

Minutes of Audit Committee Meeting  
Friday 26 June 2009

Queensland Racing  
Board Room  
Racecourse Road, Deagon

Meeting commenced at 8.00am  
Meeting concluded at 9.05am

Committee Members Present: Michael Lambert (Chairman)  
Tony Hanmer

Also in Attendance: Adam Carter – *Finance Manager*  
Ron Mathofer – *Business Analyst*

Apologies: Malcolm Tuttle- *Chief Operations Manager*

Minutes: Ali Wade - *Finance*

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*The meeting commenced at 8.00am.*

1. Confirmation of Minutes of 1 May 2009

The Committee **NOTED** the Audit Minutes from the last meeting on 6 March 2009.

Correction for agenda item 6, follow up item 3, page 3. To be amended to 'Provide NAB the opportunity to source more competitive quotes'.

The committee **RESOLVED** that the QRL Audit Meeting Minutes of 1 May 2009 with the above amendment be received and confirmed.

**MOVED** by Mr Lambert **SECONDED** by Mr Hanmer.

Note to minute:

7.1.2 Final Audit has been brought forward to 3 July 2009.

2. Action Sheet

The **Committee** made the following comments regarding the following action sheet items:

Item 1. **TAB Workshop**  
Look at further stakeholder input regarding preferred dates.

Add Banking Review to Action List.

### **3. TAB Corporate Governance and Financial Assessment – Gold Coast Turf Club**

The committee requested the following inclusions to the summary on page 2:

- 3.1. Low level of entry paying attendances
- 3.2. Credit card policy

The committee commented that the priority should be to organise the management of cash reconciliations. As per the Deloitte template the clubs should look towards estimating gate takings and actual received to ascertain variances which should be undertaken by all TAB clubs.

#### ***Follow-Up:-***

1. Request a further detailed response from Mr K Ahrens at the GCTC.
2. Progress the admissions bar coding system through RISA in early FY09/10.

### **4. Internal Audit Plan FY 09/10**

Mr Carter advised the Internal Fraud Plan has been deferred to FY09/10.

The committee noted the following issues:

- 4.1. Item 5. Further definition required for Capital Planning to be QRL focused.
- 4.2. Item 11. Expand explanation to convey valuations and Sunshine Coast Racing Unit Trust.
- 4.3. Item 13. Flag as potential current systems analysis in line with the new national system.
- 4.4. Item 16. To review race fields legislation process from start to finish with a view to completion as early as possible.

The committee **ENDORSED** the Internal Audit Plan FY 09/10 subject to the above amendments.

### **5. TAB Club Corporate Governance and Financial Assessment Plan FY09/10**

Mr Mathofer advised that the targeted strategic non TAB clubs are due to scale and profit position.

The committee requested Mr Carter to liaise with P Brennan to check the appropriateness of the current targeted clubs.

The committee discussed switching the review from the Ipswich Turf Club to the Mackay Turf Club which is better suited due to the current scale and profit of each club.

The committee resolved to **ADOPT** the recommendations on page 5 with the replacement of the Ipswich Turf Club for the Mackay Turf Club.

***Follow-Up:-***

Mr Carter to liaise with Andrew Moore from the Brisbane Racing Club (BRC) to discuss the timing of Corporate Governance and Financial Operations review.

**6. Internal Audit Update - Payroll**

Mr Carter advised the current system has injected improvements into the payroll process in a gradual manner.

The committee **NOTED** the Internal Audit Payroll Processing review with an update of action items to be provided at the September 2009 meeting.

***Follow-Up:-***

1. To review and implement policy surrounding the consistency in employee terminations.
2. Update of action items from all previous internal audits to be provided at the September 2009 audit committee meeting.

**7. Internal Audit Update - Purchasing**

Mr Carter advised that I-POS is a significant change in the purchasing process and is a work in progress.

The committee discussed the importance of the panel/preferred supplier selection to require:

- 7.1. QRL to be pro-active in sourcing preferred supplier lists
- 7.2. Based on competitiveness

Mr Carter advised the focus is currently on TAB clubs with the intention to involve all clubs in the following areas:

- 7.3. Repairs and Maintenance
- 7.4. Communication
- 7.5. Travel/Accommodation
- 7.6. Banking
- 7.7. Insurance

Mr Carter further advised that QRL will charge back for the use of QRL employees and is considering the possibility of travel inclusion.

The committee discussed the resources required and recommended an assessment of suitability of any assistance that is sourced. The committee **NOTED** the action on the I-POS implementation and panel/preferred supplier selection will take time.

The committee **NOTED** the Internal Audit Purchasing review with an update of action items to be provided at the September 2009 meeting.

***Follow-Up:-***

1. Continual updates to be provided to the QRL Board due to significance of impact.

2. Update of action items to be provided at the September 2009 meeting.

#### **8. Internal Audit Update – Document Management**

Further to the Deloitte internal audit review the committee would like further consideration to item 2.1.4.2 to include

- 8.1. Documented levels and rights to access information

The committee **NOTED** the possibility of centralising the document system with the Club Correspondence targeted as a priority.

The committee discussed the importance of the flow of information with a view to scan all information at source and stored in restricted access areas. Authority and resources will need to be addressed. The committee requested a broad policy proposal to be established.

The committee **NOTED** the Internal Document Security review with an update of action items to be provided at the December 2009 meeting.

#### ***Follow-Up:-***

1. Broad Policy proposal to be established and cost benefit analysis to be undertaken for resourcing the project.
2. Centralise Club Correspondence
3. Work towards imagery of all current information within the 7 year timeframe as per QRL policy for keeping historic data with the intention to phase out the Grace Records management system.
4. G Drive access to be addressed
5. Flow of information to be addressed with a view to scan information at source

#### **9. Insurance Update**

Mr Carter tabled the insurance premium comparison FY 09/10 document and noted the following:

- 9.1. Insurance has been finalised with input from AON and Racing Victoria
- 9.2. The premium from FY 05/06 to FY 09/10 has been reduced by approximately 45%.
- 9.3. The major increase has been in jockey workcover insurance due to increased:
  - 9.3.1. Coverage
  - 9.3.2. Claims
- 9.4. QRL is working towards minimising claims through
  - 9.4.1. Upgrade in facilities
  - 9.4.2. Streamlining processes

The committee **NOTED** the insurance update.

#### **10. Provision for Bad Debt FY 08/09**

Mr Carter tabled Audit Committee Paper 10 for the provision of bad debt for the FY 08/09 and request approval for the write off against bad debt in the FY 08/09.

The committee **NOTED** the provision for bad debt document and will advise Mr Carter after due consideration.

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**11. Upcoming Projects**

Deferred to next Audit Committee meeting

Next meeting date set for 7 August 2009 at 8:00am

*The meeting closed at 9.05 am.*

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Chairman

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Date

