

# FLINDERS COUNCIL AUDIT PANEL

## Unconfirmed Minutes

**DATE:** 28 September 2021  
**VENUE:** Rose Garden Room  
**COMMENCING:** 11.00am

### PRESENT

Mark Scanlon Chair (via Zoom)  
 Diana Droog Member (via Zoom)  
 Gerald Willis Member

### APOLOGIES

Nil

### IN ATTENDANCE

Lyndall Kimpton Tasmanian Audit Office (via Zoom)  
 Jan Lynch Tasmanian Audit Office (via Zoom)  
 Warren Groves General Manager  
 Heidi Marshall Finance Organisational Performance Manager  
 Rowena Nicholls Administrative Services Officer (minute taker)

### Note:

Council Elected Members Standing invitation as observers

### DECLARATION OF INTERESTS

Audit panel members must declare any interests.

Name	Appointment Date	Rotation Date	Person and/or Organisations with Interest	Nature of Conflict of Interest	Perceived / Potential / Actual	Date of Declaration
Mark Scanlon	13 Dec 2017	30 June 2019?	Launceston City Council	Independent Chair of Audit Panel	Potential	18 Dec 2017
	13 Dec 2017		Public Trustee Tasmania	Chairman	Potential	18 Dec 2017
Diana Droog	Annual Membership	Sept	Flinders Island Business Inc. (FIBI)	Treasurer (& member)	Potential	7 Feb 2018
	Annual Membership	July	Furneaux Historical Research Association Inc.	Member & Membership of Museum's IT Group	Potential	7 Feb 2018
	Annual Membership		Landcare		Potential	4 June 2018
			Emita Volunteer Fire Brigade	Member	Potential	16 Dec 2019
Gerald Willis	Annual Membership		Furneaux Historical Research Association Inc		Potential	26 Aug 2019
	Annual Membership		Furneaux Maritime History Association		Potential	26 Aug 2019

	Annual Membership		Sports & RSL Club		Potential	26 Aug 2019
	Annual Membership		Furneaux Islands Protection Network Inc		Potential	28 September 2021

### CONFIRMATION OF PREVIOUS MINUTES

That the minutes from the meeting held on the 22 June 2021 are a true record.

*Attachment 1: Unconfirmed Minutes 22 June 2021 Meeting*

*Resolved;*

*That the meeting approve the unconfirmed minutes of the previous meeting held on 22 Jun 2021 subject to replacing the heading ATTENDING with IN ATTENDANCE.*

### CORRESPONDENCE IN:

Nil

### CORRESPONDENCE OUT:

Nil

### BUSINESS ARISING

#### 1 Financial Reports

As a standing item on all Panel meeting agendas, any variations to the budget and movement of money will be presented for the Panel's consideration.

In the 21 September 2021 Closed Council meeting the following motion was approved and made public.

***“DECISION***

***184.09.2021 Moved: Cr A Burke      Seconded: Cr P Rhodes***

***That Council approves a budget variation of \$50,000 to provide for the completion of the Environmental Effects Report, as required by the Environmental Protection Authority, to be undertaken as part of the development of industry compliant landfill cells at the Whitemark tip site.***

***CARRIED UNANIMOUSLY (7-0)***

***For: Mayor A Revie, Deputy Mayor D Williams, Cr S Blyth, Cr A Burke, Cr V Grace, Cr P Rhodes and Cr R Summers.”***

Noted by Audit Panel

#### 2 Policy Review

Section 76 Writing off Bad Debts was reviewed in March 2021. Reformatted Writing off Bad Debts Policy taken to Council 17 August 2021 for readoption.

***“DECISION***

***154.08.2021 Moved: Cr R Summers      Seconded: Cr A Burke***

***That Council approves the Writing Off Bad Debts Policy and allows the Policy to lay on the table for 28 days for public comment.***

***CARRIED UNANIMOUSLY (6-0)***

***For: Mayor A Revie, Deputy Mayor D Williams, Cr A Burke, Cr V Grace, Cr P Rhodes and Cr R Summers.”***

Audit Panel noted the policy is up for public comment.

### **3 Annual Audit**

Heidi updated panel on Audit progress, which has gone well, asset revaluations were identified which council knew would come up. Roads to Recovery and grant audits being finalised this week. No major things have come up that Council had not pre-empted.

Tasmanian Audit Office signed off on audit yesterday 27<sup>th</sup> September and should have sent letter to Council expect it soon. Went quite seamlessly. Only changes were revaluation regarding TasWater, better to correct rather than have a misstatement showing. No significant issues. Appreciate Ruddicks and Council getting work for audit done on time.

Three outstanding items continuing on:

Business Continuity Plan – which is ongoing

Updates policies – need to be looked at

Revaluation of assets – Bridge and Stormwater revalued as part of audit process, have been looked at and have been ok with those.

Tasmanian Audit Office doing the Roads to Recovery audit, will be doing for Flinders Council, and doing the LRCI funding audit for Annual Report phase 1, they are working with Heidi at the moment.

Business Continuity Plan (BCP) draft Version 2 presented.

Presentation to the audit panel, as both a need and to share for comment, then to be workshop with Councillors.

Audit panel has not had a chance to review at this stage.

Original BCP developed in 2016.

Question – are shipping and telecommunications handled thru SES not Council?

These issues are dealt with by MEMC.

Airport not covered by BCP – in the event of flood. Plan refers to the Airport Management plan.

Suggest - showgrounds could be identified as area to keep working as well as halls.

Question - Is there policy to keep trucks vehicles refueled?. The policy is fuel at half mark and there is bowser at depot. Therefore the expectation is they will ready to go.

Grab bag is great but office is not open 24/7 so needs another location to store it, as well. It is also on phones and other devices. Low tech option to have a hard copy.

No mention of tsunamis, earthquakes.

Well done by Mark and Gerry. Fantastic document Diana says, have Council considered epidemics. Council did have COVID plan last year and we will look to incorporate.

Need to test this document and do a run thru to make sure nothing has been omitted. Schedule for testing within the plan.

Auditor to look at it at next audit.

*Lyndal and Jan left meeting at 11:28am*

#### **4 Audit Panel Work Plan**

Work plan to reflect resources from Flinders Council. Rowena emailed previous plan from August 2019. For discussion at the next meeting.

#### **5 Cyber Security**

This item was introduced to the agenda in September 2018. The Panel requested that the item remain on the agenda until staff can provide a report on existing systems and the security measures in place in relation to cyber security breach. As this is a very real risk to Council, work on developing policies to improve procedures needs to be prioritised.

January 2021 Council changed IT provider to Techquity. Work will commence later in the year to address the cloud platform of sharepoint.

Mark suggested running a cyber security test to expose weaknesses.

Diane concerned there not much information on Techquity website, no information on company regarding structure, what information is required to know?.

Heidi has visited their premises in Hobart. Council checked references supplied before engaging. Also. Three references were checked. They are currently expanding into Launceston.

Heidi commented Council have been target of new cyber attacks.

#### **6 Risk Management Framework Update**

*Previous discussions*

*“After review of Council’s current Risk Management Framework prepared in 2015, the Panel considered the document to be very useful and suggested some additional risks for inclusion along with a statement of Council’s risk appetite.*

*Mark has previously provided Council with a confidential example of a risk appetite from another organisation. Council reviewed the example at a workshop in August and discussed a way forward. Further work is required.”*

Requirement: Discussion around what work is required on Council Risk Management Framework.

Mark to resend document for public trustees risk management document. External consultants used and can be used as a reference, please treat as confidential.

Council must decide where they sit in relation to risk, small island may have to carry more risk. Must be put in context in terms of Flinders Island. Challenges are different here.

## 7 Review Delegations

The Panel has been asked by Council to undertake an annual review of a random selection of delegated activities and determine compliance with the relevant Act. At the December 2019 meeting, the Panel agreed on the following process to undertake the review:

- Panel selects a number of delegations listed in Council's Instrument of Delegation e.g. section 24(2) Building Act 2016, Compliance Officer.
- At the following Panel meeting, the General Manager provides details on the training undertaken by the person with the delegated authority, to enable them to undertake the delegation, e.g. Training undertaken by the Compliance Officer to enable them to comply with the provisions of section 24(2) – act as a Permit Authority, in accordance with the *Building Act 2016*.
- Panel to assess information provided and determine compliance with the relevant Act and relevant delegation.

To date one delegation has been reviewed.

Warren to provide another delegation to review.

Audit panel to go back to instrument of delegation and decide what to review for December meeting.

## AGENDA ITEMS

### 8 Credit Card Audit

Diana Droog to provide an update on the quarterly credit card audit. Gerry to take over the role while Diana is stuck in Melbourne possibly until March 2022. Gerry was delegated on Friday 24/9 has not done an audit to date.

Last updated 31<sup>st</sup> May 2021.

### 9 Amendments to Local Government Act

Mark has registered for updates and there has been no updates. No progress is known. From audit panel perspective panel not here to police Council re rates setting.

Flinders Council made comment regarding amendments to Local Government Act in the first draft, however they did not put in a second response. King island did put responses on both first and second. Diana to send King Islands responses.

Warren commented Flinders Council has been developing relationship with King Island Council, and together lobbied LGAT, now the head of LGAT is lobbying on our behalf. For example on the waste levy, LGAT know our position and they can act on behalf immediately and our circumstances are incorporated into responses.

### 10 Terms of Reference – item 4 Membership Review

*Attachment: 12.1 Terms of Reference Audit Panel*

*From the 22 June 2021 meeting*

*Council have not reviewed membership, need to review the Audit Panel Charter. Charter needs to be updated in line with practise guide. A small council needs to be practical about what it applies.*

*Governance department to review the Audit Charter and send to Audit Panel Members.*

*Was due for review Feb 2021.*

*Council staff to check terms of reference for review of membership.*

## **OTHER BUSINESS**

Financial comments from Heidi

Year to date looking great, have saved money, forecast spend \$100k but we did not spend all this.

Council have a lot of outstanding projects that are still open, and hard to close out projects, they are carrying over in 2022.

From a dollar perspective this is good but workflow perspective more challenging.

Have secured one extension and will be asking for another extension, and this increases the amount of audits and drives a lot of paperwork.

Acknowledge Heidi and teams work in Long-term financial and assets management strategy and plans and budgets, financials and audits. Big task.

July to Oct all have been spent doing audits for Year end, Roads to Recovery then grant audits.

Island News - Congratulate Chris Wilsons article in island news, and good article giving a run down on looking after infrastructure.

Gerry appeal of the high court, supreme court were taken to task re comments put on social media, was held that Channel 9 were held responsible for those comments. Supreme Courts view was that negative comments put on a page are the responsibility of owner of page.

What actions are Council taking about this?

Discussion with Councillors and policy review may be required. Possible to turn comments off on some posts on social media. Consider what risk council is prepared to carry.

Note: The Premier has already turned off some of his comments to social media.

"Following the announcement by the Premier yesterday concerning social media (see link: <https://www.facebook.com/petergutweinmp/posts/410226204001908>) this has again raised some concern amongst councils what approach to take on this issue. Following this announcement, the Government has signalled a shift in how it will manage its social media pages.

The recent [High Court decision](#) in the [Dylan Voller defamation case](#) considered that site owners were regarded as 'publishers' of third-party comments. Consequently, site owners are now considered liable for defamatory materials.

Any council which runs a social media page, or posts on social media is deemed a publisher. So if someone then posts defamatory comments on that post of the original page owner, then the post owner is liable for those comments made by a third-party.

Following, councils need to take discretionary action to protect themselves either by:

1. Actively moderating comments 24/7 and promptly remove defamatory comments; or
2. Turning off comments (whether this is on all posts, or individual posts), if your council has limited communication resources.

This will mean councils will have to consider and balance the risks associated with their social media presence.

This [article](#) from Law Firm Minter Ellison provides further details."

## NEXT MEETING

December suggest Wednesday 1<sup>st</sup> Dec 2021 11am, Gerry not available suggest 2<sup>nd</sup> December 11am.

## IN CAMERA SESSION

No need for in camera session.

## MEETING CLOSED 12.15pm

## ACTION LIST

Meeting	Action	Progress
2019.01.29	General Manager to develop a statement of Council's risk appetite for Council adoption and add it to the Framework.	Work has commenced.
2021.03.22	Heidi to contact Marissa Walters regarding signing off on Management Certificate of the Financial Report.	Completed
	Mark to provide proposed changes regarding Audit Panel regulation.	Changes proposed
	Diana Droog to draft letter to regarding Audit Panel regulation changes.	The letter did not get sent as time to submit letter pasted.
2021.06.22	Mark to resend risk appetite document	Completed
	Rowena to send out reformatted Writing off Bad Debt Policy	Completed
	Mark to look at paper prepared by Gerry and report back in meeting of just audit panel. Rowena to arrange zoom meeting.	Completed