included in the statements of the Trust.

(i) Non-reciprocal grant from Ipswich City Council \$12,000

(ii) Donations \$19,631

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
Note 2	Cash and cash equivalents		
	Trust Fund bank account	57,993	20,207
	Trust Debit Card bank account	25,343	50,824
	Trust Operations bank account	1,386	3,222
	Term Deposit less than three months	<u>561,207</u>	<u>551,199</u>
		<u>645,930</u>	<u>625,452</u>
Note 3	Trade and other receivables		
	Interest receivable	2,429	722
	GST receivable	531	506
	Other receivables	<u>-</u>	<u>2,260</u>
		<u>2,960</u>	<u>3,489</u>
Note 4	Artwork		
	Artwork - donated	-	3,350
	Artwork - purchased	<u>2,185</u>	<u>43,335</u>
		<u>2,185</u>	<u>46,685</u>

The Trust had purchased and donated Artwork which is held by the Trust as an asset awaiting ratification by Council. On ratification it is donated to Council and is no longer an asset of the Trust. Ratification of these artworks is expected to be completed in the 2019 financial year.

Note 5	Trade and Other Payables		
	Accrued accounting and audit fees*	<u>8,100</u>	<u>10,409</u>
		<u>8,100</u>	<u>10,409</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2017-2018 financial statements are \$6,100 (2016-2017: \$4,000).

Note 6	Contingent Liabilities and Contingent Assets		
	The trust has not been engaged in any litigation or claim, has not provided any guarantees and is not aware of any other contingent liabilities.		
	The Ipswich City Council has provided the Trustees indemnification in line with the terms of the Trust Deed.		

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

Note 7 Trustees

The names of each person holding the position of Trustee of Ipswich Arts Foundation Trust during the financial year.

	Start Date	Cease Date
Paul Casos	27/02/2003	N/A
John Goddard	27/02/2003	N/A

No meeting fees are paid to these Trustees.

Note 8 Related Party Transactions

Transactions between The Trust and related parties were on arm's length basis in a normal commercial term.

Ultimate Controlling Entity

Ipswich City Council is the ultimate controlling entity. The Trust operates on the premises owned by the Council for which no consideration is paid.

The following amounts (excluding GST if applicable) were paid to related entities for services or resources provided during the year ending 30 June 2017 and 30 June 2018:

	2018	2017
	\$	\$
Donated artworks to Ipswich City Council	213,364	115,490
Management fees to Ipswich Arts Foundation	12,000	12,000
Accounting support payable to Ipswich City Council	<u>2,000</u>	<u>-</u>
	<u>227,364</u>	<u>127,490</u>

The following amounts (excluding GST if applicable) were received from related entities for services during the year ending 30 June 2017 and 30 June 2018:

	\$	\$
Ipswich City Council contribution to Ipswich Arts Foundation Trust via Ipswich Arts Foundation		
(agency transaction) - refer note 1 (l) (i)	12,000	12,000
Donation received from Ipswich City Council	10,000	2,000
Contribution from Ipswich Arts Foundation	7,000	432,185
Fundraising event from Ipswich Arts Foundation	1,133	5,959
Donations from Ipswich Arts Foundation		
(agency transaction) - refer note 1 (l) (ii)	19,631	14,105
Cash donations from Ipswich Arts Foundation Directors	9,685	3,275
Cash donations from Ipswich City Council Key Management Personnel	592	602
Donation artwork from Ipswich Arts Foundation Director	22,230	-
Donated artwork from Ipswich Arts Foundation Executive Member through the Cultural Gifts Program	<u>53,500</u>	<u>31,000</u>
	<u>135,771</u>	<u>501,127</u>

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

Note 9 Other matters including events occurring after balance date

A Council initiative to amalgamate the operations of the Ipswich Arts Foundation and the Ipswich Arts Foundation Trust into a single entity will likely take effect in the 2018-2019 financial year. The amalgamation will occur through winding up the Ipswich Arts Foundation while maintaining the Ipswich Arts Foundation Trust. A Company limited by guarantee called 'IA Foundation Limited' has been established to act as the new trustee of the Ipswich Arts Foundation Trust. Notwithstanding this initiative, there were no events occurring after balance date to the date of this report that would have a material impact on the financial statements. Accordingly, the financial report has been prepared on a going concern basis.

During the 2017 financial year, a former Trustee of the Ipswich Arts Foundation Trust has been charged by the Crime and Corruption Commission with serious offences. The Trustee has not acted on behalf of the Trust since being charged. Court proceedings for those charged are continuing. To the best of the Trust's knowledge at the date of this report, there is no material impact on this financial report.

Ipswich Arts Foundation Trust
Financial Report for the year ended 30 June 2018

TRUSTEES' DECLARATION


The Trustees of Ipswich Arts Foundation Trust declare that this general purpose financial report and notes thereto, including the matters disclosed in Note 9 Events subsequent to balance date have been prepared in accordance with clause 22 of the Deed of Ipswich Arts Foundation Trust dated 27 February 2003, Australian Accounting Standards - Reduced Disclosure Requirements, Australian Charities and Not-for-profit Commission Act 2012 and Australian Charities and Not-for-profit Commission Regulation 2013.

In the opinion of the Trustees:

- 1 The financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Ipswich Arts Foundation Trust for the financial year ended 30 June 2018 and of the financial position of the Trust at the end of that year.
- 2 There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.
- 3 The financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profit Commission Act 2012 signed in accordance with the subsection 60.15 of the Australian Charities and Not-for-profit Commission Regulation 2013.

This declaration is made in accordance with a resolution of the Trustees.


Trustee
Paul Casos


Trustee
John Goddard

Date 27th November, 2018

INDEPENDENT AUDITOR'S REPORT

To the Trustees of Ipswich Arts Foundation Trust

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Ipswich Arts Foundation Trust.

In my opinion, the financial report:

- a) gives a true and fair view of the trust's financial position as at 30 June 2018, and its financial performance and cash flows for the year then ended
- b) complies with the Deed of Ipswich Arts Foundation Trust dated 27 February 2003, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the trustees' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Charges against former Trustee

I draw attention to Note 9 of the financial report, which describes that the Crime and Corruption Commission has charged a former trustee of the trust with serious offences. These offences relate to the trustee's role with Ipswich City Council. The trustee has not acted on behalf of the trust since being charged. My opinion is not modified in respect of this matter.

Responsibilities of the trust for the financial report

The trustees are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Deed of the Ipswich Arts Foundation Trust dated 27 February 2003, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulation 2013 and Australian Accounting Standards, and for such internal control as the trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The trustees are also responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trust.
- Conclude on the appropriateness of the trust's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Patrick Flemming
as delegate of the Auditor-General

30 November 2018

Queensland Audit Office
Brisbane



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CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

FINANCIAL REPORT
FOR THE PERIOD ENDED
30 JUNE 2018

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

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CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

The directors present the financial report for Cherish The Environment Foundation Limited for the financial period 30 May 2017 to 30 June 2018.

Directors

The names of each person who has been a director during the period and to the date of this report are:

Mr Shane O'Kane
Mr Stephen Rafter
Mr David Morrison
Mr Craig Maudsley – 30 May 2017 to 5 March 2018
Ms Kerry Silver – 6 March 2018 to 30 June 2018

The directors have been in office since the start of the financial period and to the date of this report, unless stated otherwise.

Review of Operations

The profit of the Foundation for the financial period 30 May 2017 to 30 June 2018 amounted to \$208,149.

Short and Long-Term Objectives and Strategy

The Foundation's principal objectives are to:

1. Work closely with Ipswich City Council and local landholders to increase the area of natural bushland through environmental offsets and other relevant mechanisms;
2. Enable the community and businesses of Ipswich to become more environmentally active;
3. Provide education materials and programs to build capacity and to increase the level of awareness and understanding of Ipswich's environmental values; and
4. Partner with Ipswich businesses and industries to implement energy, waste and water efficiency processes, reduce carbon issues and broker access to relevant funding and technical support.

The Foundation will pursue its principal objectives by:

1. Working in affiliation with Ipswich City Council and the Ipswich community and value adding to existing and future environmental programs.
2. Providing supportive mechanisms to increase the capacity that Ipswich businesses and community have on improving energy, waste and water efficiencies, resulting in a reduction in their carbon footprint.
3. Establishing successful, collaborative partnerships with local businesses and industries.
4. Contributing to achieving an increase in protected natural areas in Ipswich.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

Principal Activities

The Foundation will focus on projects that can make the greatest long term strategic change in environmental sustainability outcomes in Ipswich. The key business program areas to be pursued over the next five years are:

1. Nature Conservation
2. Water
3. Waste
4. Energy
5. Food

To achieve the long term goals of the Foundation, five key projects and partners have been identified. The five key projects to be pursued are:

1. Ipswich Koala Conservation Bank
2. Ipswich Bremer River Water Quality Bank
3. Recycling Business Options Research Study
4. Ipswich Energy Efficiency Program
5. Ipswich Food Strategy

Performance Measures

The Foundation's performance will be continually assessed. Each of its programs will be evaluated on a regular basis. Each key project will incorporate performance measures. The following table establishes measures against each of the long term goals over the five year timeframe of the Foundation's Business Plan.

Goal	Measure	Metric
Partnership with Ipswich City Council	Survey the extent to which the Foundation's activities have contributed to achieving the environmental goals of Ipswich City Council.	Survey Outcome
Energy and Waste Efficiency	Yearly average amount of waste generated and energy consumed per household.	Tonnes of waste kWh Electricity
Partnerships	Relationships with key partners and stakeholders.	Number
Natural Areas	Assessing the extent of protected areas in Ipswich City Council.	Hectares

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

Board Meetings

For the financial period the following meetings were held:-

1. 14.07.17
2. 05.03.18: via email circular
3. 23.04.18 via email circular

Membership and Categories

The company has two classes of members:

- (1) ordinary members; and
- (2) corporate members.

The criteria for membership is in accordance with clause 5.1 of the constitution.

Directors' Qualifications, Experience and Social Responsibilities

Shane O'Kane -B Comm LLB

Shane has over 25 years' experience in the finance sector.

Stephen Rafter - BCom

Stephen has more than 20 years' experience as a Chartered Accountant. Stephen is currently working in business consultancy and managing the careers of sporting athletes.

David Morrison

David Morrison has been an elected member of Ipswich City Council since March 2000. Councillor Morrison has worked in the private and public sector with a long period working for the Queensland Department of Education as a Teacher. With his teaching experience and being a long standing community member of Ipswich, Councillor Morrison can relate with a myriad of people within the community, business and Government, seeing his division through much growth in recent times.

Kerry Silver

Kerry Silver was elected in March 2016 and is the current Chair of the Conservation and Environment Committee. Cr Silver's community involvement extends to being the past Area Co-ordinator of Riverview Neighbourhood Watch and Riverview Neighbourhood House, past Treasurer and President. Cr Silver was actively involved with assisting flood affected residents in the 2011 floods and instigated a Flood Recovery Centre at the Riverview Community Centre.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

Cr Silver is on the Board of Director's for Searchlight Education trading as Hymba Yumba Independent School, she is an honorary member of Ipswich Community Care Fund and is a member of a number of community organisations including, Ipswich, Redbank-Goodna Lioness' and Rotary Club of Ipswich City. With a passion and dedication to helping people, Cr Silver's interest are wide and varied but all share the common focus of enhancing the local community lifestyle and wellbeing.

Craig Maudsley - BApp Sc.GCM (Tech) MScEnvMgt AICD

Craig has over 22 years' experience in Senior Executive Roles within Ipswich City Council including management, maintenance, forward planning, operational services and activities relating to the Council's asset base. These include roads, drainage, parks, reserves, sporting areas, aquatic facilities, urban forest, conservation, corporate buildings, depots, waste services and fleet.

Craig is also actively involved in the Ipswich Rugby league community and currently is a director of Rugby League Ipswich and is also chair of the Ipswich Rugby League Judiciary Panel.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

Signed in accordance with a resolution of the Board of Directors:

Director: _____
Mr Shane O'Kane

Director: _____
Mr Stephen Rafter

Director: _____
Mr David Morrison

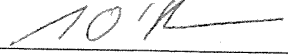
Director: _____
Ms Kerry Silver

Dated this 17 day of OCTOBER 2018

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

DIRECTORS' REPORT

Signed in accordance with a resolution of the Board of Directors:

Director: 
Mr Shane O'Kane

Director: _____
Mr Stephen Rafter

Director: _____
Mr David Morrison

Director: _____
Ms Kerry Silver

Dated this *19th* day of *October* 2018

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
Income			
Revenue	3	882,663	1,268,318
Expenditure			
Accountancy expenses		(4,700)	(10,110)
Auditors' remuneration		(3,500)	(2,500)
Conservation Initiatives		(627,344)	(478,421)
Depreciation and amortisation expenses		(7,264)	(5,970)
Other expenses		(31,706)	(28,483)
		<u>(674,514)</u>	<u>(525,484)</u>
Total comprehensive income for the period		<u>208,149</u>	<u>742,834</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,562,606	2,396,415
Trade and other receivables	5	367,774	498,254
Inventories	6	-	206,158
TOTAL CURRENT ASSETS		<u>1,930,380</u>	<u>3,100,827</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,868,393	1,311,771
TOTAL NON-CURRENT ASSETS		<u>1,868,393</u>	<u>1,311,771</u>
TOTAL ASSETS		<u>3,798,773</u>	<u>4,412,598</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	8,890	10,222
Other current liabilities	9	555,792	1,376,435
TOTAL CURRENT LIABILITIES		<u>564,682</u>	<u>1,386,657</u>
TOTAL LIABILITIES		<u>564,682</u>	<u>1,386,657</u>
NET ASSETS		<u>3,234,091</u>	<u>3,025,941</u>
EQUITY			
Retained earnings	10	3,234,091	3,025,941
TOTAL EQUITY		<u>3,234,091</u>	<u>3,025,941</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	Retained earnings \$	Total \$
Balance at 29 May 2016		2,283,107	2,283,107
Profit attributable to equity shareholders		<u>742,835</u>	<u>742,835</u>
Balance at 29 May 2017		<u>3,025,942</u>	<u>3,025,942</u>
Profit attributable to equity shareholders		<u>208,149</u>	<u>208,149</u>
Balance at 30 June 2018		<u>3,234,091</u>	<u>3,234,091</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		186,696	1,175,049
Payments to suppliers and employees		(541,253)	(614,138)
Interest received		14,343	-
Net cash provided by (used in) operating activities		<u>(340,214)</u>	<u>560,911</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		<u>(493,595)</u>	<u>(518,482)</u>
Net cash provided by (used in) investing activities		<u>(493,595)</u>	<u>(518,482)</u>
Net increase (decrease) in cash held		(833,809)	42,430
Cash at beginning of period		<u>2,396,415</u>	<u>2,353,985</u>
Cash at end of period		<u>1,562,606</u>	<u>2,396,415</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

1 Statement of Significant Accounting Policies

The financial statements cover Cherish The Environment Foundation Limited as an individual entity. Cherish The Environment Foundation Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are special purpose financial statements that have been prepared in accordance with the requirements of the Australian Charities and Not for Profits Commission Act 2012 and the Australian Accounting Standards. The standards adopted in these financial statements but are not limited to include, AASB 101, AASB 107, AASB 108, AASB 1031, AASB 1048 and AASB 1054. The Foundation is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The current financial period is from 30 May 2017 to 30 June 2018.

The financial statements were authorised for issue by the directors of the Foundation.

2 Summary of Significant Accounting Policies

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Foundation commits itself to either purchase or sell the asset (i.e. trade date accounting adopted).

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Accounts Receivables

Accounts receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

Accrued Income

Accrued income is recognised as income earned by the Foundation for providing a service during the current financial period that will be invoiced and received after the end of the financial period, but within 12 months of the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents currently consist of one bank account.

Accounts Payables

Accounts payables represent the liabilities at the end of the reporting period for goods and services received by the Foundation that remain unpaid.

Accounts payables are recognised at their transaction price. Payables are obligations on the basis of normal credit terms.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

Income Taxes

No Provision for income tax has been raised as the entity is a registered charity and is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

Property, plant and equipment

Land

Any land purchased is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

Buildings, plant and other equipment

Buildings, plant and other equipment are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating its intended manner.

Buildings, plant and other equipment are subsequently measured using the cost model, cost less subsequent depreciation and impairment losses. Buildings are recognised on a straight-line basis to write down the cost. Currently The Foundation only has one building and the building has been estimated to have an effective life of 20 years which is being written down at a rate of 5% per annum.

Capital Improvements made to land owned by the Foundation has been written off in accordance with the Commissioner's determination of effective life of assets based on TR 2017/2.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

Inventories

Inventories are reported under the description of "stock on hand" for the purposes of these financial statements. Inventories are being reported using the "Cost" method which includes all costs incurred associated with bringing the stock to its current condition and location.

Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to The Foundation and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Rental income

Investment property revenue is recognised when it can be reliably measured. The financial statements report rental income based on when the Foundation is entitled to receive the income.

Expenses

Inventory

Previously it was expected that an advanced offset would be established on the Grandchester site, to which the expenses held in inventory would be recognised over a reliable time period, however it has been determined during the current financial period, there is now no expectation that any revenue will be received from the Grandchester Site at any future time. As a result the total expenses incurred over the previous 3 financial periods held in inventory, be recognised in the current financial period.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

Members' Guarantee

Each member undertakes to contribute an amount not more than \$10 to the property of the company if the company is wound up whilst he, she or it is a member (or within one year after he, she or it ceases to be a member) for:

- (a) payment of the company's debts and liabilities contracted or incurred before the time the member ceased to be a member; and
- (b) the costs, charges and expenses of the winding up; and
- (c) the adjustment of the rights of the contributories among themselves.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
3 Revenue and Other Income		
Revenue		
Other Revenue	416,020	114,188
Koala Offset Service Revenue	466,643	1,154,130
Total revenue	882,663	1,268,318
Other revenue from:		
Enviroplan Contributions	79,758	76,456
Rents Received	12,761	11,732
Interest Received	14,343	-
Insurance Recoveries	17,658	
Other Services Revenue	4,000	1,000
Services Agreement Revenue	287,500	25,000
Total other revenue	416,020	114,188
Koala Offset Service Revenue	466,643	1,154,130
Total revenue	882,663	1,268,318
4 Cash and Cash Equivalents		
Cash at Bank	1,562,606	2,396,415
Reconciliation of cash		
Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:		
Cash at Bank	1,562,606	2,396,415

These notes should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

		2018	2017
		\$	\$
5	Trade and Other Receivables		
	Current		
	Accounts Receivable	343,911	412,725
	Income Accrued	-	76,456
	GST Account	23,863	9,073
		367,774	498,254
6	Inventories		
	Stock on hand – at Cost		
	Grandchester Site	-	206,158
	Calvert Site	-	-
	Total Stock on hand – at Cost	-	206,158
	Total Inventories	-	206,158
7	Property, Plant and Equipment		
	Land and Buildings		
	Land at Cost	1,695,667	1,202,072
	Capital Improvements at Cost	70,291	-
	Less Written Off	(787)	-
		1,765,171	1,202,072
	Buildings - at Cost	119,409	119,409
	Less Prov'n for Depreciation	(16,187)	(9,710)
		103,222	109,699
	Total Land and Buildings	1,868,393	1,311,771
	Total Property, Plant and Equipment	1,868,393	1,311,771

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

8 Trade and Other Payables

Current

Accounts Payable	40	52
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Accrued Expenses

Accounting Fees	5,850	7,000
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Audit Fees	3,000	2,500
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IT Expenses	-	670
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Total Accrued Expenses	<u>8,850</u>	<u>10,170</u>
-------------------------------	--------------	---------------

	<u>8,890</u>	<u>10,222</u>
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9 Other Liabilities

Current

Unearned Revenue

Koala Offset Service Revenue	555,792	1,022,435
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Agreement to plant 40 trees	-	4,000
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Calvert Site Services Agreement	-	350,000
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Total Unearned Revenue	<u>555,792</u>	<u>1,376,435</u>
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10 Retained Earnings

Retained earnings at the beginning of the financial period	3,025,942	2,283,107
------------------------------------------------------------	-----------	-----------

Net profit attributable to members of the Foundation	<u>208,149</u>	<u>742,835</u>
------------------------------------------------------	----------------	----------------

Retained earnings at the end of the financial period	<u>3,234,091</u>	<u>3,025,942</u>
------------------------------------------------------	------------------	------------------

These notes should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2018

11 Financial Risk Management

The Foundation's financial instruments consist of deposits with banks.

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the Foundation in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management issues are reviewed by the Board of Directors on a regular basis. These included the credit risk issues and future cash flow requirements.

The Foundation does not have any derivative instruments at 30 June 2018.

12 Foundation Details

The registered office of the Foundation is:

Cherish The Environment Foundation Limited

37 South Street, IPSWICH QLD 4305


CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

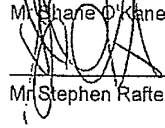
DIRECTORS' DECLARATION

The directors of the Foundation declare that:

1. The financial statements and notes, as set out on pages 1 to 19, for the period ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standards as stated in accounting policy Note 1 to the financial statements.
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the period ended on that date of the Foundation.
2. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: 
Mr Shane O'Kane

Director: 
Mr Stephen Rafter

Director: _____
Mr David Morrison

Director: _____
Ms Kerry Silver

Dated this 13 day of NOVEMBER 2018

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589


DIRECTORS' DECLARATION

The directors of the Foundation declare that:

1. The financial statements and notes, as set out on pages 1 to 19, for the period ended 30 June 2018 are in accordance with the Corporations Act 2001 and:
 - (a) Comply with Accounting Standards as stated in accounting policy Note 1 to the financial statements.
 - (b) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the period ended on that date of the Foundation.
2. In the directors' opinion, there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:


Mr Shane O'Kane

Director:

Mr Stephen Rafter

Director:

Mr David Morrison

Director:

Ms Kerry Silver

Dated this 19th day of October 2018

Cherish the Environment Foundation Limited

Independent Audit Report to the members of Cherish the Environment Foundation Limited

Report on the Audit of the Financial Report

Opinion

I have audited the accompanying financial report, being a special purpose financial report of Cherish the Environment Foundation Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In my opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. My opinion is not modified in respect of this matter

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do

Cherish the Environment Foundation Limited

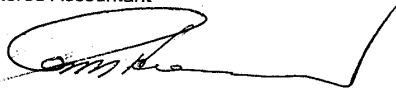
**Independent Audit Report to the members of Cherish the Environment
Foundation Limited**

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Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

Chartered Accountant



Leonard P McKewin
Chartered Accountant

5 Lane Street, Stanthorpe Q

Dated this 14th day of November 2018

**COMPILATION REPORT
TO CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589**

We have compiled the accompanying special purpose financial statements of Cherish The Environment Foundation Limited which comprise the statement of financial position as at 30 June 2018, statement of comprehensive income, statement of cash flows for the period ended 30 June 2018 and a summary of significant accounting policies and other explanatory notes.

These have been prepared in accordance with the financial reporting framework and the Corporations Act 2001 described in Note 1 to the financial statements.

The responsibility of directors

The directors are solely responsible for the information contained in the special purpose financial statements and have determined that the financial reporting framework used is appropriate to meet their needs and for the purpose for which the financial statements were prepared.

Our responsibility

On the basis of information provided by the directors, we have compiled the accompanying special purpose financial statements in accordance with the financial reporting framework, APES 315: Compilation of Financial Information and the Corporations Act 2001.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. An audit of these financial statements will be conducted by a registered company auditor.

The special purpose financial statements were compiled exclusively for the benefit of the directors. We do not accept responsibility to any other person for the content of the special purpose financial statements.

Name of Firm: G.J.WALSH & CO
Certified Practising Accountants

Name of Partner: _____
G J WALSH FCPA/FTIA

Address: 213 Brisbane Street, IPSWICH QLD 4305

Dated this 14th **day of** SEPTEMBER **2018**

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Consolidated Profit & Loss Statement		
Opening Stock	206,158	161,151
Conservation Initiatives		
Calvert Site	-	(4,300)
Grandchester Site	11,765	37,272
Grandchester Site Adjustment	-	12,035
	-	45,007
Closing Stock	-	(206,158)
GROSS PROFIT(LOSS)	(217,923)	-
INCOME		
Enviroplan Contributions	79,758	76,456
Insurance Recoveries	17,658	-
Interest Received		
Bank Interest	14,342	-
ATO Interest	1	-
	14,343	-
Koala Offset Service Revenue	466,643	1,154,130
Services Agreement Revenue	287,500	25,000
Other Services Revenue	4,000	1,000
Rental Income	12,761	11,732
	882,663	1,268,318
	664,740	1,268,318
EXPENSES		
Accountancy	4,700	10,110
Administration Charges	-	82
Auditors Remuneration - Fees	3,500	2,500
Bank Charges	1	-
Building Inspection	1,650	-
Computer Expenses	728	670
Conservation Initiatives	409,421	490,456
Conservation Initiatives Adjustment	-	(12,035)

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Depreciation	7,264	5,970
Hire of Equipment	220	1,479
Insurance	5,129	4,008
Legal Costs	6,000	-
Management Fees	1,132	1,114
Offset Delivery - Tree Planting	4,253	969
Rates	12,206	9,239
Repairs & Maintenance	339	10,920
Rounding	3	2
Subscriptions	45	-
	<u>456,591</u>	<u>525,484</u>
Total Profit for the financial period	<u>208,149</u>	<u>742,834</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED

ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
General		
INCOME		
Enviroplan Contributions	79,758	76,456
Interest Received		
Bank Interest	14,342	-
ATO Interest	1	-
	<u>94,101</u>	<u>76,456</u>
EXPENSES		
Accountancy	4,700	10,110
Administration Charges	-	82
Auditors Remuneration - Fees	3,500	2,500
Bank Charges	1	-
Computer Expenses	728	670
Insurance	3,307	1,796
Legal Costs	6,000	-
Rounding	3	2
Subscriptions	45	-
	<u>18,284</u>	<u>15,160</u>
NET PROFIT	<u>75,817</u>	<u>61,296</u>

The accompanying notes form part of these financial statements.

These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<hr/>		
Rental - 82-200 G Hines Road, Mutdapilly		
INCOME		
Insurance Recoveries	17,658	-
Rents Received	12,761	11,732
	<hr/>	<hr/>
	30,419	11,732
EXPENSES		
Building Inspection	1,650	-
Depreciation	6,477	5,970
Hire of Equipment	220	1,479
Insurance	1,822	2,212
Management Fees	1,132	1,114
Rates	5,446	4,690
Repairs & Maintenance	339	299
	<hr/>	<hr/>
	17,086	15,764
NET PROFIT (LOSS)	<hr/>	<hr/>
	13,333	(4,032)

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Mutdapilly Site		
INCOME		
Koala Offset Service Revenue	466,643	1,154,130
Other Services Revenue	4,000	1,000
	<u>470,643</u>	<u>1,155,130</u>
EXPENSES		
Conservation Initiatives	171,067	482,876
Conservation Initiatives Adjustment	-	(12,035)
Offset Delivery - Tree Planting	4,253	969
Repairs & Maintenance	-	10,621
	<u>175,320</u>	<u>482,431</u>
NET PROFIT	<u>295,323</u>	<u>672,699</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Calvert Site		
INCOME		
Services Agreement Revenue	<u>287,500</u>	<u>25,000</u>
EXPENSES		
Conservation Initiatives	237,103	7,580
Depreciation	787	-
Rates	<u>4,032</u>	<u>4,549</u>
	<u>241,922</u>	<u>12,129</u>
NET PROFIT	<u>45,578</u>	<u>12,871</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Grandchester Site		
Opening Stock	206,158	156,851
Conservation Initiatives	11,765	37,272
Conservation Initiatives Adjustment	-	12,035
Closing Stock		(206,158)
	<u>217,923</u>	<u>-</u>
	<u>(217,923)</u>	<u>-</u>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

CHERISH THE ENVIRONMENT FOUNDATION LIMITED
ABN: 41 154 545 589

CONSOLIDATED PROFIT AND LOSS STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<hr/>		
Woolshed Site		
EXPENSES		
Conservation Initiatives	1,251	-
Rates	2,728	-
	<hr/>	<hr/>
	3,979	-
	<hr/>	<hr/>
NET PROFIT (LOSS)	(3,979)	-
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

Special Council Meeting	
Mtg Date: 20.12.18	OAR: YES
Authorisation: Charlie Dill	

17 December 2018

MEMORANDUM

TO: INTERIM ADMINISTRATOR

FROM: ACTING CHIEF EXECUTIVE OFFICER

RE: APPOINTMENT OF CHIEF EXECUTIVE OFFICER

INTRODUCTION:

The recruitment process for the new Chief Executive Officer has progressed to the stage where the selection panel had recommended a short list of candidates for interview on 22 November 2018. The panel now recommends a preferred candidate following satisfactory assessment.

Council is now in a position to make its final decision as to the successful applicant.

A completion report from the consultants will be provided separately to the Interim Administrator and Interim Management Committee as a confidential document.

A copy of the draft contract of employment will also be provided as a confidential document.

CONFIDENTIAL BACKGROUND PAPERS

Confidential Background Detail	Confidential Attachment
Selection Report	Attachment A
Draft Contract of Employment	Attachment B

RECOMMENDATION:

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve to appoint its preferred candidate as Chief Executive Officer to Ipswich City Council.
- B. That the appointment be effective from Monday, 4 February 2019.
- C. That the Interim Administrator finalise negotiations and execute the contract of employment accordingly.

Charlie Dill
ACTING CHIEF EXECUTIVE OFFICER

ECONOMIC DEVELOPMENT COMMITTEE NO. 2019(01)

22 JANUARY 2019

REPORT

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE ATTENDANCE: Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones and Stan Gallo

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones, and Stan Gallo to address the Economic Development Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. 2019 DISCOVER IPSWICH MAGAZINE

With reference to a report by the Tourism Development Manager dated 8 January 2019 concerning the production and distribution of the 2019 Discover Ipswich Magazine.

RECOMMENDATION

That the report be received and the contents noted.

2. CATEGORY THREE EVENT SPONSORSHIP – JANUARY 2019

With reference to a report by the Events and Engagement Officer dated 7 January concerning the allocation of Event Sponsorship funds.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council allocate event sponsorship of \$2,500.00 to Varnam Cultural Society from the 2018–2019 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities.
 - B. That Council allocate event sponsorship of \$2,500.00 to Moggill-Mt Crosby Lions Club from the 2018–2019 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities.
-

3. EVENT SPONSORSHIP OF THE 2019 IPSWICH SHOW

With reference to a report by the Events and Engagement Officer dated 8 January 2019 concerning an application for event sponsorship by the Ipswich Show Society for the 2019 Ipswich Show being held 17, 18 and 19 May 2019.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council allocate event sponsorship of \$25,000.00 to the Ipswich Show Society for the 2019 Ipswich Show from the 2018–2019 Event Sponsorship Budget and maximise the associated economic, social and promotional opportunities.

The Interim Administrator along with the Interim Management Committee discussed the overall sponsorship budget and how for the purpose of making an informed council decision on the matter, it would be useful to know what the allocated budget was. It was recommended that for future reports on sponsorship that a table be included in the committee report to outline how Council is tracking against the current allocated budget.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting opened at 8.30 am.

The meeting closed at 8.46 am.

GROWTH AND INFRASTRUCTURE COMMITTEE NO. 2019(01)

22 JANUARY 2019

REPORT

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE ATTENDANCE: Jan Taylor, Simone Webbe, Steve Greenwood
Rob Jones and Stan Gallo

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones, and Stan Gallo to address the Growth and Infrastructure Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. **INFRASTRUCTURE DELIVERY PROGRESS AS AT 9 JANUARY 2019**

With reference to a report by the Principal Officer (Performance and Control) dated 9 January 2019 concerning the delivery of the 2018–2019 Infrastructure Services Capital Works Portfolio.

RECOMMENDATION

That the report be received and the contents noted.

Rob Jones from the Interim Management Committee sought clarification on the Capital Portfolio Cost Summary in terms of the words 'tracking well against budget'. The Interim Management Committee and the Interim Administrator requested that future monthly activity reports include more detailed information on how council is tracking in this area.

2. **ASSESSMENT OF AN APPLICATION FROM LEGACY IPSWICH TO INSTALL A PUBLIC MEMORIAL IN MEMORIAL GARDENS, IPSWICH CENTRAL**

With reference to a report by the Principal Officer (Open Space, Land and Facilities Operations) dated 7 December 2018 concerning the assessment of an application from Legacy Ipswich to install a public memorial in Memorial Gardens (61 Nicholas Street), Ipswich Central.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council provide in principle support to Legacy Ipswich's application to install a public memorial in Memorial Gardens (61 Nicholas Street), Ipswich Central, in accordance with Council's Public Monuments and Memorials Policy.
- B. That Council advise Legacy Ipswich that their application is supported, and request that they progress to Stage 2 of the monuments and memorial assessment process, in accordance with Council's Public Monuments and Memorials Policy.
- C. That a future report be submitted to Council, following completion of Stage 2 of the monuments and memorial assessment process.

3. DEPARTMENT OF TRANSPORT AND MAIN ROADS (DTMR), ROAD MAINTENANCE AND PERFORMANCE CONTRACT VALUES FINANCIAL YEARS 2015–2016, 2016–2017, 2017–2018 AND 2018–2019

With reference to a report by the Technical Officer (Maintenance Planning) dated 27 November 2018 concerning the Roads Maintenance Performance Contract (RMPC) with the Department of Transport and Main Roads (DTMR).

RECOMMENDATION

That the report be received and the contents noted.

4. EXPRESSION OF INTEREST FOR CONSULTANCY SERVICES TO PREPARE COMPONENTS OF THE NEW IPSWICH PLANNING SCHEME

With reference to a report by the Strategic Planning Manager dated 10 January 2019 concerning an Expression of Interest for consultancy services to assist in preparing the new Ipswich Planning Scheme.

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 4, titled "Expression of Interest for Consultancy Services to Prepare Components of the New Ipswich Planning Scheme".

The nature of the perceived interest is that in his previous roles, most of the consulting companies that will respond to the Expression of Interest process are likely to be former colleagues and/or personal friends and that he has also been involved with project management consultation leading up to the adoption of the Toowoomba planning scheme.

The Interim Administrator confirmed that as he will not be involved in the selection process for consultancy services to assist in preparing the new Ipswich Planning Scheme and as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matter.

Steve Greenwood, who is a member of the Interim Management Committee informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 4, titled "Expression of Interest for Consultancy Services to Prepare Components of the New Ipswich Planning Scheme".

The nature of the perceived interest is that in his previous roles, most of the consulting companies that will respond to the Expression of Interest process are likely to be former colleagues and/or personal friends.

Steve Greenwood confirmed that as he will not be involved in the selection process for consultancy services to assist in preparing the new Ipswich Planning Scheme and as there is no personal or financial benefit, he would participate in the meeting in relation to the matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council (Interim Administrator of Ipswich City Council) resolve that it is satisfied that the calling of Expressions of Interest under section 228(5) of the *Local Government Regulation 2012* is in the public interest as it will allow Council to identify potential suppliers for the provision of delivery of the relevant services without putting all potential suppliers to the expense of preparing a full tender response in the initial stages and allow Council to determine a short list of suppliers who have the capability and capacity to deliver the services as outlined in the report by the Strategic Planning Manager dated 10 January 2019.
- B. That Council (Interim Administrator of Ipswich City Council) approve market testing for consultancy services to prepare components of the new Ipswich Planning Scheme though the release of an Expression of Interest to the open market to determine a short list of suppliers who have the capability and capacity to deliver the services as outlined in the report by the Strategic Planning Manager dated 10 January 2019.
- C. That Council (Interim Administrator of Ipswich City Council) resolve to prepare a shortlist of the Expression of Interest applications received and invite a tender from the specific suppliers on the shortlist, in accordance with section 228(6) of the *Local Government Regulation 2012*.

5. SURRENDER AND ACQUISITION OF DRAINAGE EASEMENT FOR DANYEL COURT, REDBANK PLAINS DRAINAGE REHABILITATION

With reference to a report by the Acting Corporate Services and Risk Manager dated 19 December 2018 concerning the proposed surrender of Easement A and B on RP118221 for drainage purposes and acquisition of an easement for drainage purposes for the Danyel Court Drainage Rehabilitation Project.

RECOMMENDATION

- A. That the Interim Administrator of Ipswich City Council (“Council”), having duly considered this report dated 19 December 2018, be of the opinion that the following properties (shown in Attachments B, C and D) (‘the Land’) require an easement for drainage purposes:
- a. Part of Lot 114 on RP123981, 2 Danyel Court, Redbank Plains (122m²)
 - b. Part of Lot 115 on RP123981, 4 Danyel Court, Redbank Plains Ipswich (230m²)
 - c. Part of Lot 113 on RP123981, 34-36 Willow Road West, Redbank Plains (86m²)
- B. That the Interim Administrator of Ipswich City Council (“Council”) declare the following easements surplus to Council requirements and grants its consent to the surrender for a consideration of \$1.00:
- a. Easement A over part of Lot 114 on RP123981, 2 Danyel Court, Redbank Plains and Part of Lot 115 on RP123981, 4 Danyel Court, Redbank Plains
 - b. Easement B over Part of Lot 113 on RP123981, 34-36 Willow Road West, Redbank Plains
- C. That the Interim Administrator of Ipswich City Council (“Council”) exercise its power as a “constructing authority” under the *Acquisition of Land Act 1967* and acquire the easements, (as described in Recommendation A of this report dated 19 December 2018) for drainage purposes.
- D. That the Chief Executive Officer be authorised to negotiate compensation and perform any other matters arising out of the *Acquisition of Land Act 1967* or otherwise, and to do any other acts necessary to implement the Interim Administrator of Ipswich City Council’s decision in accordance with section 13(3) of the *Local Government Act 2009*, to acquire the easement.
-

6. PROPOSED AMENDMENT TO PLANNING AND DEVELOPMENT FEES AND CHARGES

With reference to a joint report by the Business Support Manager and Acting Engineering and Environment Manager dated 11 January 2019 concerning proposed amendments to the Planning and Development Fees and Charges, specifically section 5.1.5 PDA Compliance Assessment Fees.

The Interim Administrator informed the meeting that he has, or could reasonably be taken to have, a perceived conflict of interest in Item 6, titled “Proposed Amendment to Planning and Development Fees and Charges”.

The nature of the perceived interest is that he was formerly the General Manager of Economic Development Queensland, the state government agency responsible for planning the Ripley Priority Development Area.

The Interim Administrator confirmed that, as there is no personal or financial benefit to the Interim Administrator, he would participate in the meeting in relation to the matter.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the 2018–2019 Fees and Charges be amended as detailed in Attachment A to the joint report by the Business Support Manager and Acting Engineering and Environment Manager dated 11 January 2019.

7. NAMING PROCEDURE

With reference to a report by the Acting Development Planning Manager dated 10 January 2019 concerning recent amendments made to the Naming Procedure for the naming/renaming of roads, private roads, parks, bridges and places within the Ipswich Local Government Area.

RECOMMENDATION

That the report be received and the contents noted.

8. EXERCISE OF DELEGATIONS REPORT

With reference to a report by the Acting Development Planning Manager dated 10 January 2019 concerning applications determined by delegated authority.

RECOMMENDATION

That the report be received and the contents noted.

9. COURT ACTION STATUS REPORT

With reference to a report by the Acting Development Planning Manager dated 10 January 2019 concerning the status of outstanding court actions.

RECOMMENDATION

That the report be received and the contents noted.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting opened at 8.56 am.

The meeting closed at 9.20 am.

22 JANUARY 2019

GROWTH AND INFRASTRUCTURE COMMITTEE NO. 2019(01)

NOTES

COMMUNITIES COMMITTEE NO. 2019(01)

22 JANUARY 2019

REPORT

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE ATTENDANCE: Jan Taylor, Simone Webbe, Steve Greenwood, Robert Jones and Stan Gallo

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones, and Stan Gallo to address the Communities Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. **HEALTH, SECURITY AND REGULATORY SERVICES MONTHLY ACTIVITY REPORT – DECEMBER 2018**

With reference to a report by the Principal Officer (Business Operations) dated 11 January 2019 providing details on the monthly update of the activities of the Health, Security and Regulatory Services (HSRS) Department.

RECOMMENDATION

That the report be received and the contents noted.

The Interim Administrator and the Interim Management Committee suggested that in future monthly activity reports further data be included in relation to swimming pool compliance, specifically relating to those matters that have been rectified.

2. **DELEGATION REPORT - URBAN AND RURAL GREENING PROGRAM - 'GRANTING LICENCES AND PERMITS TO USE A PARK' - 1 OCTOBER TO 31 DECEMBER 2018**

With reference to a report by the Business Systems and Support Coordinator dated 2 January 2019 concerning the exercise of delegations which require the submission of a report as part of the conditions of delegation for 'Granting Licences and Permits to use a Park' for the period 1 October to 31 December 2018.

RECOMMENDATION

That the report be received and the contents noted.

3. COMMUNITY DONATIONS PROGRAM – ADMINISTRATIVE GUIDELINES

With reference to a report by the Community Grants Coordinator dated 11 December 2018 concerning changes to the Community Donations Program Administrative Guidelines.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the Community Donations Program – Administrative Guidelines be amended as outlined in the report by the Community Grants Coordinator dated 11 December 2018.

4. COMMUNITY DONATIONS POLICY

With reference to a report by the Community Grants Coordinator dated 13 December 2018 concerning changes to the Community Donations Policy.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the policy titled “Community Donations” be amended as detailed in Attachment B of the report by the Community Grants Coordinator dated 13 December 2018.

5. COMMUNITY FUNDING AND IN-KIND ASSISTANCE PROGRAM APPLICANT GUIDELINES

With reference to a report by the Community Grants Coordinator dated 3 December 2018 concerning changes to the Community Grants and In-Kind Assistance Program Applicant Guidelines.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the Grants and In-Kind Assistance Program Applicant Guidelines be amended as detailed in the report by the Community Grants Coordinator dated 3 December 2018.

6. ALLOCATION OF COMMUNITY DONATIONS TO 30 NOVEMBER 2018

With reference to a report by the Community Grants Coordinator dated 12 December 2018 concerning the allocation of community donations as at 30 November 2018.

RECOMMENDATION

That the report be received and the contents noted.

7. QUOTE OR TENDER CONSIDERATION PLAN: ACQUISITION AND COMMISSIONING OF ARTWORKS, OBJECTS AND PUBLIC ART

With reference to a report by the Director, Ipswich Art Gallery dated 2 January 2019 concerning the Quote or Tender Consideration Plan for the Acquisition and Commissioning of Artworks, Objects and Public Art.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That Council resolve to prepare a Quote or Tender Consideration Plan to enter into contracts for exhibitions in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.
 - B. That Council resolve to adopt the Tender Consideration Plan to enter into contracts for exhibitions as set out in Attachment A of the report by the Director, Ipswich Art Gallery in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.
 - C. That Council resolve to prepare a Quote or Tender Consideration Plan to enter into contracts for the acquisition and commissioning of artworks, objects and public art in accordance with section 230(1)(a) of the *Local Government Regulation 2012*.
 - D. That Council resolve to adopt the Tender Consideration Plan to enter into contracts for the acquisition and commissioning of artworks, objects and public art as set out in Attachment B of the report by the Director, Ipswich Art Gallery in accordance with section 230(1)(b) of the *Local Government Regulation 2012*.
-

8. ARTS AND COMMUNITIES PLAN 2018–2022

With reference to a report by the Chief Operating Officer (Arts, Social Development and Community Engagement) dated 9 January 2019 concerning the Arts and Communities Plan 2018–2022.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the Arts and Communities Plan 2018–2022 be adopted, subject to consideration of funding for future budget periods.

22 JANUARY 2019

COMMUNITIES COMMITTEE NO. 2019(01)

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting opened at 9.31 am.

The meeting closed at 9.52 am.

ENVIRONMENT COMMITTEE NO. 2019(01)

22 JANUARY 2019

REPORT

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE ATTENDANCE: Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones and Stan Gallo

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones and Stan Gallo to address the Environment Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. **SUSTAINABLE IPSWICH STRATEGY ACTION STATUS UPDATE**

With reference to a report by the Coordinator (Sustainability) dated 17 December 2018 concerning the six-monthly status update of the implementation of the Sustainable Ipswich Strategy.

RECOMMENDATION

That the report be received and the contents noted.

2. **ENVIRONMENT AND SUSTAINABILITY COMMUNITY GRANT APPLICATIONS FOR ROUND 1 OF 2018–2019**

With reference to a report by the Acting Strategic Projects Coordinator dated 13 December 2018 concerning applications received under the Environment and Sustainability Community Grant Program, Round 1 of 2018–2019.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That Council provide funding of \$8,000.00 (incl GST) through the Environment and Sustainability Community Grant program to the applicants outlined in the report by the Acting Strategic Projects Coordinator dated 13 December 2018 for Round 1 of the 2018–2019 program.

3. NATURE CONSERVATION GRANTS ROUND 1, 2018–2019 PROPOSED AMENDMENT

With reference to a report by the Program Officer (Natural Environment) dated 2 January 2019 concerning the Nature Conservation Grant Applicant NCG17/18006 from the first round of the Nature Conservation Grants for the 2018–2019 financial year.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the previous resolution of Council for funding of successful applicants in the 2018–2019 Round 1 of the Nature Conservation grants Program, as per Recommendation A of Conservation and Environment Committee No. 2018(09) of 11 September 2018, adopted at Council on 18 September 2018, be amended by the removal of Eligible Application No. NCG17/18006 from Table 1 of the report by the Program Officer (Natural Environment) dated 10 September 2018, as it was later found that this application was ineligible.

4. OUTCOMES OF THE SECOND ROUND OF THE 2018-2019 NATURE CONSERVATION GRANTS PROGRAM

With reference to a report by the Program Officer (Natural Environment) dated 24 December 2018 concerning the outcome of the second round of the Nature Conservation Grants Program (NCG) for the 2018–2019 Financial Year.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the funding for the successful applicants in the 2018–2019 Round 2 of the Nature Conservation Grants Program be approved.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting opened at 10.02 am.

The meeting closed at 10.08 am.

GOVERNANCE COMMITTEE NO. 2019(01)

22 JANUARY 2019

REPORT

MEMBER'S ATTENDANCE: Greg Chemello (Interim Administrator)

INTERIM MANAGEMENT COMMITTEE ATTENDANCE: Jan Taylor, Simone Webbe, Steve Greenwood
Rob Jones and Stan Gallo

Pursuant to section 13 of Council's Local Law No 2 (Council Meetings) 2013, the Interim Administrator invited the Interim Management Committee being Jan Taylor, Simone Webbe, Steve Greenwood, Rob Jones and Stan Gallo to address the Governance Committee on any matters before it.

The Interim Administrator advised that he is bound to declare Conflict of Interests and potential Conflict of Interests and that the members of the Interim Management Committee are not legally bound, however in accordance with the Interim Management Committee Charter they will also declare Conflict of Interests and potential Conflict of Interests.

1. **RECOMMENDATION OF SUCCESSFUL TENDERER FOR TENDER 12653 REFURBISHMENT OF LEVELS 1, 2 AND 4 OF 143 BRISBANE STREET, IPSWICH**

With reference to a report by the Principal Officer (Procurement and Contract Operations) dated 2 January 2019 concerning the recommendation in relation to the successful Tenderer from Council Tender 12653 Refurbishment of Levels 1, 2 and 4 of 143 Brisbane Street, Ipswich.

RECOMMENDATION

That the report be received and the contents noted.

2. **REPEAL OF REDUNDANT POLICIES – WORKS, PARKS AND RECREATION**

With reference to a report by the Business Systems and Support Coordinator dated 3 January 2019 concerning the repeal of redundant Policies managed by the Works, Parks and Recreation Department.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the policy titled 'Habitat/Nest Box Policy', as detailed in Attachment A to the report by the Business Systems and Support Coordinator dated 3 January 2019, as per Item 3 of the Policy and Administration Board No. 2013(02) of 5 March 2013 and adopted at the Council Ordinary Meeting of 19 March 2013, be repealed.

- B. That the policy titled 'Irrigator Oversprays on Roadways Policy', as detailed in Attachment B to the report by the Business Systems and Support Coordinator dated 3 January 2019, as per Item 20.17 of the Works Committee of March 1997 and adopted at the Council Ordinary Meeting of 2 April 1997, be repealed.
 - C. That the policy titled 'Major Events at Council Swim Centres', as detailed in Attachment C to the report by the Business Systems and Support Coordinator dated 3 January 2019, as per Item 2 of the Policy and Administration Board No. 2014(01) of 11 February 2014 and adopted at the Council Ordinary Meeting of 25 February 2014, be repealed.
 - D. That the policy titled 'Supervision at Swim Centres', as detailed in Attachment D to the report by the Business Systems and Support Coordinator dated 3 January 2019, as per Item 3 of the Policy and Administration Board No. 2008(01) of 14 May 2008 and adopted at the Council Ordinary Meeting of 27 May 2018, be repealed.
 - E. That the policy titled 'Use of Personal Cameras (including mobile phone cameras) in specified Public Areas Policy', as detailed in Attachment E to the report by the Business Systems and Support Coordinator dated 3 January 2019, as per Item 1 of the Policy and Administration Board No. 2013 (06) of 7 May 2013 and adopted at the Council Ordinary Meeting of 21 May 2013, be repealed.
-

3. OVERDUE RATES AND CHARGES: OCTOBER-DECEMBER 2018 QUARTER

With reference to a report by the Recoveries Manager dated 3 January 2019 concerning rate arrears and rate collection statistics for the period October-December 2018.

RECOMMENDATION

That the report be received and the contents noted.

4. CUSTOMER SERVICE STATUS REPORT – NOVEMBER/DECEMBER 2018

With reference to a report by the Strategic Client Office Manager dated 10 January 2019 concerning customer service delivery activities for the period 1 November to 31 December 2018.

RECOMMENDATION

That the report be received and the contents noted.

Simone Webbe from the Interim Management Committee noted and the Interim Administrator agreed that the service level targets are quantitative as opposed to qualitative and that for future reports it would be useful to incorporate both.

5. MONTH-END PERFORMANCE – NOVEMBER 2018

With reference to a report by the Finance Manager dated 8 January 2018 concerning Council performance for the period ending 30 November 2018, submitted in accordance with Section 204 of the *Local Government Regulation 2012*.

RECOMMENDATION

That the report be received and the contents noted.

6. OFFICE OF THE CHIEF EXECUTIVE OFFICER UPDATE

With reference to a report by the Acting Chief Executive Officer dated 14 January 2019 providing an update on the Office of the Chief Executive Officer for the months of November/December 2018.

RECOMMENDATION

That the report providing the activities of the Office of the Chief Executive Office be received and the contents noted.

7. QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORTS 2017–2018

With reference to a report by the Chief Operating Officer (Finance and Corporate Services) dated 17 January 2019 providing an update on the audit of Ipswich City Council, Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investment Pty Ltd and Ipswich Motorsport Park Pty Ltd financial statements for the 2017-2018 financial year.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

- A. That the Queensland Audit Office Final Management Reports 2017–2018 for Ipswich City Council and its controlled entities as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) dated 17 January 2019, be received and noted.
- B. That the Queensland Audit Office Final Management Reports 2017–2018, as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) of 17 January 2019, be referred to Council’s Audit and Risk Management Committee for consideration.

The Interim Administrator noted that the Final Management Reports for 2017–2018 were unqualified and that this was the first time that the financial reports of the controlled entities had been included in the report.

The Interim Management Committee also made comment in relation to the role of the Audit and Risk Management Committee and that the focus of the committee will not only be on matters that the Queensland Audit Office have raised but also on Council's risk processes which include some of the underlying systems and control references. It was noted that the plan for the Audit and Risk Management Committee over the next 12 months would be quite different from that of previous plans.

8. AMENDMENT TO THE POLICY ON THE PROVISION OF LEGAL ASSISTANCE FOR EMPLOYEES AND COUNCILLORS

With reference to a report by the General Counsel and City Solicitor dated 18 January 2019, seeking amendment to the existing Council policy for the provision of Legal Assistance for Employees and Councillors.

RECOMMENDATION

That the Interim Administrator of Ipswich City Council resolve:

That the policy titled "Legal Assistance for Employees and Councillors", be amended as detailed in Attachment B of the report by the General Counsel and City Solicitor's report dated 18 January 2019.

PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting opened at 10.18 am.

The meeting closed at 10.38 am.

OFFICER'S REPORT FOR AGENDA OF ORDINARY COUNCIL MEETING 29 JANUARY 2019

AUDITOR GENERAL'S OBSERVATION REPORT

In accordance with section 213 of the *Local Government Regulation 2012* the Mayor is required to present a copy of the Auditor General's Observation Report to the next Ordinary Meeting of the Council following it being received by the Mayor.

In accordance with section 124(2) of the *Local Government Act 2009* the Interim Administrator has all the responsibilities and powers of (a) the local government; and (b) the mayor.

Accordingly, attached is a copy of the report which has also been submitted to the Governance Committee with a recommendation for its referral to Council's Audit and Risk Management Committee for further consideration.

Greg Chemello
Interim Administrator

Governance Committee	
Mtg Date: 22.01.19	OAR: YES
Authorisation: Andrew Knight	

Objective: A5297039

17 January 2019

MEMORANDUM

TO: INTERIM ADMINISTRATOR AND MEMBERS OF GOVERNANCE COMMITTEE

FROM: CHIEF OPERATING OFFICER (FINANCE AND CORPORATE SERVICES DEPARTMENT)

RE: QUEENSLAND AUDIT OFFICE FINAL MANAGEMENT REPORTS 2017-2018

INTRODUCTION:

This is a report by the Chief Operating Officer (Finance and Corporate Services Department) providing an update on the audit of Ipswich City Council, Ipswich City Properties Pty Ltd, Ipswich City Developments Pty Ltd, Ipswich City Enterprises Pty Ltd, Ipswich City Enterprises Investment Pty Ltd and Ipswich Motorsport Park Pty Ltd financial statements for the 2017-2018 financial year.

BACKGROUND:

The Queensland Audit Office (QAO) has completed its audit of Council and the controlled entities financial statements for the 2017-2018 financial year. The Auditor-General has now written to the Interim Administrator providing a copy of the final management reports comprising a summary of issues formally reported to management relating to internal controls and financial reporting matters for attention.

Section 213 of the *Local Government Regulation 2012* provides as follows:

- (1) This section applies if the auditor-general gives the mayor of a local government a copy of the auditor-general's observation report about an audit of the local government's financial statements.
- (2) An auditor-general's observation report, about an audit of a local government's financial statements, is a report about the audit prepared under section 54 of the *Auditor-General Act 2009* that includes observations and suggestions made by the auditor-general about anything arising out of the audit.
- (3) The mayor must present a copy of the report at the next ordinary meeting of the local government.

Whilst the reports will be formally presented by the Administrator at the next Council meeting as required by Section 213, they are also submitted to the Committee for information. It is usual practice for the reports to be referred to the Audit and Risk Management Committee for consideration and further recommendations as to follow-up action. The Audit and Risk Management Committee will also monitor the timely implementation of actions agreed to resolve the issues identified in the QAO reports.

ATTACHMENT:

Name of Attachment	Attachment
Final Management Report - Ipswich City Council	Attachment A
Final Management Report - Ipswich City Properties Pty Ltd	Attachment B
Final Management Report - Ipswich City Developments Pty Ltd	Attachment C
Final Management Report - Ipswich City Enterprises Pty Ltd	Attachment D
Final Management Report - Ipswich City Enterprises Investment Pty Ltd	Attachment E
Final Management Report - Ipswich City Motorsport Park Pty Ltd	Attachment F

RECOMMENDATION:

That the Interim Administrator of Ipswich City Council resolve:

- A. That the Queensland Audit Office Final Management Reports 2017 -2018 for Ipswich City Council and its controlled entities as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) dated 17 January 2019, be received and noted.
- B. That the Queensland Audit Office Final Management Reports 2017-2018, as per Attachments A, B, C, D, E and F to the report of the Chief Operating Officer (Finance and Corporate Services) of 17 January 2019, be referred to Council's Audit and Risk Management Committee for consideration.

Andrew Knight
CHIEF OPERATING OFFICER
(FINANCE AND CORPORATE SERVICES DEPARTMENT)

Your ref:
Our ref: 2018-4167
Patrick Flemming 3149 6041

16 January 2019

Mr G Chemello
Interim Administrator
Ipswich City Council
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello

Final Management Report for Ipswich City Council (ICC)

We have completed our 2018 financial audit for Ipswich City Council (ICC). I issued an unmodified audit opinion on your financial statements, which included a key audit matter detailing our audit response to identified risks associated with charges made by the Crime and Corruption Commission against current and former employees and councillors.

The purpose of this letter is to provide the council with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. A status update on previously reported issues is included as Appendix B. Our rating definitions for internal control deficiencies is shown in Appendix C.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

We will be issuing a report to parliament incorporating your entity. In this report, we will comment on the results of our audit of your financial report, financial position, performance and sustainability matters, and any significant internal control issues we identified. This report is prepared in accordance with the *Auditor-General Act 2009*.

Audit fee

As discussed at the Audit Committee meeting on 28 November 2018, the final audit fee for this year is \$475 500 exclusive of GST (2017: \$275 000).

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Lisa Fraser on 3149 6132.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'P. Flemming', written in a cursive style.

Patrick Flemming
Sector Director

cc: Mr C Dill, Acting Chief Executive Officer, Ipswich City Council

Mr W Agnew, Director-General, Department of Local Government, Racing and Multicultural Affairs (provided under s54(4)(c) of the *Auditor-General Act 2009*)

Appendix A

New issues identified since our interim management letter dated 19 June 2018

This table provides you with a summary of issues that we have formally reported to management.

Internal control issues - Significant Deficiencies

Ref	Issue	Our recommendation	Status
1.	<p>No policies or procedures in relation to developer infrastructure contributions</p> <p><i>(Control environment)</i></p> <p>We reviewed systems and processes over the assessment and collection of developer infrastructure contributions. We identified that other than the requirements of the <i>Planning Act 2016</i>, Ipswich Planning Scheme and the Adopted Infrastructure Charges Resolution there are no documented policies or procedures over this area. This included policies or procedures for:</p> <ul style="list-style-type: none"> • assessing, reviewing and approving a development application from its receipt, to calculating, approving and issuing an infrastructure charge notice • calculating fee variations • approving fee variations and identifying instances where higher delegations / review may be required • monitoring infrastructure charge notices to assess if revenue is due and payable • collecting outstanding charges for completed developments • reporting over the completeness and collection of contributions revenue • reconciling Pathway, ICN Register and Infrastructure Agreement Registers. <p>Implication</p> <p>Without policies or procedures, there is a lack of consistent direction and governance.</p>	<p>Policies and procedures should be developed and documented to reflect the processes for assessing, levying, monitoring, collecting, reporting and reconciling developer contributions revenue to supplement the requirements as set out in the <i>Planning Act 2016</i>, Ipswich Planning Scheme and the Adopted Infrastructure Charges Resolution.</p>	<p>Management Comment:</p> <p>The Adopted Infrastructure Charges Resolution includes guidance on the processes to levy charges and calculate offsets and refunds. It is agreed that a procedure be prepared to ensure consistency in the areas of recalculating infrastructure charges, monitoring of outstanding charges and taking compliance action to supplement the requirements as set out in the <i>Planning Act 2016</i>, Ipswich Planning Scheme and the Adopted Infrastructure Charges Resolution.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Acting City Planner</p> <p>Action date: 30 June 2019</p>

Ref	Issue	Our recommendation	Status
2.	<p>Reconciliation of ICN Register to Pathway for outstanding developer infrastructure contributions</p> <p><i>(Control activities)</i></p> <p>When a development application is approved the details of the development, including the calculated developer contribution charge, as per the Register of Fees and Charges, is entered into Pathway. However the developer contribution charge is not recognised in the general ledger until the works are completed, at which time the charge becomes due and payable.</p> <p>Calculated developer contributions captured and reported in Pathway as at 31 August 2018 was \$302 million. This report includes development applications dating back to 2001. A Register of Infrastructure Charge Notices (ICN) for trunk infrastructure is also maintained. As at 13 June 2018, calculated developer contributions as per this Register were \$294 million.</p> <p>Certain details contained in the ICN Register are required to be maintained under the <i>Planning Act 2016</i>. Due to software limitations in the Pathway Client module and the complexity of the legislative requirements for infrastructure charges, the ICN Register is maintained manually in an Excel spreadsheet.</p> <p>Various details regarding each development application and calculated contributions are the same in both Pathway and the manual ICN Register and in theory, the outstanding balances as per the manual ICN Register should be consistent and reconcile to Pathway. We identified numerous differences between the ICN Register and Pathway. These differences mainly resulted from balances being receipted in Pathway but not being updated in the ICN Register and some development applications not being included in the Register.</p> <p>It was also identified that there were numerous applications included in both Pathway and the ICN Register that had lapsed, or had lapsed and been replaced with a new application and hence included twice. These lapsed applications are still reported in the contributions report.</p>	<ol style="list-style-type: none"> 1. A quarterly reconciliation should be performed between the ICN Register and Pathway to ensure the completeness and accuracy of any calculated infrastructure contributions that are outstanding. 2. A review should be performed to: <ul style="list-style-type: none"> • assess if there are any available options to enable the ICN Register to be maintained in Pathway whilst satisfying the information requirements of the <i>Planning Act 2016</i> and therefore avoiding the need for a separate ICN Register. • determine the ability for the offset transactions in the IA Registers to be recognised in Pathway to avoid inconsistency between Pathway and IA Registers. As a minimum, transactions in the IA Register should be reconciled to Pathways. • determine the ability to reconcile infrastructure credits in IA Registers to contributed assets in the ICC general ledger. 	<p>Management Comment:</p> <p>Agreed that process and systems improvements, including consideration of the inclusion of the ICN register in the functionality in Pathway including offset transactions and infrastructure credits be undertaken.</p> <p>Agreed a quarterly reconciliation process be implemented.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Acting City Planner</p> <p>Action date: 30 September 2019</p>

Ref	Issue	Our recommendation	Status																																			
	<p>We also noted that council maintains separate Infrastructure Agreements and Infrastructure Agreement Registers (IA Registers). These are used to track infrastructure credits allocated to developers for contributed assets. Infrastructure credits are not offset against developer contribution balances in Pathway even though council has received assets, in lieu of cash, to settle this charge. Consequently, transactions that have already been settled are incorrectly appearing as outstanding debts in Pathway and the ICN Register.</p> <p>Implication</p> <p>Council's lack of effective processes is unnecessarily complicating the monitoring of calculated developer contributions.</p> <p>A complex process without regular reconciliations also means council is unable to easily determine projected revenue from developments.</p>																																					
3.	<p>Lack of transparency in calculation of fee variations</p> <p><i>(Control activities)</i></p> <p>Under sec 1.3 of the ICC approved Register of Fees and Charges, upon written request by an applicant, the City Planner, relevant Branch Manager or Team Coordinator has the authority to determine to wholly or partially reduce a Development Application Fee where a strict application of the scheduled fees, in their opinion, is unfair or unreasonable. During the past five years the following discounts on developer application fees have been provided:</p> <table border="1" data-bbox="321 1047 993 1203"> <thead> <tr> <th>Financial Year</th> <th>Number of variations</th> <th>Total Prescribed Fees</th> <th>Total Fee Charged</th> <th>Total Variations</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>81</td> <td>1,279,058</td> <td>538,299</td> <td>740,759</td> </tr> <tr> <td>2015</td> <td>74</td> <td>4,194,914</td> <td>1,501,785</td> <td>2,693,130</td> </tr> <tr> <td>2016</td> <td>83</td> <td>12,644,364</td> <td>2,452,894</td> <td>10,191,470</td> </tr> <tr> <td>2017</td> <td>95</td> <td>3,448,469</td> <td>444,614</td> <td>3,003,855</td> </tr> <tr> <td>2018</td> <td>85</td> <td>2,683,781</td> <td>811,036</td> <td>1,872,745</td> </tr> <tr> <td>Total</td> <td>418</td> <td>24,250,586</td> <td>5,748,628</td> <td>18,501,958</td> </tr> </tbody> </table> <p>Limited documentation was available to support the calculation, determination and justification of the fee variations.</p>	Financial Year	Number of variations	Total Prescribed Fees	Total Fee Charged	Total Variations	2014	81	1,279,058	538,299	740,759	2015	74	4,194,914	1,501,785	2,693,130	2016	83	12,644,364	2,452,894	10,191,470	2017	95	3,448,469	444,614	3,003,855	2018	85	2,683,781	811,036	1,872,745	Total	418	24,250,586	5,748,628	18,501,958	<p>A procedure should be prepared to support the Fees and Charges Register in the determination of fee variations. The procedure should include:</p> <ol style="list-style-type: none"> 1. A requirement for a detailed analysis and justification of the fee variation along with a request from the relevant applicant on a form. 2. A methodology for determining a variation request, including a focus on consistency between variations. 3. Council should consider aligning the approval of fee variations to financial delegations to ensure staff with appropriate authority and seniority are considering variations. 	<p>Management Comment:</p> <p>Agreed that a procedure be prepared to guide the fee variation process for consistency and ensure that this procedure matches financial delegations.</p> <p>It should also be noted that additional corrective actions have already been undertaken to address the scale of variations that had been processed in the past including:</p> <ul style="list-style-type: none"> • The introduction of a contributions cap for major developments which will reduce the scale and need for fee variations for particular major projects.
Financial Year	Number of variations	Total Prescribed Fees	Total Fee Charged	Total Variations																																		
2014	81	1,279,058	538,299	740,759																																		
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Ref	Issue	Our recommendation	Status
	<p>We also noted variations were not always consistent between similar applications. There did not appear to be a clear and transparent process for determining the final fee charged. Most fee variations were approved by the relevant Team Coordinator.</p> <p>Implication</p> <p>Without a clear, consistent and transparent process for the calculating and determining of fee variations, council is exposed to unnecessary risk as well as potential bias.</p>	<p>4. A requirement to maintain and collate appropriate supporting documentation to support the calculation, determination, justification and approval of the fee variation.</p> <p>Further consideration should be given to section 4 of the Register of Fees and Charges regarding Development Planning Application Fees with a view to ensuring that the prescribed fees are reflective of council's recovery of costs for assessing these applications.</p> <p>Where variations are given, details of the scale and reasoning for variations should be included in quarterly reporting to the City Planner and Chief Executive Officer and such reporting should be considered in the preparation of fees and charges for the coming financial year.</p>	<ul style="list-style-type: none"> • A recommendation for an adjustment to the fee for change applications which is to be presented to the December round of Council meetings. <p>It is considered that these measures will significantly reduce the frequency and value of variations.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Acting City Planner</p> <p>Action date: 30 June 2019</p>

Ref	Issue	Our recommendation	Status
4.	<p>Enterprise Risk Management (re-raised with increased risk rating)</p> <p><i>(Risk assessment)</i></p> <p>A deficiency was raised during our interim audit in relation to Enterprise Risk Management. At this time we understood that the go live date for all risk registers being reviewed, approved and operational in the CAMMS system was 1 July 2018. This process has since been delayed. We understand that strategic risks are still to be approved and operational risks have been approved and are in the process of being entered into CAMMS. Stage 2, being the development of a Fraud Risk Register and control and risk management plans has not yet commenced.</p> <p>It is noted that a Fraud and Corruption Control Framework is currently being developed and the Complaint Management Policy is in the process of being reviewed, however, neither of these documents are finalised.</p> <p>Implication</p> <p>Risk management is a critical and integral part of good management practice and corporate governance.</p>	<p>We recommend that council's overall Enterprise Risk Management be finalised, approved and implemented as a matter of priority. This includes:</p> <ul style="list-style-type: none"> • Strategic and Operational Risk Registers • Fraud and Corruption Control Framework • Fraud Risk Register • Fraud Control Plan • Control and risk treatment plans • Complaints Management Policy 	<p>Management Comment:</p> <p>Management agrees that Council's Enterprise Risk Management be finalised as a priority including adoption of Council's Strategic Risks</p> <p>All operational risk registers were live in CAMMS by 30 June as agreed and Council is now moving into Stage 2 being the development of the fraud risk register, control plans and embedding risk management across the organisation.</p> <p>To enable this, Risk Management has been identified as a key Transformational Project as part of Council's and the Interim Management Committee's improvement projects.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Corporate Governance and Risk Manager</p> <p>Action date: 31 December 2019</p>

Ref	Issue	Our recommendation	Status
5.	<p>Monitoring of Arrangements with Beneficial Enterprises and Other Entities <i>(Monitoring)</i></p> <p>We identified a relationship with Cherish the Environment Foundation Limited (Cherish) and requested council to assess whether council had control or significant influence over the entity, as per the definitions in the relevant accounting standards. This resulted in Cherish being assessed as a controlled entity of council.</p> <p>Implication</p> <p>Without processes in place for actively monitoring agreements and arrangements with beneficial enterprises and other organisations, council may not be appropriately disclosing all its related party relationships in the financial statements as required by AASB 124 <i>Related Party Transactions</i>.</p>	<p>Council should review and understand its relationship with all organisations that it has an interest in. Council should actively monitor the activities of all these organisations, including for changes in constitutions, which may result in a change in council's relationship with the organisation and the council being deemed to have control or significant influence.</p>	<p>Management Comment:</p> <p>Agreed that Council will review and monitor relationships with organisations Council has an interest in.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Chief Operating Officer F&CS and Executive Leadership Team</p> <p>Action date: 30 June 2019</p>

Internal control issues - Deficiencies

Ref	Issue	Our recommendation	Status
6.	<p>Payments made to a community organisation</p> <p><i>(Control environment)</i></p> <p>We identified that council is providing financial support to a community organisation for the funding of their annual budget deficit. Council has an agreement with this organisation dated 30 March 2008. This agreement provides for council to approve the organisation's annual budget and to make an advance payment if there is a budget deficit each financial year.</p> <p>The organisation is required to provide a quarterly report to council detailing all revenue and expenses for the budget year to date and provide council a copy of its annual report. Since 2014–15, approximately \$343 533 has been paid by council to this organisation of which \$222 786 is attributable to the payment of their budget deficit.</p> <p>Of the organisation's six directors, five directors are either current or former employees of council. We understand that these directors are not appointed as representatives of council and council is not a member of this organisation.</p> <p>Implication</p> <p>The structure of this agreement may unnecessarily expose council to increased financial and reputational risks.</p> <p>Potential or perceived conflicts of interest could exist.</p>	<p>Management should review the appropriateness of this agreement.</p> <p>Management should also review the policy on outside employment to ensure it adequately covers these arrangements. Any delegated approval given under the policy should consider whether a conflict or perceived conflict of interest exists or has the potential to exist.</p> <p>In addition, management should ascertain whether any other similar arrangements exist across council and ensure a record of these is centrally maintained.</p>	<p>Management Comment:</p> <p>Agreed – A recommendation has been made by council officers to the Audit & Risk Management Committee to request the CEO to review this agreement.</p> <p>Management will review its outside employment procedure to ensure it adequately covers these or similar arrangements.</p> <p>Responsible officer: Chief Operating Officer WPR</p> <p>Status: Management undertaking corrective action.</p> <p>Action date: 30 June 2019</p>

Ref	Issue	Our recommendation	Status
7.	<p>Completeness and existence exceptions in relation to artwork <i>(Control activities)</i></p> <p>We identified the following deficiencies:</p> <ul style="list-style-type: none"> • Four donations from IAFT in December 2017, totalling \$43 000, were not recognised in the Council asset register at 30 June 2018. • The portable and attractive register does not include artwork. A "Below Threshold Report" is partially developed but does not include a complete listing. Therefore, no record is maintained in Oracle of all artwork below the recognition threshold of \$1 000. • Audit inspected five pieces of artwork on the walls of council buildings which could not be located on the asset register, work in progress or the below asset threshold report. The value of these assets are therefore unknown to audit. • Audit inspected one piece of artwork on the walls of council buildings, which had been retired from the asset register (with a cost greater than the recognition threshold). • The most valuable piece of artwork held by ICC is placed in the Art Gallery Boardroom and not in a space for public viewing. • The asset register includes artwork that has been capitalised with costs below the recognition threshold. • A donation from IAFT was not recognised in the council asset register as the donation consisted of two horns. When dividing the value (\$1 500) between the two horns, the value per horn falls below the recognition threshold. It is unlikely the horns would be separated for sale or disposal and therefore, should be recognised as one asset, with a value greater than recognition threshold. 	<p>It is recommended that:</p> <ul style="list-style-type: none"> • artworks with a value less than \$1 000 are added to the portable and attractive register • the asset register is cleansed to ensure only assets above the recognition threshold are recorded • all donations from IAFT are reviewed and recognised in the asset register or portable and attractive register • analyse artworks / collections to determine if the value is based on the collection as a whole, or individual components • ensure large value assets are displayed to allow for public viewing and enjoyment. 	<p>Management Comment:</p> <p>Council will undertake a review in conjunction with the Director of Ipswich Art Gallery of the art registers and donation process from Ipswich Arts Foundation.</p> <p>Management will need to consider whether it's appropriate to manage the art collection in the below threshold register or place reliance on Art Gallery listings.</p> <p>Further response to be provided after consultation with the Director of Ipswich Art Gallery.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Art Gallery Director, Finance Manager</p> <p>Action date: 31 March 2019</p>

Ref	Issue	Our recommendation	Status
	<p>Implication</p> <p>Without a register for portable and attractive artwork there is an increased risk of misappropriation of assets.</p> <p>A lack of effective processes in place for recognising and recording assets of all values, leads to over/understatement of asset balances.</p>		
8.	<p>Bank reconciliation deficiencies</p> <p><i>(Control activities)</i></p> <p>We identified the following exceptions with bank reconciliations:</p> <ul style="list-style-type: none"> • The general bank reconciliation was reviewed more than 5 weeks after month end on two separate occasions • The trust bank reconciliation was reviewed more than 5 weeks after month end on two separate occasions • The June general bank reconciliation included 17 unpresented cheques more than 15 months old, which, in accordance with council policy, should have been written off. <p>Implication</p> <p>If the reconciliations are not being reviewed in a timely manner, there is increased risk that errors in the bank reconciliation will not be detected.</p> <p>Long outstanding unpresented cheques, though small in value, could indicate errors, omissions and/or possible fraudulent activities.</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> • reconciling items in the bank reconciliation are monitored and actioned in accordance with council work instructions and timeframes; and • bank reconciliations are reviewed in a timely manner 	<p>Management Comment:</p> <p>Agreed - Council will ensure timely signing of bank reconciliations. Unpresented cheques process was delayed due to staff changes and is currently being corrected and maintained.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager</p> <p>Action date: 31 March 2019</p>
9.	<p>Untimely processing of disposals when renewing an asset</p> <p><i>(Control activities)</i></p> <p>When testing a sample of capitalised projects, four projects were identified as renewals requiring an associated disposal.</p>	<p>Processes be updated to ensure that assets are disposed of when they are physically scrapped or no longer in use.</p>	<p>Management Comment:</p> <p>Council will again further review the decommissioning process between Works, Parks and Recreation Department and Infrastructure Services Department to ensure timely decommissioning.</p>

Ref	Issue	Our recommendation	Status																				
	<p>It was noted that three of the four projects only had the disposal processed following enquiries from audit.</p> <table border="1"> <thead> <tr> <th>Project</th> <th>Audit Enquiry</th> <th>Decommissioned Date</th> <th>Capitalisation Date</th> <th>Certificate of Practical Completion</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>5 April 2018</td> <td>9 and 10 April 2018</td> <td>15 March 2017</td> <td>24 March 2016</td> </tr> <tr> <td>2</td> <td>5 April 2018</td> <td>6 and 9 April 2018</td> <td>11 October 2017</td> <td>24 July 2017</td> </tr> <tr> <td>3</td> <td>25 September 2018</td> <td>3 October 2018</td> <td>Adjustment to existing network assets</td> <td>8 July 2017</td> </tr> </tbody> </table> <p>We have previously raised similar issues with council on the decommissioning process and delays.</p> <p>Implication</p> <p>Untimely disposals can result in misstatement of asset balances.</p>	Project	Audit Enquiry	Decommissioned Date	Capitalisation Date	Certificate of Practical Completion	1	5 April 2018	9 and 10 April 2018	15 March 2017	24 March 2016	2	5 April 2018	6 and 9 April 2018	11 October 2017	24 July 2017	3	25 September 2018	3 October 2018	Adjustment to existing network assets	8 July 2017		<p>Status: Management undertaking corrective action.</p> <p>Responsible person: Business Accounting and Asset Manager (WPR)</p> <p>Action date: 31 March 2019</p>
Project	Audit Enquiry	Decommissioned Date	Capitalisation Date	Certificate of Practical Completion																			
1	5 April 2018	9 and 10 April 2018	15 March 2017	24 March 2016																			
2	5 April 2018	6 and 9 April 2018	11 October 2017	24 July 2017																			
3	25 September 2018	3 October 2018	Adjustment to existing network assets	8 July 2017																			
10.	<p>Insufficient action taken for long outstanding WIP projects (re-raised from FY17 Final Management Letter) (Monitoring activities)</p> <p>We identified a large number of projects had not incurred any expenditure for a substantial amount of time.</p> <p>The table below is a summary of our findings:</p> <table border="1"> <thead> <tr> <th>Time since money was last spent on project</th> <th>Number of projects</th> <th>Dollar value of projects</th> </tr> </thead> <tbody> <tr> <td>6 – 12 months ago</td> <td>22</td> <td>\$574K</td> </tr> <tr> <td>1 to 2 years ago</td> <td>42</td> <td>\$1.06M</td> </tr> <tr> <td>> 2 years ago</td> <td>11</td> <td>\$196K</td> </tr> </tbody> </table> <p>We queried the status of projects >2 years, and identified 10 of the 11 projects were eligible to be capitalised within the month.</p>	Time since money was last spent on project	Number of projects	Dollar value of projects	6 – 12 months ago	22	\$574K	1 to 2 years ago	42	\$1.06M	> 2 years ago	11	\$196K	<p>It is recommended the monthly outstanding WIP reports are critically reviewed with appropriate action being undertaken within reasonable timeframes.</p>	<p>Management Comment:</p> <p>Council has had a focus, in particularly in Infrastructure Services Department, on capitalisation up to date and the focus was on large dollar amounts. Agreed that further review and capitalisation of the longer outstanding small projects is to occur.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Commercial Finance Manager (IS)</p> <p>Action date: 30 June 2019</p>								
Time since money was last spent on project	Number of projects	Dollar value of projects																					
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Ref	Issue	Our recommendation	Status
	<p>Monthly outstanding WIP reports are provided to each department/area for assessment. Based on the findings above, it is evident that these reports are not being critically reviewed and actioned.</p> <p>Implication</p> <p>The existence of long-term projects in capital work in progress (CWIP) that have not had monies spent on them for a number of years indicates that such projects may be completed or discontinued.</p> <p>Without effective review of the CWIP balances there is potential for misstatement in the financial statements as follows:</p> <ul style="list-style-type: none"> • Understatement of depreciation (for those projects not capitalised in a timely manner); and/or • Overstatement of property, plant and equipment and understatement of expenses (for those projects not written off in a timely manner). 		
11.	<p>Non-compliance with Councillor Expenses Reimbursement and Administrative Support Procedure</p> <p><i>(Control activities)</i></p> <p>We identified that over the past three financial years payments have been made for QANTAS club memberships over seven separate councillors.</p> <p>Reimbursement for QANTAS club membership or similar frequent flyer programs are not included as an allowable expense per the Councillor Expense Reimbursement and Administrative Support Procedure.</p> <p>The number of work-related flights for each councillor during the time they had QANTAS club membership over the past three financial years are as follows:</p>	<p>Council should ensure all expenditure incurred is consistent with approved policies and procedures and is considered appropriate for meeting the objectives of the council.</p>	<p>Management Comment:</p> <p>Agreed - Council will review Councillor Expenses Reimbursement and Administrative Support Procedure as part of Councils policy and procedures Transformation Project and review processes prior to 2020 election to ensure expenditure is consistent with approved policies and procedures.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Chief Operating Officer – Finance and Corporate Services</p> <p>Action date: 31 December 2019</p>

Ref	Issue	Our recommendation	Status																																
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12.	<p>Assessment over current legal claims</p> <p><i>(Monitoring activities)</i></p> <p>No formal review was initially completed and documented over all current legal claims to assess whether there was any potential impact for council which should be disclosed in the financial statements.</p> <p>This review has now been completed by the General Counsel and City Solicitor and audit is satisfied that there are no material contingent liabilities identified as at 30 June 2018.</p> <p>Implication</p> <p>Disclosure of contingent liabilities or contingent assets in council's financial statements is required under accounting standard AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>.</p>	<p>We recommend that council's Legal section, in collaboration with Finance, annually assess all current legal proceedings for potential provision or contingency disclosure. This review should include all external and in-house proceedings.</p> <p>The process used to identify all litigation and claims should be documented, together with a detailed list of all proceedings, including a description of the matter and council's evaluation of its effect on the financial report.</p>	<p>Management Comment:</p> <p>Agreed - Council will develop a more formal process and review its end of financial year plan with Legal to assess all litigation and assess if there is any potential provision or contingency disclosure.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager</p> <p>Action date: 30 June 2019</p>																																

Internal control issues – Other Matter

Ref	Issue	Our recommendation	Status
13.	<p>Valuation of Artwork <i>(Control activities)</i></p> <p>The Ipswich Arts Foundation Trust (IAFT) offers donors a tax deduction for all artwork approved under the Federal Government’s Cultural Gifts Program (CGP). The value of the tax deduction for the artwork is the average of two separate valuations by valuers chosen from an approved panel of five valuers available in south east Queensland. IAFT regularly use the same two valuers each time to manage the cost of the valuation.</p> <p>All artwork is gifted by IAFT to Ipswich City Council and is included in the council’s collection upon ratification at council meetings. The artworks are transferred to council at the cost of purchase or the value of donation.</p> <p>Artworks remain in council’s fixed asset register at the value transferred until the comprehensive revaluation every five years by an external valuer. This external valuer is historically one of the valuers used by IAFT under the CGP.</p> <p>The total value of council’s artwork collection as at 30 June 2018 is \$3.978 million. The last comprehensive valuation was completed at 30 June 2014, at which time, the majority of the artworks decreased in value.</p> <p>While the value of artwork may change for different reasons, audit would not expect to see a significant decrease in value in the fixed asset register given the short timeframe (months in some instances) since it was valued under the CGP. The value of artwork generally appreciates over time.</p> <p>Implication</p> <p>Artwork may not be stated at their fair value.</p>	<p>As artwork is due for comprehensive valuation in 2018/19, appropriate processes are to be put in place to ensure that clear instructions are given to the valuer, valuation is reflective of current market value and council investigate all significant movements in value.</p>	<p>Management Comment:</p> <p>Audit comments are noted – the revaluation in 2019 will be carried out by an independent qualified artwork valuer to ensure the values reflect current value.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Art Gallery Director</p> <p>Action date: 30 June 2019</p>

Financial reporting issues

Ref	Rating	Issue	Our recommendation	Status
14.		<p>No formal impairment assessment undertaken by Council <i>(Property, plant and equipment)</i></p> <p>Council does not undertake a formal assessment for impairment of assets valued at cost on an annual basis. As per accounting standard AASB 136 <i>Impairment of assets</i>, assets must be assessed for indications of impairment annually.</p> <p>We noted that the stocktake instructions include reference to considerations of impairment, however, there is no evidence that this has been undertaken and the results are not compiled and presented.</p> <p>Implication</p> <p>There is an increased risk that:</p> <ul style="list-style-type: none"> the net book value of assets on the asset register may be inaccurate, resulting in an overstatement of property, plant and equipment incorrect net book values of assets may result in incorrect future investment decisions by management. 	<p>It is recommended that the council undertakes a formal annual assessment for impairment in accordance with the accounting standards.</p>	<p>Management Comment:</p> <p>Council's current policy does make requests for departments to consider impairment. Further training and follow up is required.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager</p> <p>Action date: 30 June 2019</p>

Appendix B

Previously reported internal control deficiencies

Significant Deficiencies

Ref and Rating	Issue	Status
<p>1. FY18 Interim Management Letter. Similar issue reported in FY17 Final Management Letter</p>	<p>Employees receiving termination payments through Deeds of Release <i>(Control activities)</i></p> <p>We identified four employees that were terminated through a 'Deed of Release'. Each of the Deeds varied in the agreed incentive provided to the employee. There were inconsistent levels of documentation available to us to support the reason for each of these terminations.</p> <p>There is no policy or guidance on the scenarios where a Deed of Release is appropriate, nor the level or type of supporting documentation required. There is also no framework for establishing a reasonable payout amount.</p>	<p>Management Comment:</p> <p>Recommendation actioned. CEO has issued an instruction for no deeds to be currently entered into. A draft Deed of Release Guidelines has been prepared and approved by CEO. It has been tabled with the Executive Leadership Team.</p> <p>Supervisors and managers are instructed on the performance management process and associated documentation through the Leadership Essentials program that all supervisory staff must attend.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>2. FY18 Interim Management Letter</p>	<p>Lack of detailed evidence to support action taken to verify vendor masterfile changes / additions <i>(Control activities)</i></p> <p>There was a lack of detailed evidence to support action taken to verify vendor masterfile additions / changes in 15 vendor masterfile changes we reviewed.</p>	<p>Management Comment:</p> <p>Process within Accounts Payable and Supplier set up is now more stringent with more information in emails from preparer to reviewer and we are more diligent.</p> <p>Corporate Procurement is finalising edits on checklist to show the validation process that they undertake as part of the process. Will look at this item and the necessary actions and work in consultation with Accounts Payable.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager</p> <p>Action date: 28 February 2019</p>

Ref and Rating	Issue	Status
<p>3. FY18 Interim Management Letter</p>	<p>Financial delegation deficiencies <i>(Control environment)</i></p> <p>Audit compared Council's Instruments of Sub-Delegation for Contracts and Purchasing to the financial delegations within the Oracle system and noted that these Instruments were not signed as approved by the Chief Executive Officer and were not recently reviewed by council and therefore out of date. The conditions of each Instrument of Sub-Delegation specifies that the delegation is to be reviewed annually.</p> <p>There were inconsistencies between the Instruments of Sub-Delegation and the financial delegations in Oracle for "approve purchase requisitions" by position. Sixty-two positions in Oracle could not be located on the Instruments of Sub-Delegation for the relevant dollar position approval.</p>	<p>Management Comment:</p> <p>Recommendation actioned. The existing financial delegations have been reviewed and updated and instruments signed off by CEO. The process has been changed to reflect quarterly reviews of delegations.</p> <p>These new instruments are saved in Objective under Corporate Governance, Delegations, Active delegations, Sub-delegations and can be provided to QAO if required to close off this item. A delegations register has always existed and is available on the Wire and will be amended as part of the new quarterly update process.</p> <p>Also Corporate Services and Risk Manager is currently working on engaging an external legal firm to undertake a review of the delegations Council wide.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>4. FY18 Interim Management Letter</p>	<p>Lack of automated controls surrounding financial delegations for purchase orders raised <i>(Control activities)</i></p> <p>Financial delegation and approval occurs for each individual purchase requisition and our testing of these did not identify any significant exceptions.</p> <p>However, current system design and workflow practices allow for a combination of previously authorised purchase requisitions to form a single purchase order to a vendor, where the combined value of the purchase order exceeds the delegation level of the highest approving officer.</p>	<p>Management Comment:</p> <p>ICT has been doing further review and testing with QAO IT audit team. ICT has spent approx. 2 weeks providing details and working through tests to replicate approval processes.</p> <p>Follow up will occur with QAO and agree final changes / recommendations.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager and A/Chief Operating Officer (Finance and Corporate Services)</p> <p>Action date: 31 March 2019</p>

Ref and Rating	Issue	Status
5. FY17 Final Management Letter	<p>Council officers engaging legal firms directly <i>(Control activities)</i></p> <p>We have identified that council officers are engaging directly with legal firms to deal with ad hoc legal matters, rather than following council policy of using Council's legal section. Invoices for legal expenses are paid using corporate card or set up as one-time suppliers.</p>	<p>Status: Resolved.</p>

Deficiencies

Ref and Rating	Issue	Status
<p>6. FY18 Interim Management Letter</p>	<p>Non-compliance with community and citywide donations policy <i>(Control activities)</i></p> <p>The Community and Citywide Donations Policy stipulates that 'if the maximum amount of any single/cumulative donations for any one applicant or project in any financial year is more than \$5 000 from any particular divisional, citywide or community capital project allocation, the allocation is required to be approved by the CEO in consultation with the Mayor and Deputy Mayor'. No such further approval was obtained for two payments that had a cumulative total exceeding the \$5 000 threshold.</p>	<p>Management Comment:</p> <p>Recommendation actioned. SmartyGrants identifies ABN duplicates and the Community Grants team also regularly cross-reference applications by key words in the applicant's name, so they address the risk and comply with the policy.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>7. FY18 Interim Management Letter</p>	<p>Redundant purchase order data in Oracle <i>(Information and communication)</i></p> <p>Audit was advised that all purchase order requisitions, irrespective of their status, are retained within Oracle. We reviewed the open purchase order listing as at 21 March 2018 and observed a significant volume of purchase orders which appear to be old, redundant or irrelevant, with some purchase orders dating back to 2008.</p>	<p>Management Comment:</p> <p>All open orders prior to 2015 have been closed off. Corporate Procurement will have discussions with the other procurement teams during the Procurement Strategy meetings and determine a process and procedure to actively address this item and ensure that a regular review is undertaken of all open purchase orders.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Procurement Manager</p> <p>Action date: 31 December 2018</p>
<p>8. FY18 Interim Management Letter</p>	<p>Payroll Masterfile changes <i>(Control activities)</i></p> <p>Two instances were identified where the independent senior officer failed to sign off approval for changes made to the payroll masterfile. It is noted that supporting documentation was attached to support each masterfile change.</p>	<p>Management Comment:</p> <p>Recommendation actioned. Master File changes are reviewed, signed and dated by Manager People & Culture.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>

Ref and Rating	Issue	Status
<p>9. FY18 Interim Management Letter</p>	<p>Capitalisation date of assets <i>(Control activities)</i></p> <p>WIP Additions</p> <p>Capitalisation dates were not consistent with the date of practical completion. In some instances, 12 months had passed from practical completion to the assets being capitalised in the fixed asset register.</p> <p>Assets Contributed by Developers</p> <p>It was identified that the depreciation start date as recorded in the fixed asset register is not consistent with the on-maintenance date as communicated by the Planning and Development Department.</p>	<p>Management Comment:</p> <p>Recommendation actioned. We are now using date of 'on maintenance' as per the memo rather than date of the memo, except in circumstances where it appears 'on maintenance' date goes back a sufficient amount of time and this will be investigated accordingly.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>10. FY18 Interim Management Letter</p>	<p>Accuracy and completeness of PPE reconciliation <i>(Control activities)</i></p> <p>The Property, Plant and Equipment reconciliation did not always tie to supporting reports and included values against line items which would be expected to be questioned as part of the preparation and review processes. We have consistently encountered issues with council's PPE reconciliation, with similar difficulties noted during prior year testing.</p>	<p>Management Comment:</p> <p>Recommendation actioned. Process has been reviewed and controls in place to reduce errors.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>11. FY18 Interim Management Letter</p>	<p>Internal audit plan requires updating <i>(Monitoring)</i></p> <p>Whilst we acknowledge that the Internal Audit 3-year strategic audit plan 2017-2020 touches on the organisation's operational risks, more could be done to closer align the specific organisational risks to the annual internal audit plan.</p>	<p>Management Comment:</p> <p>The next Internal Audit Plan activities were completed at the time this issue was raised.</p> <p>This will be incorporated in the next round of planning to take place early next year, if the operational risk registers are in place and up to date.</p> <p>Status: Management undertaking corrective action.</p>

Ref and Rating	Issue	Status
	<p>Local Government Regulation 2012, s207 requires that for each financial year, a local government must prepare an internal audit plan that includes statements about the way in which the operational risks have been evaluated; the most significant operational risks identified from the evaluation; and the control measures adopted to manage the most significant operational risks.</p> <p>These requirements have not been documented in the 2017-18 Internal Audit Plan.</p>	<p>Responsible person: Chief Audit Executive</p> <p>Action date: TBA</p>
<p>12. FY18 Interim Management Letter</p>	<p>Security configuration for Active Directory <i>(Control activities)</i></p> <p>We identified inconsistencies between Council's ICT Password Management Directive and the password security setting to access Council's network (Active Directory).</p>	<p>Management Comment:</p> <p>Agreed: Review and update of ICT password directive has been completed. Active Directory settings for privileged accounts have been configured to reflect the standards required or better</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>
<p>13. FY18 Interim Management Letter</p>	<p>System access for users who changed their roles and responsibilities in Council <i>(Control activities)</i></p> <p>Council does not have a consistent process to notify ICT about users who are terminated and/or change their roles and responsibilities in council.</p> <p>We compared the list of terminated personnel from 2016 to 2018 to the list of users who can access council's network and Oracle eBusiness system. We found that there are 27 terminated personnel who still have access to council's network. Seven of these users also have access to Oracle eBusiness system.</p> <p>Council advised us that it re-engaged these users for different roles and responsibilities following their terminations. ICT, however, did not receive notification from human resource or the business unit that they have terminated these users from their previous roles and responsibilities.</p>	<p>Management Comment:</p> <p>Agree. Following the completion of the HRIS project warranty period, ICT will review the process of automating employee termination or transfers.</p> <p>Status: Work in progress</p> <p>Responsible person: ICT Manager</p> <p>Action date: 30 June 2019</p>

Ref and Rating	Issue	Status
<p>14. Re-raised in FY18 from original issue in FY16 Final Management Letter</p>	<p>Managing access to council's network (Active Directory) <i>(Control activities)</i></p> <p>We noted that there are 116 user accounts in Active Directory that do not require users to change their password regularly (i.e. passwords set to never expire). This included eight user accounts that belong to ICT vendors.</p>	<p>Management Comment:</p> <ol style="list-style-type: none"> 1. Council ICT has performed a user account review with consideration to expiration settings. Expiration settings for user accounts have been updated to reflect the recommendation. 2. Noted. ICT will review recommendation and make determination on a suitable solution to further improve vendor account monitoring process. <p>Status: Subject to QAO testing in 18/19 audit, part 1 of the recommendations regarding expiry dates has been completed.</p> <p>Council is working through possible solutions with vendors</p> <p>Responsible person: ICT Manager</p> <p>Action date: 31 March 2019</p>
<p>15. FY17 Final Management Letter</p>	<p>Improvements to councillors' Register of Interests <i>(Control environment)</i></p> <p>We noted difficulty in using the councillors' registers of interests to identify related parties and conflicts of interest.</p>	<p>Status: Resolved.</p>
<p>16. FY16 Final Management Letter</p>	<p>Elected Council oversight of controlled entities and making information publicly available <i>(Information and communication)</i></p> <p>During our 2015–16 and our 2016–17 audit we raised an issue about the council's oversight of the controlled entities and made the following recommendations:</p> <ol style="list-style-type: none"> 1. Council adopt a formal policy to cover the oversight (management) of its controlled entities. 2. A director of each controlled entity should provide regular reports at council meetings. 3. Council meetings to consider the controlled entities' audited financial statements and external audit reports. 	<p>Status: Resolved.</p>

Ref and Rating	Issue	Status
17. FY17 Final Management Letter	<p>Clear written instructions were not provided to the valuation expert <i>(Information and communication)</i></p> <p>Through direct discussions with management's valuation expert (the valuer), we identified that the valuation requirements for 'buildings and structures' changed many times throughout this year's valuation. The valuer did not receive clear instructions about which assets were to be valued and which assets excluded. Council added and excluded assets progressively throughout the process.</p>	<p>Status: Resolved.</p>
18. FY17 Final Management Letter	<p>Journals not signed <i>(Control activities)</i></p> <p>We identified instances of journal records not being signed by the preparing or authorising or posting officers, rather the names of the officers were typed on the journal.</p>	<p>Status: Resolved.</p>
19. FY17 Final Management Letter	<p>Incorrect coding of expenses - Corporate credit cards <i>(Control activities)</i></p> <p>We identified instances where expenses had been incorrectly capitalised. While most items identified were low in value, we also identified travel to, and accommodation for, conference attendance which had been charged to work in progress.</p>	<p>Management Comment:</p> <p>Corporate credit card transactions coded to WIP will be reviewed for operational expenses and transferred.</p> <p>Training has been provided to staff in the key departments who manage capital projects regarding the criteria to determine if expenses are recurrent or capital in nature.</p> <p>Status: Resolved pending QAO verification during 2018/19 audit.</p>

Ref and Rating	Issue	Status
20. FY17 Final Management Letter	<p>Councillor reimbursements approval of claims <i>(Control activities)</i></p> <p>Testing completed over councillor expense reimbursement claims identified that some claims had not been approved; were posted to the general ledger before being approved; had been coded to the wrong account or were not submitted or approved in a timely manner.</p>	Status: Resolved.
21. FY16 Final Management Letter	<p>Disaster Recovery <i>(Control environment)</i></p> <p>There was limited assurance that council would be able to recover key systems within suitable timeframes in the event of a disaster as council did not have a secondary data centre. Council had not updated the IT disaster and key applications recovery plan.</p>	Status: Resolved.
22. FY17 Final Management Letter	<p>ICT policy and procedure documents overdue for review <i>(Control Environment)</i></p> <p>Council had not reviewed and updated the ICT policy and directives since 2012 and 2013. We also raised this issue in 2015–16 audit.</p> <p>We understand that an overarching ICT policy is awaiting approval, which will enable Council to implement new ICT directives.</p>	Status: Resolved.

Other matters




Ref	Issue	Status
<p>23. FY18 Interim Management Letter</p>	<p>Current contract management reporting may not readily assist in analysing and reporting over procurement <i>(Information and communication)</i></p> <p>We acknowledge the efforts of Council to improve data collection and management reporting around procurement and contract management. In our enquiries, the collation and production of these reports is not timely for management and requires substantial resources to prepare.</p> <p>Furthermore, there is no defined and documented quality review process. We also note that a dashboard was trialled in October 2017 but has not yet been rolled-out.</p>	<p>Management Comment:</p> <p>Corporate Procurement has launched a concept brief into the ICT Branch regarding contract management and Oracle reporting functionality and availability. The ICT Branch is working on the next stage of the concept brief development process. This item is currently being worked on.</p> <p>Initial reporting will be prepared based on current dashboards.</p> <p>Further review will be incorporated into the transformational projects regarding procurement and operational reporting by December 2019.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager and Procurement Manager</p> <p>Action date: Initial current reporting – 28 February 2019</p>
<p>24. FY18 Interim Management Letter</p>	<p>Procurement Planning and risk treatment could be improved <i>(Risk assessment)</i></p> <p>We recognise the improvements recently implemented by council through the development of a procurement framework. We offer the following observations to further strengthen the process:</p> <ul style="list-style-type: none"> • Utilising a council-wide strategic procurement approach may assist in improved planning and execution of procurement • Aligning council resources to the level of risk in procurement processing and contract management for medium to large procurement projects. 	<p>Management Comment:</p> <p>Procurement Review underway - draft report in four weeks. The suggested improvement will be referred to the Procurement Transformational Project for consideration.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Procurement Manager</p> <p>Action date: TBA</p>

Ref	Issue	Status
25. FY18 Interim Management Letter	<p>Vendors with an ABN status of cancelled</p> <p>Audit extracted a listing of all vendors ABNs from the vendor masterfile and ran the list through the 'ABN Lookup' tool obtained from the Australian Business Register (ABR) website. Two vendors have an ABN status of 'cancelled'.</p>	<p>Management Comment:</p> <p>At present we are tidying up information on suppliers that are not being used by end dating them. Once this has been completed, ABN check will be performed. On-going this will be actioned quarterly.</p> <p>Status: Management undertaking corrective action.</p> <p>Responsible person: Finance Manager</p> <p>Action date: 31 March 2019</p>
26. FY17 Final Management Letter	<p>Monitoring of access to Oracle eBusiness database and infrastructure.</p> <p>Council does not enable audit logging on the Oracle eBusiness database due to concerns over the impact to system performance. While other controls are operating, we believe that audit logging is the most efficient and effective means of identify unauthorised access or changes to the Oracle eBusiness production servers.</p>	<p>Status: Resolved.</p>
27. FY17 Final Management Letter	<p>Ipswich Arts Foundation and Ipswich Arts Foundation Trust – preparation of financial statements.</p> <p>We note that an external accountant is engagement to prepare the financial statements of the Ipswich Arts Foundation and the Ipswich Arts Foundation Trust costing approximately \$12 000.</p>	<p>Status: Resolved.</p>

Appendix C




Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.	Our recommendation may be implemented at management's discretion.

Our risk rating definitions for financial reporting issues

We assess financial reporting issues on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
High 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements	We expect management action will be taken in a timely manner to resolve deficiencies.
Low 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	Our recommendation may be implemented at management's discretion.

Your ref:
Our ref: 2018-4186

16 January 2019

Mr G Chemello
Chairperson
Ipswich City Properties Pty Ltd
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello

Final Management Report for Ipswich City Properties

We have completed our 2018 financial audit for Ipswich City Properties Pty Ltd (ICP). I issued an unmodified audit opinion, with two emphases of matter on your financial statements.

The purpose of this letter is to provide you with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. We acknowledge that the recommendations have not all been implemented as the entity is in the process of winding up. We continue to report these for your information and consideration for any future controlled entities. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of ICP in a report to parliament. In this report, we will comment the results of our audit of your financial report, financial position, performance and sustainability matters, and any significant internal control issues we identified. This report is prepared in accordance with the *Auditor General Act 2009*.

Audit fee

The final audit fee for this year is \$55 000 exclusive of GST (2017: \$20 000). This fee is more than the \$32 500 estimated in our external audit plan, due to additional work performed to address identified risks.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Megan Manuel on 3149 6122.

Yours sincerely



Patrick Flemming
Sector Director

Appendix A



Issues formally reported to management



This table provides you with a summary of issues that we have formally reported to management.

New internal control deficiencies reported since our final management letter dated 12 December 2017


Ref	Rating	Issue	Our recommendation	Status
1. Re-raised in FY18 final from original issue in FY18 final management letter		<p>Compliance with expenditure policy in relation to obtaining quotes</p> <p>This issue was raised in the prior year. The management response was as follows:</p> <p><i>The Company procurement policy will be reviewed and appropriately updated to reflect supply opportunities that may be provided through development partners. The procurement policy will also be updated to provide guidance in relation to donations and contributions. Revised procurement policy will be recommended to the Board for consideration.</i></p> <p><i>Company Directors and officers will be provided with a refresher in the general principles of good procurement as well as the application of the procurement policy including the documentation of decision processes.</i></p> <p>Following an audit enquiry about implementation progress during 2018, management provided a further response as follows:</p> <p><i>These audit issues were discussed directly with the former Company Secretary and Company Officers. The need for robust procurement was raised and reiterated on numerous occasions throughout the year. While due consideration was given to the matters raised during the 2016–17 audit, no formal review of the procurement policy was undertaken. For the majority of the procurement activities related to the redevelopment that have been undertaken during 2017–18 have been subject to external probity reviews. Attention was drawn to the report from UHY Haines Norton "Review of the Probity of Procurement Process for Ipswich City Properties Pty Ltd tender process of the Site Remediation Works tender for Murphy's Pub."</i></p>	<p>We recommend:</p> <ul style="list-style-type: none"> • ICP should comply with its procurement policy to obtain three quotes. • Updating ICP's procurement policy to encompass current circumstances where contracts are being extended each year. • ICP procurement policy be updated to require compliance with ICC purchasing policy similar to that outlined in ICP's Procurement Management Plan (section 7.1). • A policy be developed for donations / contributions to ensure alignment with ICP's constitutional objectives. 	<p>Management Comment:</p> <p>A revised Governance Framework, encompassing the CBD Transformation Project and Commercial Asset Management Functions, is currently under development and will reinforce key procurement principles in line with Ipswich City Council existing policies and procedures. Noting the intention to transfer Company operations to Ipswich City Council and commence its wind up.</p>


Ref	Rating	Issue	Our recommendation	Status
		<p>The lack of review and update of policy in relation to procurement reduces accountability and may contribute to reduced value for money being achieved by ICP. It is noted that ICP's Procurement Management Plan (section 7.1) requires that procurement for the CBD Transformation be conducted in accordance with council procurement policies and procedures.</p> <p>The following are matters noted in the current year:</p> <p>1. Three quotes were not obtained</p> <p>ICP Procurement Policy requires three quotes to be obtained for the supply of all goods and services to the Company involving a cost of more than \$20,000 plus GST or for a lower cost where it is deemed appropriate by the Board. Audit noted the following instances where three quotes were not obtained:</p> <ul style="list-style-type: none"> • Project A - cleaning services required covering the period part February 2018 to 30 June 2018. Two quotes obtained covering the period. Both quotes exceeded \$20 000. • Project B – Entity A were selected due to their experience. Cost involved approximated \$39 000 including GST. <p>2. Contract extensions - ICP did not go back to the market</p> <p>The matter of the following contract extensions being renewed without going back to market were raised in the prior year. External providers deliver a number of services used to manage the shopping complex, under contract. We noted four entities which on expiry of the above contracts, extension approval was considered in the adoption of the company's budget.</p> <p>Implication</p> <p>The company cannot demonstrate it has achieved value for money.</p>		

Ref	Rating	Issue	Our recommendation	Status
2. Re-raised in FY18 final from original issue in FY17 final management letter		<p>Bank reconciliations not reviewed</p> <p>ICP maintain two bank accounts and prepare a monthly bank reconciliation for each bank account. We noted that the July 2017 to November 2017 bank reconciliations were not signed by the preparing officer and there was no evidence that the bank reconciliations were reviewed.</p> <p>The April 2018 and May 2018 bank reconciliations were signed by the reviewer on 29 June 2018.</p> <p>Implication</p> <p>Lack of formal and/or timely independent review may result in inappropriate transactions not being detected and appropriately dealt with in a timely manner.</p>	It is recommended that the preparing officer sign all bank reconciliation statements and an independent officer formally review and sign within a timely period.	<p>Management Comment:</p> <p>Agree. This issue was raised as part of the 2016–2017 Audit and corrective steps were taken and implemented to address the timely review and sign-off of bank reconciliations. As noted in the Audit Observation the bank reconciliations from December 2017 were reviewed and signed.</p> <p>Status: Resolved.</p>
3. FY18 final management letter		<p>Approval documents not signed</p> <p>There are a number of entities which are engaged to provide services without the need to go to formal market. The approval for these entities to be sole select entities is outlined in the Consultant Procurement Plan. The rationale for sole select refers to certain key disciplines which have been involved with preliminary work involving the CBD redevelopment and it is considered advantageous to seek their sole submissions to leverage their project knowledge and mitigate any delays in the commencement of schematic design and other services. A fee submission is obtained from the five consultants to leverage their project knowledge.</p> <p>The signed version of the Consultant Procurement Plan was not able to be located and produced to audit.</p> <p>Implication</p> <p>Lack of evidence of formal approval over the Consultant Procurement Plan reduces accountability of the sole select process.</p>	<p>It is recommended that continued efforts to locate the signed version of the Consultant Procurement Plan.</p> <p>Management must review document capture processes to ensure that signed documents are appropriately filed to enable ease of location.</p>	<p>Management Comment:</p> <p>The identification and recording of Company records will be addressed as part of the intended transfer of Company operations to Ipswich City Council. This will include an alignment with existing Council processes while ensuring that unique and specific needs of the CBD Transformation Project can also be achieved.</p>


Ref	Rating	Issue	Our recommendation	Status
4. FY18 final management letter		<p>Annual reporting of loan</p> <p>The loan approvals provided by the Under Treasurer have a requirement to provide annual reports to the Department of Local Government, Racing and Multicultural Affairs, including information relating to the outstanding balance of the loan at 30 June each year.</p> <p>Audit was advised that ICP was unaware of whether formal reporting had occurred, however, the most recent ICP financial statements have been accessed by the Department from the Ipswich Commercial website.</p> <p>Implication</p> <p>Potential breach of loan approval requirements.</p>	It is recommended that ICP contact the Department in regard to the provision of the loan approval information.	<p>Management Comment:</p> <p>Council will contact the Department to ascertain which if any financial periods have not been provided to the Department and address any other potential information needs.</p>
5. FY18 final management letter		<p>No overall budget for ICP</p> <p>ICP does not produce an annual budget and future forecasts covering its overall operations. There are budgets for projects / classes of operations but not for an overall position.</p> <p>Implication</p> <p>Monitoring of ICP's overall position currently and into the future does not formally occur.</p>	It is recommended that ICP produce an annual budget and future forecasts with regular monitoring and reporting against those budgets / forecasts.	<p>Management Comment:</p> <p>It is noted that while no overall budget has previously been compiled for the Company, budgets are prepared for the separate functional components or segments of the Company, including both the retail operations and specific projects. These budgets are monitored at their component levels.</p>

Other matters

Ref	Rating	Matter	Our recommendation	Status update from management
6. FY18 final management letter		<p>KMP declarations not completed</p> <p>KMP declarations have only been obtained from two out of eight ICP directors.</p> <p>Implication</p> <p>Lack of KMP declarations reduces ICP's ability to discharge its obligation to identify, analyse and report on related party relationships and transactions. Related party relationships and transactions may exist which should be disclosed but are not. Accountability is reduced.</p>	<p>We recommend that processes be implemented to ensure that related party transactions outside the Ipswich City Council and its controlled entities are separately captured.</p>	<p>Management Comment:</p> <p>KMP declarations were provided to and requested from Directors at 30 June excluding those Directors facing CCC charges. Two of the KMP's returned their declarations and the third was never returned. The Finance Branch made several unsuccessful attempts to communicate with the Director to seek the return of the KMP declarations. Noting that the Company has changed its operating structure to a sole Director and the intention for the Company to proceed toward wind up, improved communication with all KMP's will be implemented to provide greater emphases on the importance of the KMP declarations in the process of preparing the financial statements.</p>

Ref	Rating	Matter	Our recommendation	Status update from management										
7. FY18 final management letter		<p>Potential Loan Cap Breach</p> <p>The Under Treasurer provided approval for ICC to enter into a loan agreement with ICP. The purpose of the loan was to acquire Ipswich City Square Property and Incidentals. The original approval on 7 March 2009 was for a loan agreement total of \$50 million with ICC to ensure that the loan is capped at \$50 million. The latest Under Treasurer approval dated 12 June 2015 increased this limit to \$75 million. The council was again required to ensure that the amount was capped at \$75 million. The loan cap included but was not restricted to the principal outstanding and all interest and such items as legal fees, penalty interest, bank fees and charges, costs etc.</p> <p>The latest loan statement from ICC to ICP disclosed the following life to date totals:</p> <table border="0" data-bbox="499 727 949 881"> <tr> <td>Advances</td> <td>\$87,292,376.29</td> </tr> <tr> <td>Principal Repayments</td> <td>\$14,656,400.00</td> </tr> <tr> <td>Accrued Interest</td> <td>\$21,192,305.41</td> </tr> <tr> <td>Write-down of loans</td> <td>\$30,051,548.54</td> </tr> <tr> <td>Closing balance</td> <td>\$63,776,733.16</td> </tr> </table> <p>Accrued Interest has not been charged for 2016–17 and 2017–18. In addition, the \$34 million loan forgiveness in 2015–16 included \$4 million of accrued interest not included in the above totals. Additional loan funds have been made to ICP subsequent to the occurrence of the debt forgiveness.</p> <p>Total loan funds / costs including interest not paid / accrued exceeds \$100 million with repayments reducing the total to approximately \$86 million.</p> <p>The Under Treasurer approval does not expressly provide for the write down of the loan due to the impact of historical economic conditions on the pace of the redevelopment activities at the Ipswich City Square site.</p> <p>Implication</p> <p>The loan cap amount of \$75 million has potentially been exceeded. Net funds used (including accrued interest written off / not charged) for the acquisition of Ipswich City Square and incidentals exceeds \$86 million.</p>	Advances	\$87,292,376.29	Principal Repayments	\$14,656,400.00	Accrued Interest	\$21,192,305.41	Write-down of loans	\$30,051,548.54	Closing balance	\$63,776,733.16	<p>It is recommended that advice is provided to the Under Treasurer of the effect of the above transactions and the potential breach of the \$75 million cap.</p> <p>Ensure that the above circumstances are brought to the attention of current Transformation Project review and KPMG's development of the Business Case.</p>	<p>Management Comment:</p> <p>QAO's observation of the potential breach of the loan cap including the total of the advances, as a result of the actions of the former Council is noted.</p> <p>In view of Council's intention to wind up and deregister the Company, Council will communicate with the Department and Treasury to provide details of the loan transactions over the whole of life of the loan, including the potential breach of the loan cap.</p>
Advances	\$87,292,376.29													
Principal Repayments	\$14,656,400.00													
Accrued Interest	\$21,192,305.41													
Write-down of loans	\$30,051,548.54													
Closing balance	\$63,776,733.16													




Previously reported internal control deficiencies – final management letter issued 12 December 2017

Ref	Rating	Issue	Status update
1. FY17 final management letter		Robustness of process used to engage developers No overall assessment was performed by ICP to establish why poor outcomes were achieved from submissions and the processes that would be necessary to ensure that this did not recur in future.	Status: Unresolved.

Appendix B

Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	<p>This requires immediate management action to resolve.</p>
Deficiency 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	<p>We expect management action will be taken in a timely manner to resolve deficiencies.</p>
Other matter 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	<p>Our recommendation may be implemented at management's discretion.</p>

Your ref:
Our ref: 2018-4232

21 December 2018

Greg Chemello
Interim Administrator
Ipswich City Council
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello,

Final Management Report for Ipswich City Developments

We have completed our 2018 financial audit for Ipswich City Developments (ICD). I issued an unmodified audit opinion, with two emphases of matter on your financial statements.

The purpose of this letter is to provide you with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. We acknowledge that the recommendations have not all been implemented as the entity is in the process of winding up. We continue to report these for your information and consideration for any future controlled entities. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of ICD in a report to parliament. This report is prepared in accordance with the *Auditor General Act 2009*.

Audit fee

The final audit fee for this year is \$14 500 exclusive of GST (2017: \$11 200). This fee is more than the \$10 000 estimated in our external audit plan, due to additional work performed to address identified risks.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Megan Manuel on 3149 6122.

Yours sincerely




Patrick Flemming
Sector Director

Appendix A


Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management.

New internal control deficiencies reported since our final management letter dated 12 December 2017

Ref	Rating	Issue	Our recommendation	Status
1. Re-raised in FY18 final from original issue in FY17 final management letter		<p>Bank reconciliations not reviewed</p> <p>ICD maintained two bank accounts and prepared a monthly bank reconciliation for each account. We noted that the July 2017 to November 2017 bank reconciliations were not signed by the preparing officer and there was no evidence that the bank reconciliations were reviewed. The April 2018 and May 2018 bank reconciliations were signed by the reviewer, but not until 29 June 2018.</p> <p>Implication</p> <p>Lack of formal and/or timely independent review may result in inappropriate transactions not being detected and appropriately dealt with in a timely manner.</p>	It is recommended that the preparing officer sign all bank reconciliation statements and an independent officer formally review and sign within a timely period.	<p>Management Comment:</p> <p>Agreed. This issue was raised as part of the 2016-2017 Audit and corrective steps were taken and implemented to address the timely review and sign-off of bank reconciliations. As noted in the Audit Observation the bank reconciliations from December 2017 were reviewed and signed.</p> <p>Status: Resolved.</p>


Other matters

Ref	Rating	Matter	Our recommendation	Status update from management
2. FY18 final management letter		<p>KMP declarations not completed</p> <p>KMP declarations have not been obtained from ICD directors, except for one director.</p> <p>Implication</p> <p>Lack of KMP declarations reduces ICD’s ability to identify related party relationships and transactions. Related party relationships and transactions may exist which should be disclosed but are not.</p>	<p>We recommend that a quality control process should be implemented to ensure KMP declarations are completed by all directors.</p>	<p>Management Comment:</p> <p>KMP declarations were provided to and requested from the two Directors and the Company Secretary. Two of the KMP’s returned their declarations and the third was never returned. Finance made several unsuccessful attempts to communicate with the Director to seek the return of the KMP declarations.</p> <p>Noting that the Company is presently in Members Voluntary Liquidation, improved communication with the KMP’s will be implemented to provide greater emphases on the importance of the KMP declarations in the process of preparing the financial statements.</p>

Previously reported internal control deficiencies – final management letter issued 12 December 2017

Ref	Rating	Issue	Status update
1. FY17 final management letter		Sale of Redbank Plains – Retail and Residential – not offered to market Non-compliance with procurement policies.	Status: Unresolved. Recommendations not implemented prior to commencement of winding up process.
2. FY17 final management letter		Debit card expenditure not independently approved ICD has four officers with debit cards. Debit card expenditure in 2016-2017 totalled \$26,118.99. No independent approval of expenditure paid on debit cards is obtained.	Status: Resolved.




Previously reported financial reporting issues – final management letter issued 12 December 2017

Ref	Rating	Issue	Status update from management
3. FY17 final management letter		Administration Costs (Accrual – methodology) The financial statements disclose an accrual payable for administration costs for 2016-2017 totalling \$156 000 to Ipswich City Council. The company accrues \$13 000 per month for administration fees. ICD pays the administration costs when it completes projects. The month accrual is a traditional charge. We were not provided with working papers showing its calculation or composition were not provided. The company is currently reviewing the composition of administration charges.	Status: Unresolved. Recommendations not implemented prior to commencement of winding up process.

Appendix B




Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	Our recommendation may be implemented at management's discretion.

Our risk rating definitions for financial reporting issues

We assess financial reporting issues on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
High 	We assess that there is a high likelihood of this causing a material misstatement in one or more components (transactions, balances and disclosures) of the financial statements, or there is the potential for financial loss including fraud.	This requires immediate management action to resolve.
Medium 	We assess that there is a medium likelihood of this causing a material misstatement in one or more components of the financial statements	We expect management action will be taken in a timely manner to resolve deficiencies.
Low 	We assess that there is a low likelihood of this causing a material misstatement in one or more components of the financial statements.	Our recommendation may be implemented at management's discretion.

Your ref:
Our ref: 2018-4249

21 December 2018

Greg Chemello
Chairperson
Ipswich City Enterprises Pty Ltd
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello,

Final Management Report for Ipswich City Enterprises Pty Ltd (ICE)

We have completed our 2018 financial audit for Ipswich City Enterprises (ICE). I issued an unmodified audit opinion, with two emphases of matter on your financial statements.

The purpose of this letter is to provide you with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. We acknowledge that the recommendations have not all been implemented as the entity is in the process of winding up. We continue to report these for your information and consideration for any future controlled entities. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of ICE in a report to parliament. This report is prepared in accordance with the *Auditor General Act 2009*.

Audit fee

The final audit fee for this year is \$10 000 exclusive of GST (2017: \$6 000). This fee is more than the \$5 500 estimated in our external audit plan, due to additional work performed to address identified risks.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Megan Manuel on 3149 6122.

Yours sincerely




Patrick Flemming
Sector Director

Appendix A


Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management.

New internal control deficiencies reported since our final management letter dated 12 December 2017

Ref	Rating	Issue	Our recommendation	Status
1. Re-raised in FY18 final from original issue in FY17 final management letter		<p>Bank reconciliations not reviewed</p> <p>ICE maintained two bank accounts and prepared a monthly bank reconciliation for each account. We noted that the July 2017 to November 2017 bank reconciliations were not signed by the preparing officer and there was no evidence that the bank reconciliations were reviewed. The April 2018 and May 2018 bank reconciliations were signed by the reviewer, but not until 29 June 2018.</p> <p>Implication</p> <p>Lack of formal and/or timely independent review may result in inappropriate transactions not being detected and appropriately dealt with in a timely manner.</p>	It is recommended that the preparing officer sign all bank reconciliation statements and an independent officer formally review and sign within a timely period.	<p>Management Comment:</p> <p>This issue was raised as part of the 2016-2017 Audit and corrective steps were taken and implemented to address the timely review and sign-off of bank reconciliations. As noted in the Audit Observation the bank reconciliations from December 2017 were reviewed and signed.</p> <p>Status: Resolved.</p>




Other matters

Ref	Rating	Matter	Our recommendation	Status
<p>2. FY18 Final Management Letter</p>		<p>KMP declarations not completed</p> <p>KMP declarations have not been obtained from ICE directors, except for one director.</p> <p>Implication</p> <p>Lack of KMP declarations reduces ICE's ability to identify related party relationships and transactions. Related party relationships and transactions may exist which should be disclosed but are not.</p>	<p>We recommend that a quality control process should be implemented to ensure KMP declarations are completed by all directors.</p>	<p>Management Comment:</p> <p>KMP declarations were provided to and requested from the two Directors and the Company Secretary. Two of the KMP's returned their declarations and the third was never returned. Finance made several unsuccessful attempts to communicate with the Director to seek the return of the KMP declarations.</p> <p>Noting that the Company is progressing towards wind up, improved communication with the KMP's will be implemented to provide greater emphases on the importance of the KMP declarations in the process of preparing the financial statements.</p>

Appendix B

Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	Our recommendation may be implemented at management's discretion.

Your ref:
Our ref: 2018-4192

21 December 2018

Greg Chemello
Chairperson
Ipswich City Enterprises Investments Pty Ltd
PO Box 191
IPSWICH QLD 4305

Dear Mr Chemello,

Final Management Report for Ipswich City Enterprises Investments Pty Ltd (ICEI)

We have completed our 2018 financial audit for Ipswich City Enterprises Investments (ICEI). I issued an unmodified audit opinion, with two emphases of matter on your financial statements.

The purpose of this letter is to provide you with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. We acknowledge that the recommendations have not all been implemented as the entity is in the process of winding up. We continue to report these for your information and consideration for any future controlled entities. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of ICEI in a report to parliament. This report is prepared in accordance with the *Auditor General Act 2009*.

Audit fee

The final audit fee for this year is \$7 500 exclusive of GST (2017: \$3 200). This fee is more than the \$3 000 estimated in our external audit plan, due to additional work performed to address identified risks.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Megan Manuel on 3149 6122.

Yours sincerely




Patrick Flemming
Sector Director

Appendix A


Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management.

New internal control deficiencies reported since our final management letter dated 12 December 2017

Ref	Rating	Issue	Our recommendation	Status
1. Re-raised in FY18 final from original issue in FY17 final management letter		<p>Bank reconciliations not reviewed</p> <p>ICEI maintained two bank accounts and prepared a monthly bank reconciliation for each account. We noted that the July 2017 to November 2017 bank reconciliations were not signed by the preparing officer and there was no evidence that the bank reconciliations were reviewed. The December 2017 to June 2018 bank reconciliations were signed by the preparing officer and reviewed by an independent officer in a timely manner.</p> <p>Implication</p> <p>Lack of formal and/or timely independent review may result in inappropriate transactions not being detected and appropriately dealt with in a timely manner.</p>	It is recommended that the preparing officer sign all bank reconciliation statements and an independent officer formally review and sign within a timely period.	<p>Management Comment:</p> <p>Agreed. This issue was raised as part of the 2016-2017 Audit and corrective steps were taken and implemented to address the timely review and sign-off of bank reconciliations. As noted in the Audit Observation the bank reconciliations from December 2017 were reviewed and signed.</p> <p>Status: Resolved.</p>




Other matters

Ref	Rating	Matter	Our recommendation	Status update from management
2. FY18 final management letter		<p>KMP declarations not completed</p> <p>KMP declarations have not been obtained from ICEI directors, except for one director.</p> <p>Implication</p> <p>Lack of KMP declarations reduces ICEI's ability to identify related party relationships and transactions. Related party relationships and transactions may exist which should be disclosed but are not.</p>	<p>We recommend that a quality control process should be implemented to ensure KMP declarations are completed by all directors.</p>	<p>Management Comment:</p> <p>KMP declarations were provided to and requested from the two Directors. One of the KMP's returned their declaration, the other was never returned. Finance made several unsuccessful attempts to communicate with the Director to seek the return of the KMP declarations.</p> <p>Noting that the Company is progressing towards wind up, improved communication with the KMP's will be implemented to provide greater emphases on the importance of the KMP declarations in the process of preparing the financial statements.</p>

Appendix B

Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	Our recommendation may be implemented at management's discretion.

Your ref:
Our ref: 2018-4330

21 December 2018

Paul Tully
Former Chairperson
Ipswich Motorsport Park Pty Ltd
C/o - Ipswich City Council
PO Box 191
IPSWICH QLD 4305

Dear Mr Tully,

Final Management Report for Ipswich Motorsport Park Pty Ltd

We have completed our 2018 financial audit for Ipswich Motorsport Park Pty Ltd (IMP). I issued an unmodified audit opinion, with two emphases of matter on your financial statements.

The purpose of this letter is to provide you with details on audit matters and other important information related to the audited financial statements.

Reporting on issues

Issues and other matters formally reported to management and an update on actions taken by management to resolve these issues is included as Appendix A to this letter. We acknowledge that recommendations have not all been implemented as the entity has now been wound up. We continue to report these for your information and consideration for any future controlled entities. Our rating definitions for internal control deficiencies is shown in Appendix B.

Report to parliament

Each year we report the results of all financial audits and significant issues to parliament.

Consistent with previous years, we intend to include the results of our audit of IMP in a report to parliament. This report is prepared in accordance with the *Auditor General Act 2009*.

Audit fee

The final audit fee for this year is \$8 500 exclusive of GST (2017: \$9 500). This fee is consistent with the original estimate advised in our external audit plan.

We would like to thank you and your staff for their engagement in the audit.

If you have any questions about this letter or would like to discuss any matters regarding our audit service, please contact me on 3149 6041 or Megan Manuel on 3149 6122.

Yours sincerely



Patrick Flemming
Sector Director


cc: Mr G Chemello, Interim Administrator, Ipswich City Council

Appendix A

Issues formally reported to management

This table provides you with a summary of issues that we have formally reported to management.

New internal control deficiencies reported since our final management letter dated 12 December 2017

Ref	Rating	Issue	Our recommendation	Status
1. Re-raised in FY18 final from original issue in FY17 final management Letter		<p>Bank reconciliations not reviewed</p> <p>IMP maintain two bank accounts and prepare a monthly bank reconciliation for each account. We note that the July 2017 to November 2017 bank reconciliations were not signed by the preparing officer and there was no evidence that the bank reconciliations were reviewed. The December 2017 to June 2018 bank reconciliations were signed by the preparing officer and reviewed by an independent reviewing officer in a timely manner.</p> <p>Implication</p> <p>Lack of formal and/or timely independent review may result in inappropriate transactions not being detected and appropriately dealt with in a timely manner.</p>	It is recommended that the preparing officer sign all bank reconciliation statements and an independent officer formally review and sign within a timely period.	<p>Management Comment:</p> <p>Agreed.</p> <p>This issue was raised as part of the 2016-2017 Audit and corrective steps were taken and implemented to address the timely review and sign-off of bank reconciliations. As noted in the Audit Observation the bank reconciliations from December 2017 were reviewed and signed.</p> <p>Status: Resolved.</p>

2. FY18
Final
Management
Letter



Bank signatory – one only for primary account

Audit review of the Commonwealth Bank Account Authorities as at 20 July 2018 noted that IMP transactional account had only one authorised signatory appointed against an account with a method of operating requiring two authorised officers to sign.

Implication

Lack of segregation of duties related to bank account signatories increases the risk for misappropriation of funds.

Ensure that the number of signatories authorised for company bank accounts complies with the bank’s method of operation of each account with a minimum of two authorised bank signatories. Periodic reviews over bank signatories should be performed with specific action taken when the company becomes aware that an authorised signatory ceases to be a director of the company.



Management Comment:

The single account signatory is acknowledged, however it is noted that the Method of Operation remained as two to sign. In this instance the single remaining signatory is not able to authorise transactions or execute changes on the account until a second signatory is added.


In this circumstance the bank would require confirmation via a Board resolution, of the addition of the second signatory. It is further noted that the Company has now been deregistered.

Status: Recommendations not implemented prior to wind up of company.

Previously reported internal control deficiencies – final management letter issued 12 December 2017

Ref	Rating	Issue	Status update
1. FY17 Final Management Letter		Board minutes not signed We noted that only the board minutes for March and June 2017 were signed.	Status: Resolved.
2. FY17 Final Management Letter		No budget produced The Board has not prepared an annual budget for Ipswich Motorsport Park Pty Ltd (IMP) since its inception on 7 March 2016.	Status: Unresolved. Recommendations not implemented prior to wind up of company.
3. FY17 Final Management Letter		Awarding of contract for final design workshop of Queensland Raceway We reviewed the procurement process and noted that insufficient documentation could be provided to demonstrate that the conduct of the process (going to market / evaluation / interactions / awarding) was in accordance with IMP Procurement Policy for achieving value for money, open and effective competition and ethical behaviour and fair dealing.	Status: Unresolved. Recommendations not implemented prior to wind up of company.
4. FY17 Final Management Letter		Directors approved their own expenditure Officers of IMP approved their own travel costs to Bathurst that occurred at the time of the races at Bathurst. The former IMP GM and one of the two Directors approved the expenditure.	Status: Unresolved. Recommendations not implemented prior to wind up of company.
5. FY17 Final Management Letter		Use of former GM expenditure blanket approval post their departure The former General Manager, had a delegated authority of \$25 000 to incur expenditure as per the 26 May 2016 board minutes. The General Manager provided blanket expenditure approval on 27 January 2017 for certain repetitive IMP expenditure (e.g. monthly costs for fit-out, furniture, IT support, rent, office support). This removed the need to obtain his approval in the future for this expenditure. This blanket authority continued to be used by IMP to authorise this type of expenditure post the General Manager's termination date with IMP on 1 March 2017.	Status: Unresolved. Recommendations not implemented prior to wind up of company.




Previously reported other matters – final management letter issued 12 December 2017

Ref	Rating	Matter	Status update
6. FY17 Final Management Letter		<p>Non-Compliance with the Corporations Act</p> <p>Section 205B (1) of the Corporations Act 2001 requires that "A company must lodge with ASIC a notice of the personal details of a director or secretary within 28 days after they are appointed. The notice must be in the prescribed form." We noted two instances of non-compliance with the 28-day period between when a director was appointed and notification to ASIC.</p>	<p>Status: Resolved.</p>

Appendix B

Our rating definitions for internal control deficiencies

We assess internal control deficiencies on their potential to cause a material misstatement in the financial statements as follows:

Assessed category	Definition/Criteria	Prioritisation of remedial action
Significant deficiency 	<p>A significant deficiency is a deficiency, or combination of deficiencies, in internal control that requires immediate remedial action.</p> <p>Also, we increase the rating from a deficiency to a significant deficiency based on:</p> <ul style="list-style-type: none"> • the risk of material misstatement in the financial statements • the risk to reputation • the significance of non-compliance with policies and applicable laws and regulations • the potential to cause financial loss including fraud, or • where management has not taken appropriate timely action to resolve the deficiency. 	This requires immediate management action to resolve.
Deficiency 	<p>A deficiency arises when internal controls are ineffective or missing, and are unable to prevent, or detect and correct, misstatements in the financial statements. A deficiency may also result in non-compliance with policies and applicable laws and regulations and/or inappropriate use of public resources.</p>	We expect management action will be taken in a timely manner to resolve deficiencies.
Other matter 	<p>An other matter is expected to improve the efficiency and/or effectiveness of internal controls, but does not constitute a deficiency in internal controls. If an other matter is not resolved, we do not consider that it will result in a misstatement in the financial statements or non-compliance with legislative requirements.</p>	Our recommendation may be implemented at management's discretion.

Governance Committee	
Mtg Date: 22.01.19	OAR: YES
Authorisation: Bryce Hines	

A5275791

4 January 2019

MEMORANDUM

TO: CHIEF OPERATING OFFICER (WORKS, PARKS AND RECREATION)
FROM: ACTING CORPORATE SERVICES AND RISK MANAGER
RE: CAMERON PARK – FUTURE USE OF PARKLAND AND FACILITIES

INTRODUCTION:

This is a report by the Acting Corporate Services and Risk Manager dated 4 January 2019 concerning the proposed disposal by Ipswich City Council (Council) of part of 95A Brisbane Road, Booval described as part of Lot 169 on RP24111 to the Swifts Leagues Club Ltd ACN 010 165 045 [ABN 58 010 165 045] (Swifts).

BACKGROUND:

Council owns improved freehold land (Cameron Park) at 95A Brisbane Road, Booval (Lot 169 on RP24111 - 5.729 ha). Through a 20 year lease (with 2 x 10 year options) for part of the land which commenced on 6 September 2001, Swifts have exclusive use of the site for a sports and recreation club. This arrangement provides a number of beneficial sport and recreational outcomes for the community including lawn bowls, futsal courts and a clubhouse offering gaming and dining facilities.

The lease requires Swifts to repair and maintain the facility in accordance with agreed maintenance standards. Although Council has raised concerns with Swifts regarding the current condition of the facility and the fulfilment of Swifts maintenance obligations under the lease, Swifts are not obliged to undertake structural work (unless it is needed because of certain stated events, such as their own act, neglect or default).

As the facility is nearing the end of its useful life, a number of major upgrades (estimated cost between \$1.0 and \$1.5 million) will be required to be funded by Council over the next ten years to ensure the facility remains fit-for-purpose.

The rent payable by Swifts under the lease for the 12 month period (2018-2019) totalled \$16,358 (excluding GST). In addition, under the lease terms, Swifts are required to pay Council rates, as well as other utilities. As at 2 January 2019, Swifts were in arrears for both rent and rates.

Council has supported Swifts where possible to ensure that the club remains a viable going concern and that Council's investment in the facility achieves value for money for the community. However, the condition of the premises, the required capital works and upgrades and Swifts non-payment of rent, rates and utilities (as well as other lease issues) renders the current arrangement unfavourable to Council (and the community).

In 2018 following discussions between Council and Swifts regarding Swifts obligations under the lease, Swifts enquired about the possible acquisition of the facility and an area of land surrounding the facility. Preliminary discussions have occurred between the parties on Swifts proposal.

The land (and improvements) proposed to be disposed of to Swifts incorporates the current lease area plus the additional existing car park area and established services (refer to Attachment A).

DISCUSSION:

COUNCIL'S AUTHORITY TO ENTER INTO A CONTRACT OF SALE WITH SWIFTS

(a) Is Swifts a Community Organisation?

Swifts is a public company limited by guarantee registered with the Australian Securities and Investments Commission (ASIC). Swifts is a not-for-profit entity but is not a registered charity with the Australian Charities and Not-for-profits (ACNC) (the charities regulator). In order to enter into the proposed arrangements with the Swifts, Council must be satisfied that the arrangements comply with the local government principles and comply with the requirements set out within the *Local Government Regulations 2012 (Qld)* (Regulations).

Under section 236 of the Regulations, Council has the ability to dispose of a valuable non-current asset without going through the tender and auction requirements of section 227, if (amongst other criteria) the disposal is to a community organisation (refer to section 236(1)(b)(ii)), and Council (before the disposal) has decided by resolution that the exemption contained in section 236(1) may apply (refer to section 236(2)).

Schedule 8 of the Regulations defines a 'Community Organisation' as:

"Community Organisation means—

(a) an entity that carries on activities for a public purpose; or

(b) another entity whose primary object is not directed at making a profit."

The Regulations do not define what is meant by 'public purpose'. To establish that Swifts is a Community Organisation for the purposes of the Regulations, Swifts must have a public purpose that is in the public interest.

When defining the meaning of 'public' and the benefit deriving to a 'sufficient section of the community', consideration needs to be given as to how the benefit is defined and how broadly can the benefits of an organisation's activities extending into the community be measured as sufficient.

It is generally accepted that sporting organisations provide a public benefit on the basis that they improve health and encourage social and community welfare. Rule 3(2) of the Swifts' constitution provides that the objects of the organisation is '*for the benefit of the local or general community*'. Further, rules 5.1 and 6 provide that the organisation's income must be applied to its objects and that the income and property of the organisation cannot be provided to its members. Further, upon a winding up, rule 112 provides that the property held by the Swifts must be provided to an organisation with similar objects.

On the basis of the above, Swifts can be regarded as a Community Organisation for the purposes of the Regulations.

A warranty is proposed to be included in the contract with the Swifts that it meets the requirements of the Regulations, in that it carries on its activities for a public purpose.

(b) Is the land a 'valuable non-current asset'?

For the purpose of this report, the land (and improvements) proposed to be disposed to Swifts is a "valuable non-current asset" as per the term used in section 236 of the Regulation. Land is included in the definition of "valuable non-current asset" contained in section 224(7) of the Regulations, and the improvements contained in the land carry a value which exceeds the limits contained in section 224(8) of the Regulations.

The asset will be disposed of for a consideration equal to, or more than the market value of the land (including the market value of the improvements on the land), determined by a registered valuer, in compliance with section 236(3) of the Regulations.

CONCLUSION:

Council's ongoing ownership and leasing of the facility to Swifts carries significant financial risk from a future capital investment perspective, as well as in respect of non-recovery of rent and Council rates. The annual rent does not adequately cover Council's medium to longer-term maintenance and upgrade costs meaning the facility's ongoing operation will continue to be subsidised. The current arrangements are unfavourable to Council and the Ipswich community both from a financial and social benefit perspective.

The proposal to dispose of the land and its associated improvements offers Council the opportunity to remove the financial burden of the maintenance of the facility, whilst

allowing a local community sporting group to continue to manage the facility and provide positive community benefits.

Although the proposal will result in Council surrendering 1.633 hectares (subject to the final survey plan) of current recreational land, the return to Council and the community resulting from the sale will contribute to the redevelopment and upgrade of Cameron Park. The remaining land area of Cameron Park will be 4.096 hectares (subject to the final survey plan). Council's Planning and Development Department has been consulted and advised that the proposed reconfiguration and Survey Plan for Cameron Park complies with the district park requirements of a minimum 4 hectare size.

It is recommended that Council approve the sale of SW3, being part of 95A Brisbane Road, Booval (part of Lot 169 on RP24111), being approximately 1.633 hectares, as identified in Attachment A as "Proposed Land Disposal" to Swifts in accordance with the in-principle agreement reached between the parties.

ATTACHMENTS:

Name of Attachment	Attachment
Cameron Park – amended survey plan	Attachment A

CONFIDENTIAL BACKGROUND PAPERS

Confidential Background Papers	Background Papers
Confidential Background Report	Attachment B

RECOMMENDATION:

That the Interim Administrator of Ipswich City Council resolve:

- A. That part of Council-owned land at 95A Brisbane Road, Booval (part of Lot 169 on RP24111), being approximately 1.633 hectares, as identified in Attachment A as "Proposed Land Disposal" (the Land) to the report by the Acting Corporate Services and Risk Manager dated 4 January 2019, is surplus to Council's future requirements.
- B. That the disposal of the Land and the improvements of the Land is a disposal of a valuable non-current asset.
- C. That pursuant to section 236(3) of the *Local Government Regulations 2012* (Qld) (Regulations), that the exemption available under section 236(1)(b)(ii) of the Regulations applies to the disposal of the Land and the improvements on the Land to Swifts as a 'Community Organisation' (as defined Schedule 8 of the Regulations).

- D. That the Land and improvements on the Land can be disposed of other than by tender or auction as required by section 227 of the Regulations.
- E. That Council sell the Land and the improvements on the Land to Swifts Leagues Club Ltd at equal to the market value of the Land (including the market value of the improvements on the Land), as determined by a registered valuer, in compliance with section 236(3) of the Regulations.
- F. That the Chief Executive Officer be authorised to negotiate and finalise the terms of the sale contract to be executed by Council and to do any other acts necessary to implement Council's decision in accordance with section 13(3) of the *Local Government Act 2009*.
- G. That Council may utilise any surplus proceeds from the disposal of the Land to redevelop, upgrade or otherwise embellish Cameron Park to meet the desired standards of service for a district park.

Greg Thomas

ACTING CORPORATE SERVICES AND RISK MANAGER

I concur with the recommendations contained in this report.

Bryce Hines

CHIEF OPERATING OFFICER (WORKS, PARKS AND RECREATION)