

GLENORCHY CITY COUNCIL AUDIT PANEL REPORT 2023-24

BACKGROUND / INTRODUCTION

Glenorchy City Council's Audit Panel was formally established by a decision of Council. The operation of the Panel is guided by Council's Audit Panel Charter which is based on the requirements of the Local Government (Audit Panels) Order issued by the Minister for Local Government under section 85B (1) of the Local Government Act 1993.

AUDIT PANEL MEMBERSHIP AND MEETINGS

Membership of the Audit Panel comprises two Councillors and three independent members.

Aldermen Sue Hickey and Harry Quick represented Council on the Audit Panel. Alderman Sue Hickey's position on the panel was filled by proxy at three meetings due to legislative requirements relating to her role as Acting Mayor and subsequently her election as Mayor. A new Council representative will be appointed in July 2024.

During 2023-24 the independent members of the Panel for the full year were Mike Derbyshire (Chair) and Ric de Santi. Belinda Webster was an independent member until her resignation from the Panel in December 2023. Heather Salisbury commenced as an independent member in January 2024 (appointed in November 2023).

MEETINGS OF THE PANEL

The Panel met five times during the financial year ending 30 June 2024. In addition to Panel members, meetings were also attended by a range of Council staff including the General Manager, Director Corporate Services, Chief Financial Officer, Manager Corporate Governance, Manager ICT and Minutes Secretary (who acts as secretariat for the Panel).

Representatives from Council's Internal Auditors, WLF and Crowe Australasia, and the Tasmanian Audit Office (TAO) also attended Audit Panel meetings.

ROLE OF THE PANEL

The role of the Audit Panel is to support the elected Council by providing independent assurance and advice in relation to Council's financial reporting and controls, risk management framework and practices, internal controls, legislative compliance, long term planning, fraud control and corruption prevention. Its role is complemented by both internal and external auditors.

The main responsibilities of the Audit Panel include reviewing:

- whether the annual financial statements of the Council accurately represent the state of affairs of Council
- whether and how the Part 7 plans (these include the Strategic Plan, Long Term Financial Plan and Strategic Asset Management Plan) are integrated and the processes by which, and assumptions under which, those plans were prepared
- the accounting, internal control, anti-fraud, anticorruption 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 so, what that action was and its effectiveness.

EXTERNAL AND INTERNAL AUDIT

External Audit

As legislated, Council's external audit service is provided by TAO, whose staff attended two Audit Panel meetings during the 2023-24 financial year. During these meeting, the Audit Panel and TAO officers discussed the 2023-24 Financial Year Audit Strategy and Plan and a review of key audit areas identified for the year, as well as the completion report and memorandum of audit findings for the 2022-23 audit. All findings are included in the risk and audit actions register.

The Audit Panel will monitor progress on these matters during 2024-25.

Internal Audit

Internal audits support the work of Council and the Audit Panel by reviewing Council's systems and operations in accordance with an agreed internal audit plan. The plan is based on a risk management approach, is reviewed annually and can be altered should specific issues require attention.

These audits aim to identify how well risks are managed, whether the appropriate processes are in place, whether agreed procedures are being followed and whether improvement can be made.

Recommendations to address issues or to adopt improvements are considered by Council's management. The final report reviewed by the Audit Panel and all recommendations are monitored by the Audit Panel at each ordinary meeting, to ensure they are implemented.

To present the findings and recommendations of the internal audits undertaken during the year, senior staff from WLF and Crowe attended meetings during the year.

The internal audit program for 2023-24 included:

- Events on Council Land
- Long Term Asset Management Plan (completed)
- Management of Enforcement Activities

Audit findings reports were received from WLF for the Information Management Maturity audit and from Crowe for the Risk Management audit in September 2023 and from WLF for the Long Term Asset Management audit in February 2024. All identified risks were included in Council's risk register and audit actions register.

The Audit Panel regularly monitors progress with adopted audit recommendations. As at June 2024 there were 20 recommendations outstanding of which none related to areas identified as being of high, significant or notable risk. This compares to the situation in June 2023 when there were 23 recommendations still to be finalised including 4 recommendations that related to areas identified as being high, significant or notable risk.

While there is some difficulty in comparing year on year progress, as new audit recommendations are added and completed recommendations are removed, the Audit Panel is pleased to note the

significant progress that has been made by Council during the year in addressing outstanding audit recommendations and look forward to further progress in 2024-25.

The Panel would like to acknowledge the funding that was provided in 2023-24 budget by Council to enable the implementation of internal audit recommendations.

OTHER PANEL ACTIVITIES DURING THE REPORTING PERIOD

During the year under review the Audit Panel:

- monitored the roll-out of the legislative compliance process
- monitored and reviewed the Compliance Status Summary Report which records the status of Council's compliance with regulatory obligations on an ongoing basis
- endorsed the internal audit program for 2023-24
- regularly reviewed the Audit Panel annual work plan
- continued to review and advocate for implementation of outstanding audit recommendations
- received and reviewed a report on the 2024-25 budget estimates
- received and reviewed a report on Council's Financial Management Strategy
- reviewed and endorsed the Financial Statements for financial year ending June 2023
- met with TAO to discuss the 2022-23 audit and any issues that arose, and recommendations made
- oversaw the 2023-24 External Audit planning process
- received updates on the Workplace Health and Safety Committee and reviewed the minutes of their monthly meetings
- received a report on Council's WHS Development Framework 2023-2025
- requested and reviewed a report on Council's corporate credit cards and associated controls
- received progress updates on Project Hudson
- received a report on Council's Culture and Engagement Survey 2023
- regularly reviewed and commented on General Manager's Quarterly Report information and issues raised by this information, as well as periodic Financial Performance Reports
- reviewed quarterly status updates on Significant Risk, Insurance and Legal Matters
- received a report on the Risk Management Framework
- received information about the renewal of Council's insurances for 2023-24
- reviewed credit card expenditure incurred by Council's General Manager
- received an assessment and ratings report for Benjafield Childcare Centre
- received updates on the progress of the ongoing Future of Local Government Review, including Council submissions
- received a report on Council's Disaster Recovery and Incident Management Plan testing
- received an update on Council's Strategic and Annual Plans
- received quarterly financial performance reports
- reviewed the Audit Panel Charter and Code of Conduct
- received a report on Council's annual review of Business Recovery and Disaster Recovery Planning
- received a report on Council's annual review of Fraud Controls

Audit Panel members also attend training events run by the Tasmanian Audit Office. In addition, Audit Panel members may attend Council workshops over the course of the year where relevant.

Mike Derbyshire
Chair, Audit Panel
July 2024