

Kingborough



Audit Panel Charter

Approved by Council on 16 January 2023

Table of Contents

1	Objective	1
2	Authority	1
3	Composition and Tenure.....	1
4	Functions.....	1
5	Key Areas.....	2
6	Responsibilities Of Panel Members	2
7	Reporting.....	3
8	Administrative Arrangements.....	3
	8.1 Meetings	3
	8.2 Quorum	3
	8.3 Work plan	4
	8.4 Secretariat.....	4
	8.5 Resources.....	4
	8.6 Interests.....	4
	8.7 Confidentiality	4
	8.8 Code of conduct.....	5
	8.9 Induction.....	5
	8.10 Remuneration.....	5
	8.11 Review of Charter.....	5
	Attachment A.....	6

The Kingborough Council (the Council) has established the Audit Panel in compliance with Division 4 of the *Local Government Act 1993* (the Act), the *Local Government (Audit Panels) Order 2014* (the Audit Panels Order) and the *Local Government (Audit Panels) Amendment Order 2015*.

This charter sets out the panel's objectives, authority, composition, tenure, functions, reporting and administrative arrangements.

1 Objective

The objective of the Audit Panel is to review the Council's performance under section 85A of the Act and report to the Council its conclusions and recommendations.

2 Authority

The Council authorises the Audit Panel, within its responsibilities, to:

- 2.1 obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
- 2.2 discuss any matters with the Tasmanian Audit Office (TAO), or other external parties (subject to confidentiality considerations);
- 2.3 request the attendance of any employee, including members of the Council, at Audit Panel meetings; and
- 2.4 obtain legal or other professional advice, as considered necessary to meet its responsibilities, and in consultation with the General Manager.

3 Composition and Tenure

- 3.1 The Audit Panel comprises two councillors and three independent members, appointed by the Council.
- 3.2 A person who is an employee, or the General Manager, or the Mayor of the Council is not eligible for appointment as a member of the panel.
- 3.3 A person who is an employee or councillor of another municipal council is not eligible for appointment as a member of the panel.
- 3.4 If a Commissioner is appointed to the Council, he or she may be appointed as a member of the panel.
- 3.5 The Council will appoint an independent member as the Chairperson of the panel.
- 3.6 Audit Panel members are appointed for a period of not less than one year, and not exceeding four years.
- 3.7 Audit Panel members may be re-appointed at the approval of the Council.

4 Functions

To comply with the Audit Panels Order, when reviewing the Council's performance the Audit Panel is to consider:

- 4.1 the Council's financial system, financial governance arrangements and financial management;
- 4.2 whether the annual financial statements of the Council accurately represent the state of affairs of the council;
- 4.3 whether and how the strategic plan, annual plan, long-term financial management plan and long-term strategic asset management plans of the Council are integrated and the processes by which, and assumptions under which, those plans were prepared;
- 4.4 the accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls that the Council has in relation to safeguarding its long-term financial position;
- 4.5 whether the Council is complying with the provisions of the Act and any other relevant legislation; and
- 4.6 whether the Council has taken any action in relation to previous recommendations provided by the Audit Panel to the Council and, if it has so taken action, what that action was and its effectiveness; and
- 4.7 any other activities within the panel's remit, as determined by the panel.

5 Key Areas

In fulfilling its functions, the Audit Panel should consider the following key areas:

- 5.1 corporate governance;
- 5.2 systems of internal control;
- 5.3 risk management frameworks;
- 5.4 human resource management, including policies, procedures and enterprise agreements;
- 5.5 procurement;
- 5.6 information and communications technology governance;
- 5.7 management and governance of the use of data, information and knowledge; and
- 5.8 internal and external reporting requirements.

6 Responsibilities Of Panel Members

Members of the Audit Panel are expected to understand and observe the legal requirements of the Act and the Audit Panels Order. Members are also expected to:

- 6.1 act in the best interests of the Council;
- 6.2 apply sound analytical skills, objectivity and judgment;

- 6.3 express opinions constructively and openly;
- 6.4 raise issues that relate to the Audit Panel's functions and pursue independent lines of enquiry within the Panel's deliberations and meetings; and
- 6.5 contribute the time required to review the papers provided.

7 Reporting

- 7.1 The Audit Panel is to provide a copy of its meeting minutes to the Council as soon as practicable after each Audit Panel meeting.
- 7.2 If the Audit Panel has conducted a review under section 85A of the Act, the Audit Panel must provide a written report of its conclusions and recommendations to the Council as soon as practicable after the review is completed.
- 7.3 The Audit Panel must provide an annual report to the Council that comprises, at least:
 - 7.3.1 a summary of the work undertaken and significant findings during the past year;
 - 7.3.2 a review of the Panel's Charter and, if required, recommended changes to the Council for its approval;
 - 7.3.3 an update on the membership of the Panel, in particular if there have been or may be change;
 - 7.3.4 the significant aspects of the Panel's deliberations for the coming year, together with a proposed work plan for the coming year; and
 - 7.3.5 any other matters deemed, by the Panel, as requiring the Council's attention.

8 Administrative Arrangements

8.1 Meetings

- 8.1.1 The Audit Panel will meet at least four times per year.
- 8.1.2 The Audit Panel is to regulate its own proceedings in accordance with this Charter.
- 8.1.3 The Chairperson may determine that a meeting is to be held in private.
- 8.1.4 The General Manager and CFO, or their delegates, are to attend Audit Panel meetings unless the Chairperson determines a meeting is to be held in private.
- 8.1.5 The Audit Panel may invite or allow any councillor and/or employee of the Council and/or representative of the TAO to attend meetings of the Audit Panel.

8.2 Quorum

- 8.2.1 A quorum of the Audit Panel meeting is three members, including at least one independent member.

8.3 Work plan

- 8.3.1 The Audit Panel is to develop an annual work plan that includes, but is not limited to, a schedule of meetings and the known objectives for each meeting.
- 8.3.2 All discretionary items referred to the Audit Panel that fit within its remit should be brought before the Panel so it can determine which items will be prioritised for inclusion in the work plan.
- 8.3.3 The forward meeting schedule should include the dates, location, and proposed agenda items for each meeting.

8.4 Secretariat

- 8.4.1 The Council, in consultation with the Audit Panel, will appoint a person to provide secretariat support to the Audit Panel. The secretariat will:
- ensure the agenda for each meeting is approved by the Chairperson;
 - ensure the agenda and supporting papers are circulated at least one week prior to the meeting; and
 - ensure the minutes of the meetings are prepared and submitted to the Council as soon as practicable after each meeting.

8.5 Resources

- 8.5.1 The Audit Panel will hold at least annual discussions with the General Manager in relation to the resources to be made available to enable the Panel to meet its requisite functions and achieve its objectives.

8.6 Interests

- 8.6.1 Audit Panel members must declare any real, potential or perceived pecuniary or non-pecuniary interests that may affect them in carrying out their functions. The Audit Panel member with the interest must also notify the General Manager of the Council, in writing, of the interest within seven days of declaring the interest. The register of interest is to be available at all Audit Panel meetings.
- 8.6.2 Independent members are to consider past employment, consultancy arrangements and related party issues in making these declarations.
- 8.6.3 A standing item for declarations of interests should be included in all panel meeting agendas.
- 8.6.4 The Chairperson of the Audit Panel is to ensure that the declaration of an interest is recorded in the minutes of the meeting and any relevant written report.

8.7 Confidentiality

- 8.7.1 Panel members must maintain the confidentiality of any information, documents and communication that the Council or Panel has designated as being in

confidence, and only access Council information in order to perform their role as a Panel member.

8.8 Code of conduct

8.8.1 Audit Panel members are to abide by the behaviour in the Code of Conduct which is attached to this Charter.

8.9 Induction

8.9.1 The Council will provide new Audit Panel members with relevant information and briefings on their appointment to assist them to meet their Audit Panel responsibilities.

8.10 Remuneration

8.10.1 Independent members of the Audit Panel shall be paid a sitting fee of \$630 per meeting attended.

8.10.2 The Chairperson of the Audit Panel shall be paid an annual fee of \$2,518.

8.11 Review of Charter

8.11.1 The Council will review this charter at least annually and submit its recommended charter to the Council for approval.

Approved by Council

Date: 16 January 2023

Attachment A

Kingborough Council Audit Panel Code of Conduct

This code of conduct sets out the standards of behaviour expected of the Kingborough Council's Audit Panel members (members). The standards support the characteristics of good governance outlined in the *Good Governance Guide for Local Government in Tasmania* (reference below).

As an independent source of scrutiny in the interests of the community, the Audit Panel provides checks and balances on key Council activities and a means of highlighting issues that require strategic attention.

Councillors who are members of the Audit Panel are in a unique position and have an obligation to maintain an Audit Panel perspective in the interests of the community when they discharge their duties as Panel members, ie they must display independence of mind, separate from their role as a councillor.

In performing their role on the Kingborough Council's Audit Panel, and in acting in the best interests of the community, all members of the Audit Panel commit to the following standards.

1 Effective management of conflicts of interest

Members avoid conflicts of interest that arise between their personal interests and their public duty as an Audit Panel member, as far as reasonably possible. This includes pecuniary and non-pecuniary conflicts of interest (actual, potential or perceived). Where avoidance is not possible, members appropriately manage conflicts of interest. Members are responsible for acting in good faith and exercising reasonable judgment to manage conflicts of interest, including the offer or receipt of gifts and benefits.

Council members may at times deal with conflicts of interest as a consequence of their dual roles as an audit panel member and a councillor. This may present as a conflict between the interests of the community (as seen from the Audit Panel perspective).

All members will regularly provide advice of their actual, potential and perceived conflicts to the panel.

2 Proper use of Council information

Members maintain the confidentiality of any information, documents and communication that the Council or panel has designated as being in confidence. Members only access Council information needed for them to perform their role as a panel member and not for personal interests or reasons.

3 Proper use of position

Members perform their role in the best interests of the Council and the community. Members operate within the intended scope of the Audit Panel (as outlined in the Audit Panel Charter) and adhere to relevant Council policies and procedures.

4 Appropriate interactions

Members act ethically and treat all persons with fairness and respect. Members conduct themselves in a way that positively represents the panel and is in the best interests of the Council and the community. Members interact appropriately with fellow members, councillors, Council staff and the community, and give full respect and consideration of to all relevant information known to them. Members should not interact directly with council staff without the prior approval of the panel and the general manager.

The Council has policies and procedures to provide additional guidance for members. All Council policies are available on the Council website.

Further information on the ethical standards covered in this code of conduct, and the terminology used, can be found in the *Good Governance Guide for Local Government in Tasmania*: (www.dpac.tas.gov.au/divisions/local_government).