

FLINDERS COUNCIL AUDIT PANEL
Unconfirmed Minutes

DATE: 2 March 2022
VENUE: Rose Garden Room
COMMENCING: 11.00am

PRESENT

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

APOLOGIES

Gerard Willis Member
 Chloe Bellchambers Tasmanian Audit Office
 Jeff Tongs Tasmanian Audit Office
 Simone Lee Tasmanian Audit Office

IN ATTENDANCE

Warren Groves General Manager
 Heidi Marshall Finance Organisational Performance Manager
 Rowena Gill 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		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
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CONFIRMATION OF PREVIOUS MINUTES

That the minutes from the meeting held on the 6 December 2021 are a true record.

Attachment 1: Unconfirmed Minutes 6 December 2021 Meeting

Carried

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. Heidi presented the attachments.

*Attachments: 1.1 Financial Quarter 2 Report 31 December 2021 v5
1.2 Budget Summary (Confidential)*

Bowmans Bridge 70% funded by a grant to approximately \$330,000.

Safe Harbour amount of \$146,000 in 2020/2021 is predicted to be \$224,000 in total for scoping before the project goes live.

Expecting \$55,000 to spend on an Environmental Effects report before the waste cell at the Whitemark Tip can be costed.

The Islander Way project is fully funded, so overall will be neutral effect, variance shown is just a cash timing.

Private works – \$376,000 positive variance due to reduction in State Growth Private Works.

Positive variance in operational areas of \$82,000 minor unders and overs and small capital items.

LRCI Grants – risk that Council may not meet the 30 June 2022 deadline.

Year to date positive surplus mainly from grants (Palana Road).

Grants are only included once contracts are signed. Invoices are then raised.

Comments: Figures show Council is ticking along alright.

Question - Have other bridges been checked?

Next Palana Road grant has included one bridge for replacement.

Note: for future agendas, Audit Panel Members to receive all finance documents in advance.

2 Policy Review

Council's will be reviewing the following finance Policies during the next two months.

Attachments: 2.1 - F4 Debt Collection Policy 2015.06.18

2.2 - F8 Travel and Accommodation Policy 2015.03.26

2.3 - HR14 Fraud Prevention and Control Policy 2014.08.21

Feedback from Diana:

Debt Collection Policy: look at the King Island Policy, the 'key objective' wording needs editing.

Travel and Accommodation Policy: list the expenses that should not be included. E.g entertainment, membership for loyal programs. To help employees/councillors understand what they cannot claim.

3 Annual Audit

Heidi to updated on the progress of the Audit.

The Annual Audit has commenced and is very onerous, the preliminary audit is being undertaken this week over three days. Council have been provided a list of information required for audit, this is an extensive process and much different to prior years. Ruddicks, has been working with Council for the past seven years undertaking this task, they had access to Xero and many of the Council policies, their history with Council assisted greatly in making the audit process simpler and easier. Now Council must complete this task itself and document their procedures, e.g manual journals for audit. This is a time consuming, very onerous task and a costly process for a small council.

The Tasmanian Audit Office auditors will undertake a two-week interim audit spread over March and June plus the three days this week, with the final audit taking place in September.

Auditors required a preliminary proforma on the 20th June for year end. A near impossible task to do, as Council haven't closed their ledgers, completed reconciliations, and cannot provide notes without numbers. Heidi has said no, Council cannot do this. The Act says 14th of August and that's when Council will have it ready by.

This document the preliminary proforma, which the Tasmanian Audit Office release, is often not released in time for Council to even complete by the 20th.

4 Audit Panel Work Plan

From the December 2021 Meeting

"Mark to do some work on the Audit Panel Work Plan over the next couple of months. Item 51 is to be removed. Some items will be removed, or words could be added in comments column."

Diana has sent through the King Island Council Work Plan.

The current work plan September 2020 has been forwarded to members. Mark will work with Heidi on this and bring revised version back to the June Meeting.

Auditors are requesting the Audit Panel Work Plan.

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.

No update from the isolated issue from late last year. Council have put in place tighter security measures.

6 Risk Management Framework Update

Previous discussions 6 December 2021

“General Manager has put this review on the to do list for the new year to work through with Councillors. Useful for everyone to know what the risk appetite is for Council. Review current framework and incorporate an annual review into the process.”

Warren continues to review the risk management framework, it is a process of integration of other frameworks, policies, and meetings into one document, linking all these individual items together. The risk register will be brought to Council workshops throughout out the year to discuss different risks.

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 2021 meeting, the Panel are to review another delegation, following the agreed 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.

Attachment: 2021.11.25 Flinders Council Instrument of Delegation

Audit Panel to selected delegation S189 to review for next meeting in June.

Function or Power - Section 189 - Closure of local highways.

Conditions - Compliance with all applicable codes and policies adopted or endorsed by Council.

Officers - Infrastructure and Airport Manager.

AGENDA ITEMS

8 Credit Card Audit

Diana provided an update on the quarterly credit card audit, which has been completed to the 31st of December 2021.

9 Amendments to Local Government Act

Mark mentioned it had all gone quiet. Warren mentioned talk of amendments had been put aside while a Future of Local Government in Tasmania review is undertaken. A board has been formed and commenced the Review in January 2022 and is undertaking a broad program of community engagement and consultation in the first half of the year. The Review will be conducted over an eighteen-month period in three distinct stages.

The Board will make recommendations on the future role, functions and design of local government and the structural, legislative and financial reforms required to meet this objective.

10 Terms of Reference – item 4 Membership Review

“From the 6 December 2021 meeting

Any amendments required and feedback to be forwarded to governance staff.

Diana to look at King Island Council ToR, query what annual report audit panel give to public. Minutes stand as a running report as of what is being looked at. Diana to suggest edits to Terms of Reference in the new year.”

Attachment: 12.1 Terms of Reference Audit Panel

Note: No feedback has been received.

“Governance department to review the Audit Charter and send to Audit Panel Members. Council staff to check terms of reference for review of membership.”

Diana has sent back draft Audit Panel Charter with changes, Mark and Gerard to review and send feedback to Governance.

OTHER BUSINESS

NEXT MEETING

Wednesday 29th June 2022, 11am.

IN CAMERA SESSION

No need for in camera session.

MEETING CLOSED 12.16 pm

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.
2021.12.06	Rowena to edit Audit Charter send to Members prior to March 2022 meeting.	Work has commenced.
	2022.03.02 Diana has provided feedback and the revised charter has been sent to members for review. Feedback to be sent to governance.	
	Diana to look at edits required for Terms of Reference for discussion at March Meeting.	
2022.03.02	Mark will work with Heidi on the Audit Panel Work Plan and bring the revised document back to the June Meeting.	

Meeting	Action	Progress
	General Manager provides details on the training undertaken by the person with the delegated authority of S189, to enable them to undertake the delegation.	