KING ISLAND COUNCIL

AUDIT PANEL CHARTER

BACKGROUND

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) and the *Local Government (Audit Panels) Amendment Order 2015*.

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

OBJECTIVE

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

AUTHORITY

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 Council at Audit Panel meetings; and
- Obtain legal or other professional advice, as considered necessary to meet its responsibilities.

COMPOSITION AND TENURE

The Audit Panel comprises not less than three (3) and up to four (4) independent members appointed by Council.

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 Audit Panel.

A person who is an employee or Councillor of another municipal council is not eligible for appointment as a member of the Audit Panel.

If a Commissioner is appointed to the Council, he or she may be appointed as a member of the Audit Panel.

Council will appoint an independent member as the chairperson of the Audit Panel.

Audit Panel members will be appointed for a period of three (3) years. Terms will be coordinated so that a position becomes vacant each year, rather than simultaneous vacancies. An adjustment to existing Audit Panel terms occurred first instance to coordinate this arrangement.

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

FUNCTIONS

To comply with the Audit Panels Order, when reviewing the Council's performance, the Audit Panel is 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 Council;
- Whether 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, the assumptions under which, those plans were prepared;
- The accounting, internal control, anti-fraud, anti-corruption and risk management policies, systems and controls 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;
- 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 the action was and its effectiveness; and
- Any other activities within the Audit Panel's remit, as determined by the Audit Panel.

KEY AREAS

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

- Corporate governance;
- Systems of internal control;
- Risk management frameworks;
- 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 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:

- 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 and pursue independent lines of enquiry within the Audit Panel's deliberations and meetings; and
- Contribute the time required to review the papers provided.

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 Audit Panel must provide an annual report to the Council that comprises, at least:

- A summary of the work undertaken and significant findings during the past year;
- A review of the Audit Panel Charter and, if required, recommended changes to the Council for its approval;
- An update on the membership of the Audit Panel;
- The significant aspects of the Audit Panel's deliberations for the coming year, together with a proposed work plan; and
- Any other matters deemed, by the Audit Panel, as requiring Council's attention.

ADMINISTRATIVE ARRANGEMENTS

Meetings

- The Audit Panel will meet at least four (4) 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 Financial Manager, or their delegates, are to attend Audit Panel meetings unless the Chairperson determines that a meeting is to be held in private; and
- 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.

Quorum

A quorum of the Audit Panel meeting is a majority of members including at least one independent member.

Work Plan

The Audit Panel is to develop an annual work plan that includes, but is not limited to, a schedule of meetings and objectives for each meeting.

All discretionary items referred to the Audit Panel that fall within its remit should be brought before the Audit Panel, so it can determine which items will be prioritised for inclusion in the work plan.

The forward meeting schedule should include the date, location and proposed agenda items of each meeting.

Secretariat

Council, in consultation with the Audit Panel, will appoint a person to provide secretariat support to the Audit Panel.

The secretariat will:

1. Ensure the agenda for each meeting is approved by the chairperson;
2. Ensure the agenda and supporting papers are circulated at least one week prior to the meeting; and
3. Ensure the minutes of meetings are prepared and submitted to the Council as soon as practicable after each meeting.

Resources

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 Audit Panel to meet its requisite functions and achieve its objectives.

Interests

Audit Panel members must declare any real, potential or perceived pecuniary or non-pecuniary interests that may affect them 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 (7) days of declaring the interest.

Independent members are to consider past employment, consultancy arrangements and related party issues in making these declarations.

A standing item for declarations of interests should be included in all Audit Panel meeting agendas.

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.

Confidentiality

Audit Panel members must maintain the confidentiality of any information, documents and communications the Council or Audit Panel has designated as being in confidence, and only access Council information to perform their role as an Audit Panel member.

Code of Conduct

Audit Panel members are to abide by standards of behaviour in the *Code of Conduct for Members of the Audit Panel.*

Induction

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

Fees (as per Appendix A)

Independent members of the Audit Panel shall be paid the following:

- A sitting fee per meeting attended; and
- Audit Panel Annual Membership for being a member of all participating Councils.

Annual fees are to be shared equally between participating Councils.

Audit Panel fees will be adjusted annually as at 1 July based upon the change in CPI (Hobart) for the 12 months to June.

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

Review of Charter

Council will review this charter every three years or at such time as changes to legislation require and submit its recommended charter to Council for approval.

Approved by Council

Mayor Marcus Blackie
Date: 21 July 2026

APPENDIX A

Fees and charges schedule

	2025/26 (1.7%)	2026/27 (4.2%)
Meeting Fee (ex GST)	**$541.34**	**$564.08**
Annual Fee – Chair (ex GST)	**$2,704.11**	**$2,817.68**
Annual Fee – Independent member (ex GST) payable once per financial year, irrespective of the number of appointments held across the **Waratah-Wynyard Council, Circular Head Council and King Island Council Audit Panels**	**$811.22**	**$845.29**

KING ISLAND COUNCIL