SORELL COUNCIL
AUDIT PANEL CHARTER

1. Objective

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

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

2.1 Principal Functions

To comply with the Act and the Order when reviewing the Council's performance, the 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, Financial Management Strategy, Long- Term Financial Management Plan , 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,

- the actions taken by Council in relation to previous recommendations made by the Panel, and the effectiveness of those actions, and
- any other activities within the Panel's remit as determined by the Panel, or otherwise requested by Council.

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

2.2 Key Areas

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

- principles of corporate governance,
- systems of internal control,
- risk management frameworks,
- human resource management, including policies, procedures and enterprise agreements,
- procurement,
- information and communications technology governance,
- management and governance of the use of data, information and knowledge,
- internal and external reporting requirements, and
- scale and context of Council.

2.3 Internal Audit

If Council appoints an external entity(ies) as internal auditor, the external entity will be an appropriately qualified firm that is independent of Council. The internal audit function cannot be undertaken by the external auditor or a sub-contractor engaged to perform the external audit

The Panel will support Council and the General Manager to select, monitor and assess the performance of any internal audit provider(s) and Council will be guided by the Panel's recommendations. Once appointed, the General Manager will consult with the Panel to determine the scope of the internal audit plan. The Panel will also review all internal audit reports and monitor the timely response to recommendations and remedies.

3. Responsibilities

3.1 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,
- apply sound analytical skills, objectivity and judgment,
- express opinions constructively and openly,
- raise issues that relate to the Panel's functions and pursue independent lines of enquiry within the Panel's deliberations and meetings,
- 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.

3.2 Confidentiality

Panel members must maintain the confidentiality of any information, documents and communication that the Council or Panel has designated as being "in confidence". Panel members will only access Council information necessary to perform their role as a Panel member.

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 any legal obligation to protect information,
- discuss any matters with the external auditor, internal auditor or other external party, subject to confidentiality considerations, and
- obtain legal or other professional advice, as considered necessary, at Council's expense.

The Panel act as an advisory board to Council. The Panel does not hold decision making authority.

At least annually, the Panel will discuss with the General Manager the resources required to enable the Panel to perform its functions and achieve its objectives under this Charter.

5. Membership

5.1 Membership

Council will appoint all members to its Panel, including the Chairperson.

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

- three independent people (including the 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. All independent Panel members must have relevant knowledge and experience.

The Panel may appoint a Deputy Chairperson and determine the responsibilities of the role. While Council may take such appointment into account, it retains full discretion in relation to the appointment or re-appointment of a future Committee Chairperson.

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 are 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.

5.2 Absences

The Panel may grant a leave of absence to a Panel member for justifiable reason.

Council will review the office of any member 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.

At the Panel's request, Council will appoint an alternative Panel member to fill a temporary vacancy, regardless of how that vacancy arose, if the absence is expected to extend past two Panel meetings.

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

8.1 Meetings

The Panel will meet at least four times a year. The Panel may hold additional meetings as and when required to fulfil its functions.

Guided by this Charter, 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 stored in a secure and confidential electronic environment that is accessible to all Panel members. Access arrangements to the agenda and meeting papers will be circulated to Panel members only and provided at least one week prior to the meeting.

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.

8.2 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 councillor, employee, contractor or expert advisor to attend any of its meetings. External audit representatives have a standing invitation to attend any meeting or may be invited to attend a meeting to discuss a particular topic.

8.3 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.

Panel members will manage any conflicts of interest in accordance with any Council policies that specifically apply to them and their meetings.

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

8.4 Meeting Records

The secretariat to the Panel will prepare the draft minutes as soon as practical and provide to the Chairperson for review.

The Chairperson will review and return the draft minutes as soon as practical. Draft minutes will be circulated to all Panel members for adoption at the next Panel meeting.

The Chairperson reviewed draft minutes will be tabled at the next meeting of Council. If the minutes are amended, they are to be re-tabled to Council, at the next meeting of Council.

The Panel's minutes are to be treated as confidential and are not to be distributed further nor published on Council's website.

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

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 priorities for each meeting and the anticipated 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 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 provide an annual report to the Council that comprises, at least:

- a summary of the work undertaken and significant findings during the past year,
- an update on the membership of the Panel, especially if there have been or may be change,
- the significant aspects of the Panel's deliberations for the coming year, together with a proposed work plan for the coming year, and
- any other matters deemed, by the Panel, as requiring the Council's attention.

The Council or General Manager may also request the Panel prepare a summary report to be published in Council's Annual Report.

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

11.1 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.

11.2 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 20 May 2025.
Resolution: 75/2025