



King Island Council

Audit Panel Charter

Version: 1.0

Adopted	18 August 2015	Minute Ref: 514/15
Amended	21 March 2017	Minute Ref: 40/17
Next Review Date		

KING ISLAND COUNCIL AUDIT PANEL CHARTER

The King Island Council Audit Panel has been established in compliance with Division 4 of the Local Government Act 1993 (the Act) and the Local Government (Audit Panels) Order 2014 (the Audit Panel Orders).

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

Objective

The objective of the Audit Panel is to review the Council's performance under Section 85A of the Act, and in compliance with the Audit Panels Order and to report to the Council its conclusions and recommendations.

Authority

The Council authorises the Audit Panel to:

- Obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
- Discuss any matters with the Tasmanian Audit Office (TAO), or other external parties (subject to confidentiality considerations);
- Request the attendance of any employee, including members of the Council, audit panel meetings; and
- Obtain legal or other professional advice, as considered necessary to meet its obligations, consistent with the financial resources available to the panel.

Composition and Tenure

The Audit Panel comprises 4 independent members appointed by the Council.

The Council will appoint the chairperson of the Panel.

Audit Panel members will be appointed for a period of two years.

Audit Panel members may be re-appointed at the discretion of the Council, 6 months prior to the expiration date if both parties are agreeable.

Functions

When reviewing the Council's performance the Audit Panel is required to consider:

- The Council's financial system, financial governance arrangements and financial management;
- Whether the Annual Financial Statements of the Council accurately represent the state of affairs of the Council;
- Whether and how the strategic plan, annual plan, long term financial management plan and long term strategic asset management plans of Council are integrated and the processes by which, and the assumptions under which, those plans were prepared;
- 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;
- Whether the Council is complying with the provisions of the Act and any other relevant legislation; and
- 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.

Key Areas

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

- corporate governance;
- human resource management, including policies, procedures and enterprise agreements;
- information and communications technology governance;
- management and governance of the use of data, information and knowledge; and
- internal and external reporting requirements.

Responsibilities of Panel Members

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

Members are also expected to:

- act in the best interests of the Council;
- apply sound analytical skills, objectivity and judgement;
- express opinions constructively and openly;
- raise issues that relate to the Audit Panel's functions;
- pursue independent lines of enquiry; and
- contribute the time required to review the information provided appropriately

Reporting

The Audit Panel is to provide a copy of its meeting minutes to the Council as a soon as practicable after each Audit Panel meeting.

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.

The chairperson will provide a verbal report to a Council workshop at least annually, but also on any occasion that a significant issue arises.

Administrative Arrangements

Meetings

- The Audit Panel will meet at least four times per year.
- The Audit Panel is to regulate its own proceedings in accordance with this Charter.
- The Chairperson may determine that a meeting is to be held in private.
- The General Manager and Manager Corporate Services, or their delegates, are to attend Audit Panel meetings unless the Chairperson determines that a meeting is to be held in private.
- The Audit Panel may invite any Councillor and/or employee of the Council and/or representative of the TAO to attend meetings of the Audit Panel.
- Councillors may attend an Audit Panel meeting as observers, unless the chairperson has determined the meeting be held in private. A Councillor observer cannot participate in the meeting, for example, by asking a question or making a statement, unless invited to do so, by the chairperson.

Quorum

A quorum of the Audit Panel meeting is three members, including the chairperson.

Work Plan

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.

The forward meeting schedule should include the dates, location and proposed agenda items for each meeting.

Secretariat

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 meetings are prepared and submitted to the council as soon as practicable after each meeting

Interests

Audit Panel members must declare to the chairperson any pecuniary or non-pecuniary interests that may affect them carrying out their functions. These are to include any past employment, consultancy arrangements and related party transactions.

At the beginning of each Audit Panel meeting, members are required to declare any potential or actual pecuniary or non-pecuniary interests that may apply to specific matters on the meeting agenda. Where required by the chairperson, the member will be excused from the meeting or from the Audit Panel's consideration of the relevant item(s).

Where the chairperson has a conflict of interest, they will declare that conflict to the Mayor at least 7 days prior to the meeting, to allow the Mayor to make alternate arrangement should it be deemed appropriate.

Details of any pecuniary or non-pecuniary interest declared by members will be appropriately minuted.

Induction

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.

Remuneration

For 2015 the Chairperson of the Audit Panel shall be paid an annual fee of \$2,000 and a sitting fee of \$400 per meeting.

For 2015 other independent members of the Audit Panel shall be paid an annual fee of \$600 and a sitting fee of \$400 per meeting.

The annual and sitting fees payable to Panel members will be adjusted by CPI (Hobart) every two years on reappointment / appointment.

Where relevant, reimbursement of travelling expenses shall be paid to Panel members in accordance with current schedules or determinations of the Australian Taxation Office.

The annual fee will be equally shared between the participating Councils.

Review of Charter

The Council will review this Charter every 2 years.