

# Flinders Council AUDIT PANEL

---

## Unconfirmed Minutes

**Date:** Tuesday 26<sup>th</sup> May 2015

**Time:** 10.30am

**Location:** Rose Garden Room, Flinders Arts and Entertainment Centre, Whitemark

**Present:** Chair Mr John Dick  
Ms Diana Droog  
Cr Ken Stockton  
Cr Gerald Willis

**Staff present:** General Manager Mr Raoul Harper (Minute Taker)  
Corporate Services Manager Ms Sophie Pitchford

## Confirmation of Minutes

Audit and Finance Special Committee meeting of the 12<sup>th</sup> of January 2015  
Audit and Finance Special Committee meeting of the 19<sup>th</sup> of February 2015

### *Decision*

*The Panel approved the minutes as a true and correct record and that no matters were outstanding.*

*Moved: Cr Gerald Willis Seconded Cr Ken Stockton  
Unanimous*

## Declaration of Pecuniary Interest

The Chair and Ms Droog declared an interest in Item 4 - Remuneration.

## Agenda Items:

**Item 1: Flinders Council Audit Committee Meeting Procedures**

### Decision

*That the Panel have developed and now endorse a set of Meetings Procedures and requests Council consider them at its June Ordinary Meeting.*

*Moved: Cr Gerald Willis Seconded Cr Ken Stockton  
Unanimous*

(See Attachment 1)

**Item 2: Terms of Reference and Committee Name**

*The Committee noted the decision of Council at its May Ordinary Meeting that the name of the Committee is now the Flinders Council Audit Panel.*

*Motion: The Panel developed a Charter and resolved that Council should now consider it for adoption as the Charter – Flinders Council Audit Panel.*

*Moved: Diana Droog Seconded: Cr Gerald Willis*

*Unanimous*

(See Attachment 1)

**Item 3: Local Government Association of Tasmania seminar on Audit Panels**

*The Committee noted the decision on this matter from the Flinders Council May Ordinary meeting.*

**Item 4: Remuneration**

*The Chair and Community Representative noted a potential pecuniary interest in the matter. The Panel deferred any discussion or consideration in relation to remuneration for the positions to Council as a whole.*

**Item 5: Work Plan and how to action the Plan**

*The Panel noted that their appointment by Council was not time bound as required under the Act and the General Manager gave an undertaking to put forward a recommendation to Council at its June Ordinary Meeting to create specific timeframes for the appointments of all members.*

*Council to consider what appointment timeframes they see fit being a period of 1 – 4 years.*

*Motion: The Committee developed a work plan and resolved that Council should now consider it for adoption as the Work Plan – Flinders Council Audit Panel.*

*Moved: Cr Gerald Willis Seconded: Diana Droog*

*Unanimous*

(See Attachment 1)

**Item 6: Audit Panel meeting times and schedule**

*The matter was discussed and times and schedules agreed are included in the proposed work plan.*

Item 7: Committee's role in the Council Annual Report, Budget and quarterly Financial Reports

*The Panel discussed the matter and notes in relation to the delivery of quarterly financials and the like, these will be included in an internal work plan of the Panel to be developed.*

Item 8: Audit the Implementation of Council Policies from the Policy Manual

*The Panel noted that this matter is captured in the proposed work plan of the Panel and put forward for consideration by Council.*

Item 9: Other Business

*Nil*

Meeting Closed at 12.15pm.

## Attachment 1

<b>Flinders Council</b> <b>AUDIT PANEL</b> <b>CHARTER</b>
---

### 1. Objective

The Audit Panel is established under Section 85(1) of the *Local Government Act 1993* and as directed under the *Local Government (Audit Panels) Order 2014*.

The primary function of the Audit Panel (the Panel) is to assist Elected Members (Councillors) of the Flinders Council (the Council) in fulfilling Council responsibilities relating to the review of the Council's performance and effectiveness as well as safeguarding its long-term financial position.

### 2. Principal Purpose

To assist the Council in fulfilling its responsibilities relating to the review of the Council's performance and compliance in the following areas:-

- The Annual Financial Statements of the Council accurately represent the state of affairs of the Council.
- That the Strategic Plan; Annual Plan; Long-Term Financial Management & Asset Management Plans and associated Strategies are integrated and the assumptions made within them accurate and utilised to inform the decision making processes, budget allocations and capital and operational works programs of the Council.
- Reviewing accounting procedures, internal controls, anti-fraud, anticorruption and risk management systems, controls and policies that are in place which safeguards the Council's long-term financial position.
- Compliance with the provisions of the *Local Government Act 1993* and any other relevant legislation.
- Actioning and the reviewing effectiveness of previous recommendations made by the Panel.

The Panel is to serve as an independent and objective party to review all financial information presented to their local community.

### 3. Membership

The membership of the Panel will comprise of 4 members, whereby 2 members must be Independent Persons.

An 'Independent Person' is a person who is not a Councillor or employee of the Flinders Council.

The following persons are eligible to be members of the Audit Panel:-

- (a) A Councillor, other than the Mayor, of Flinders Council;
- (b) A Councillor, or employee, of another Council; or
- (c) A member of an Audit Panel of another Council.

The Flinders Council is to appoint all members to its Audit Panel. The Flinders Council is to ensure that all Independent Persons appointed to the Audit Panel have the relevant knowledge and experience to undertake the role required. This should include but is not limited to, good business acumen and sound management and communication skills.

The Flinders Council is to ensure that the independent members appointed are genuinely independent and free from any management, business or other relationships that could interfere or be perceived to interfere with their ability to act in the best interests of the council. It is important for audit panel members to not only be independent, but also to be perceived in that way. This also means that potential pecuniary or non-pecuniary interests are in the first instance avoided, or at the very least openly declared.

To maximise both the real and perceived independence of audit panel members, councils should consider individuals' past and current relationships with the council.

The composition of the audit panel should include a balance of professional skills, knowledge and technical expertise, as well as sufficient capacity, independence and objectivity to discharge its responsibilities.

Council may also take the following into account when appointing audit panel members:

- a) knowledge and expertise in the areas of audit practices and financial management;
- b) knowledge of, and experience in, relevant industries; and
- c) experience with governance processes including, but not limited to, risk management.

A member of the Audit Panel will hold office for a period not less than one year and not more than four (4) years. Flinders Council is to appoint the members for a specific period that meets these requirements.

#### **4. Chairperson**

The council should select an audit panel chairperson that possesses:

- knowledge of the duties and responsibilities of the position; especially with respect to local government financial reporting and auditing requirements;
- requisite local government experience and financial and leadership skills;
- an ability to build good relationships; and
- strong communication skills.

The Chairperson must be an Independent person free from any management, business or other relationships that could interfere or be perceived to interfere with their ability to act in the best interests of the council. It is important for the audit panel Chairperson to not only be independent, but also to be perceived in that way.

If the Panel includes more than one Independent Person, then the Flinders Council is to directly appoint the Chairperson.

#### **5. Annual Work Plan**

The 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 scheduled (see Annexure A).

#### **6. Meetings**

The Panel will meet not less than four (4) times a year. The Panel may hold additional meetings as and when required in order to fulfil its functions.

The General Manager (or Delegate) and Corporate Services Manager (or Delegate) with secretariat support must attend all meetings.

Reasonable notice (7 working days) will be given of the meetings to all members of the Panel and an agenda is to be provided with any relevant attachments.

The Panel may hold additional meetings as and when required in order to fulfil its functions.

Meeting procedures have been to be developed to inform all members and Council on how the Panel will perform their functions. (see Annexure B).

**7. Reporting**

The Panel will provide a written report (minutes) to the next Ordinary Council Meeting or as soon as practical following a meeting, concerning the outcomes and/or recommendations made by the Panel which will then be note and/or accepted by Council. All agendas and Panel papers will be circulated to Panel members only and are to be kept confidential at all times.

**8. Review**

This Charter will be reviewed at least every 2 years.

Approved:-

---

Mayor

Dated:

## FLINDERS COUNCIL

## AUDIT PANEL

## ANNEXURE A - ANNUAL WORK PLAN

The Audit Panel Flinders Council is established under Section 85(1) of the *Local Government Act 1993* and as directed under Item 10 of the *Local Government (Audit Panels) Order 2014*.

The Panel must develop an Annual Work Plan that includes, but is not limited to, a schedule of meetings and the known objectives for each meeting so scheduled. The Panel must meet not less than four (4) times a year and the purposed schedule of compulsory meetings for the Panel and items for discussion (but not limited to) as follows:-

Quarter	Scheduled Meeting Date	Scheduled Objective
January – March	March	Review of Long-Term Financial Management Plans; Asset Management Plans & associated strategies; Strategic Plan (if necessary) before Annual Budget process begins.
April – June	July 8 <sup>th</sup> 10.30am	Review Annual Plan prior to adoption; compliance check against all relevant legislation; previous motions & recommendations made by Council to be in place prior to EOFY (if applicable).
July – October	October 6 <sup>th</sup> 10.30am	Review of all financial system controls - both externally & internally, policies and practices safeguarding Council's long-term financial position including Risk Management and Anti-Fraud measures.



<p>October - December</p>	<p>November (TBA)</p>	<p>Review the Annual Report. Review of all financial system controls - both externally &amp; internally, policies and practices safeguarding Council's long-term financial position including Risk Management and Anti-Fraud measures. <i>(3 project based examples to be reviewed and assessed as agreed by the Panel)</i></p>
---------------------------	-----------------------	---

The Panel may hold additional meetings as and when required in order to fulfil its functions.

Review of Annual Financial Statements for accurate representation of the affairs of Council; and the Auditor-General's Report with suggested actions and recommendations to be implemented.

FLINDERS COUNCIL

AUDIT PANEL

**Annexure B - Meeting Procedures**

The Audit Panel for Flinders Council is established under Section 85(1) of the *Local Government Act 1993* and as directed under Item 9 of the *Local Government (Audit Panels) Order 2014* states:-

*The Council may provide to its Audit Panel a charter relating to:-*

- (a) the manner in which the Audit Panel is to perform its functions; and*
- (b) the procedure of the Audit Panel in respect of its meetings.*

The following conditions and guidelines apply to all meetings held by the Audit Panel:-

1. An Audit Panel is to hold not less than four (4) meeting in each financial year. Additional meetings can be held as and when required in order to fulfil its functions.
2. A quorum is constituted by a majority of the total number of Panel Members appointed.
3. At least one Panel Member who is an Independent Person is to be present; otherwise there is no quorum present at the meeting.
4. The General Manager (or delegate) is to attend all meetings.
5. The Corporate Services Manager (or delegate) is to attend all meetings.
6. The Audit Panel may invite or allow any Councillor or employee of Flinders Council to attend one or more meetings.
7. Items 5, 6 & 7 above **do not** apply if the Audit Panel determines that the meeting is to be held in private.
8. The Audit Panel may regulate its own proceedings.
9. All minutes, recommendations and conclusions of Audit Panel meetings are to be provided within a written report and submitted to the next Ordinary Council Meeting or as soon as reasonably practicable.
2. Council is to provide secretariat support to, and an agreed allocation of funding to the Audit Panel to perform its functions.