



SORELL COUNCIL AUDIT PANEL CHARTER

1. Objective

The Audit Panel is established under Section 85(1) of the *Local Government Act 1993* and as directed under the *Local Government (Audit Panels) Order 2014*.

The primary purpose of the Audit Panel (the Panel) is to assist Elected Members (Councillors) of the Sorell Council (Council) in fulfilling Council's responsibilities relating to the review of the Council's performance and effectiveness as well as safeguarding its long-term financial position.

The Panel serves as an independent and objective party to review all financial information presented to the local community and to ensure there is an adequate and effective system of internal controls in place throughout Council.

2. Principal Functions

The Panel is to assist the Council to fulfil its responsibilities by assessing and advising Council in relation to:-

- 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 and Strategic Plans, Long-term Strategic Asset Management Plan, Asset Management Strategic Plan, and Asset Management Policy are integrated, and consider the processes and assumptions undertaken to prepare the Plans,
- whether appropriate and current accounting procedures, internal controls, anti-fraud, anti-corruption and risk management systems, controls and policies are in place to safeguard the Council's long-term financial position,
- whether the Council is complying with all provisions of the *Local Government Act 1993* and any other relevant legislation, and
- the actions taken by Council in relation to previous recommendations made by the Panel, and the effectiveness of those actions.

The functions of the Panel may be revised or expanded in consultation with, or as requested by, Council from time to time.

3. Responsibilities

The Panel is directly responsible and accountable to the Council for satisfying its responsibilities.

In carrying out its responsibilities, the Panel at all times recognises that the primary responsibility for management of the Council resides with the General Manager.

In fulfilling their functions, Panel Members are expected to:

- act in the best interests of the Council,
- contribute the time required to review meeting papers, prepare and attend meetings, and
- have regard for the legal requirements of the *Local Government Act 1993*, the *Audit Panels Order* and any other guidelines issued by the Director of Local Government in relation to Audit Panels.

4. Level of authority

The Council authorises the Panel, within the scope of its functions and responsibilities, to:

- obtain any information it needs from any employee or external party, subject to its legal obligation to protect information; and
- discuss any matters with the external auditor, or other external party, subject to confidentiality considerations.

The Council will provide adequate resources to the Panel to enable the Panel to carry out its functions and responsibilities.

5. Membership

The membership of the Panel will comprise five members as follows:

- three independent persons (including the Chairperson and Deputy Chairperson); and
- two Councillors of the Council, other than the Mayor.

An 'independent person' is defined as a person who is not a Councillor or employee of Sorell Council, but may be an independent member of another Council's Panel. Council is to appoint all members to its Panel, including the Chairperson and Deputy Chairperson. All independent persons must have relevant knowledge and experience.

A member of the Panel will hold office for a period not less than one (1) year and not more than four years. Panel members may be reappointed by Council.

In determining the terms of reappointed or new members of the Panel, the Council will consider the need for continuity of experience on the Panel and endeavour to stagger expiry dates for appointments accordingly.

The office of any member shall be reviewed by Council if the member is absent from two meetings within a 12 month period without leave granted by the Panel. The office is automatically vacated if the member is absent from three consecutive meetings without leave.

The General Manager must advise the Director of Local Government of any changes to the composition of the Panel as soon as practical.

6. Remuneration

The Panel Chairperson and independent members are to be paid an annual sitting fee to be determined by Council from time to time. All sitting fees are paid quarterly in arrears.

7. Induction

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

8. Meetings

The Panel will meet not less than four times a year. The Panel may hold additional meetings as and when required to fulfil its functions.

The Panel will regulate its own proceedings.

Reasonable notice of meetings will be given to all members of the Panel.

Council staff will liaise with the Chairperson to construct the meeting agenda. The General Manager is responsible for the preparation of adequate papers to inform the Panel and ensure it can discharge its responsibilities.

The agenda, along with all relevant attachments, will be provided to all Panel members no less than one week prior to the meeting. Agenda and meeting papers will be circulated to Panel members only and are to be kept confidential at all times.

Once a schedule of meetings is agreed for the year, Panel members will endeavour to avoid rescheduling meetings. Changes of meeting time, date or venue must be agreed by all Panel members. Unless an urgent matter arises, requests to change are to be submitted to the Chairperson at least two weeks prior to the meeting.

The Chairperson is required to call a meeting at any time if requested by any two members of the Panel or the General Manager.

The Chairperson may determine if a meeting, or part of a meeting, should be held in camera.

Attendance

A quorum is constituted by a majority of the total number of members appointed being present, at least one of whom is an independent member.

The General Manager (or delegate) and Finance Manager (or delegate) with secretariat support must attend all meetings, unless the Panel determines it is necessary or appropriate to hold all or part of the meeting without management present.

The Panel may allow or invite any employee, contractor or expert advisor to attend any of its meetings. External audit representatives may also be invited to attend any meeting.

Conflict of interest

At the commencement of each Panel meeting, members are required to declare any potential or actual conflict of interest that may apply generally or to specific matters on the meeting agenda. Declarations will be recorded in the meeting minutes.

New members joining the Panel will be advised of previously disclosed interests of other members.

Meeting records

The Chairperson will ensure that minutes of the meeting are prepared and circulated to Panel members within a week after the meeting. Panel members may request amendments if necessary before the minutes are adopted at the following Panel meeting.

Minutes will be securely retained by Council staff in accordance with the requirements of the Local Government Act.

Draft minutes of Panel meetings will be tabled at the next meeting of Council, but otherwise will be treated as confidential and not distributed further nor published on Council's website.

9. Annual Work Plan

The Panel is to develop an Annual Work Plan that includes at least a schedule of meetings (including date, time and location), the known objectives for each meeting and the proposed agenda for each meeting.

The work plan for the forthcoming calendar year is to be submitted to the Council for information before the end of the previous calendar year.

10. Reporting

The Panel will provide a written report (which may take the form of draft minutes) to the next Ordinary Council Meeting or as soon as practical following a meeting. The report will include the outcomes of the meeting and/or recommendations made by the Panel.

The Panel will report to the Council as soon as possible after 30 June each year on its operations and activities during the year.

Council may request, or the Panel may decide, that the Chairperson and/or other independent members meet with Council from time to time, subject to sufficient notice and availability.

11. Review

Charter

The Panel will review its Charter every two years, or earlier if the need arises, and make recommendations to the Council on any suggested changes.

Audit Panel

The Chairperson of the Panel will initiate a review of the Panel at least once every two years.

The review will be a self-assessment, unless otherwise determined by Council. Appropriate input will be sought from Panel members, the General Manager, external auditors, management and any other relevant stakeholders determined by Council.

Approved by Council at its meeting on 16 March 2021