



# Audit Panel Charter

The Dorset Council (the Council) has established the Audit Panel in compliance with Division 4 of the *Local Government Act 1993* (the Act), the Local Government (Audit Panels) Order 2014 (the Audit Panels Order) and the Local Government (Audit Panels) Amendment Order 2015.

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 report to the council its conclusions and recommendations.

## Authority

The Council authorises the Audit Panel, within its responsibilities, 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, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee, including members of the Council, at Audit Panel meetings; and
- obtain legal or other professional advice, as considered necessary to meet its responsibilities, subject to prior approval of the Mayor or General Manager.

## Composition and tenure

The Audit Panel comprises two councillors and an independent member, appointed by the Council. A person who is an employee, or the General Manager, or the Mayor of Council is not eligible for appointment as a member of the panel. A person who is an employee or councillor of another municipal council is not eligible for appointment as a member of the panel. The Council will appoint an independent member as the chairperson of the panel who must demonstrate experience in the key areas identified within the charter. Audit Panel members are appointed for a period of two years. Audit panel members may be re-appointed at the approval of the Council.

Council may appoint an alternative member Councillor to attend meetings of the Audit Panel when a member Councillor is unable to attend. The alternative member Councillor may only

attend Audit Panel meetings in the capacity of alternative member when and if a member Councillor is unable to attend.

## 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 the council;
- whether and how 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, and 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;
- 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; and
- any other activities within the panel's remit, as determined by the panel.

## Key areas

In fulfilling its functions, the audit panel should consider the following key areas:

- corporate governance;
- systems of internal controls;
- 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 panel 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 judgment;
- express opinions constructively and openly;
- raise issues that relate to the Audit Panel’s functions and pursue independent lines of enquiry within the 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 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.

## **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 Finance Manager, or their delegates, are to attend Audit Panel meetings unless the Chairperson determines 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 Tasmanian Audit Office to attend meetings of the Audit Panel.

### **Quorum**

A quorum of an Audit Panel meeting is three members, including an 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 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 the 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 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 days of declaring the interest.

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

At the beginning of each audit panel meeting, members are required to declare any potential or actual pecuniary or non-pecuniary interest 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 agenda item(s).

Details of potential or actual pecuniary or non-pecuniary interests declared by members will be appropriately reported in the minutes of the meeting and any relevant written reports.

## **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**

The Chairperson of the Audit Panel shall be paid a quarterly fee of \$1,150 to prepare for and attend the quarterly Panel meetings. There is also a provision for a cents per kilometre reimbursement as per the Tasmanian State Service Award rate.

## **Review of Charter**

The Council will review this charter after every Council election and submit its recommended charter to the Council for approval.



Mayor | Greg Howard

**Date:** 20 February 2023

Approved	Corporate Services Manager	20 April 2015	Minute 58/15
Reviewed	Director – Corporate Services & Audit Panel	15 July 2019	Minute 119/19
Reviewed	Finance Manager & Audit Panel	20 February 2023	Minute 28/23