Kentish Council Audit Panel

Biennial Report to Council

For the two-year period ended 30 June 2021

Audit Panel Objectives

The objective of the Audit Panel is to provide an accountability mechanism in relation to Council's financial, compliance, risk management and internal control activities. The panel reviews the council's performance under section 85A of the Local Government Act and reports to the council its conclusions and recommendations.

Meeting Attendance – Audit Panel Members

Meeting Date	Mr Ben Coull (Chairman)	Cr Kate Haberle	Cr Stephen Mawer
15 October 2019	✔	✔	✔
17 December 2019	✔	✔	✔
17 March 2020	✔	✔	
29 May 2020 (held 16 June)	✔	✔	✔
25 August 2020 (held 29 Sept)	✔	✔	✔
24 November 2020	✔	✔	
23 February 2021 (held 2 March)	✔	✔	✔
25 May 2021	✔	✔	✔

Summary of the Audit Panel meetings held between July 2019 and June 2021

Meeting Date	Main Agenda Items / Outcomes
15 October 2019	**Stand-alone session** ➤ Received a progress update regarding the unaudited Annual Financial Report for 2018-19 **Joint session with Latrobe Council Audit Panel** ➤ Received Embedding Shared Services update from management ➤ Agreed to review the Annual Work Plan of the Audit Panel ➤ Reviewed and discussed Tasmanian Audit Office (TAO) report, Procurement in Local Government September 2019 ➤ Received an update from management on Council's Risk Register and key risk exposures ➤ Reviewed and discussed a briefing from management on the induction process for employees and elected members

Meeting Date	Main Agenda Items / Outcomes
	➢ Received a report from Tasmanian Audit Office regarding the 2018/19 Audit Strategy ➢ Reviewed the Audit Panel Charters and recommended that the current charters be endorsed by the councils without change.
17 December 2019	**Stand-alone session** ➢ Discussed and reviewed 2018-19 Annual Report and unaudited Financial Report ➢ Received a progress update regarding audit of 2018-19 Annual Financial Report (lodged 22/11/19) **Joint session with Latrobe Council Audit Panel** ➢ Received Embedding Shared Services update from management ➢ Reviewed and discussed Corporate Risk Registers, latest Risk Report to senior management and latest Risk and WHS Report to Councils. ➢ Endorsed Audit Panel Annual Reports for the year ended 30 June 2019
17 March 2020	**Stand-alone session** ➢ Received a progress update regarding audit of 2018-19 Annual Financial Report **Joint session with Latrobe Council Audit Panel** ➢ Received OneSystem Implementation and Embedding Shared Services update from management ➢ Received a verbal report from management regarding the councils' initial response and planning regarding the Covid-19 pandemic ➢ Received an update from the councils' risk management staff regarding the revised Corporate Risk Register ➢ Received a report from the Team Leader Development and Regulatory Services on policies and processes controlling the councils' responsibility as a Planning Authority
29 May 2020 (held 16 June)	**Stand-alone session** ➢ Received a Covid-19 response update from management

Meeting Date	Main Agenda Items / Outcomes
	➢ Discussed and reviewed revised 2018-19 Annual Financial Report due for audit sign-off ➢ Received a progress update regarding audit of 2018-19 Annual Financial Report **Joint session with Latrobe Council Audit Panel** ➢ Received OneSystem Implementation and Embedding Shared Services update from management ➢ Received an update from Tasmanian Audit Office on TAO activities and plans including changes in operations in response to Covid-19 ➢ Reviewed and discussed Accounting Policies with input from Tasmanian Audit Office ➢ Received an update on the process and progress to date for development of the 2020-21 Annual Plan and Budget and 2020-2030 Long Term Financial Plan
25 August 2020 (held 29 Sept)	**Stand-alone session** ➢ Received a presentation from management on Council's 2020-2030 Long Term Financial Plan ➢ Received a report on 2018-19 audit completion report and Memorandum of Audit Findings from Tasmanian Audit Office **Joint session with Latrobe Council Audit Panel** ➢ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➢ Received a report on 2018-19 Memorandum of Audit Findings from Tasmanian Audit Office ➢ Received a report from Tasmanian Audit Office regarding their recent publications on Management of Underperformance in the Tasmanian State Service and Effectiveness of Internal Audit
24 November 2020	**Stand-alone session** ➢ Received a progress update regarding unaudited Annual Financial Report for 2019-20 **Joint session with Latrobe Council Audit Panel** ➢ Received updates on outstanding actions from prior meetings including IT security, business case analysis for capital projects and Risk Register update ➢ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management

Meeting Date	Main Agenda Items / Outcomes
	➢ Discussed current segregation of duties within council and opportunities for improvement including potential future internal audit of procurement processes and further development of anti-fraud culture ➢ Discussed proposed reform to audit panel functions and membership rules
23 February 2021 (held 2 March)	**Stand-alone session** ➢ Received a report on 2019-20 Memorandum of Audit Findings from Tasmanian Audit Office ➢ Reviewed a sample of major procurement decisions to determine compliance with procurement policies and tender requirements **Joint session with Latrobe Council Audit Panel** ➢ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➢ Received a Finance team Key Dates Checklist for 2020/21 and 2021/22 ➢ Discussed internal audit and resolved to recommend that each council includes an allowance of $10,000 in its 2021/22 budget for internal audit activities if required ➢ Reviewed and discussed TAO publication Procurement in Local Government 2 2019-20 and recommended that spot checks be conducted to gauge the level of compliance and system improvements be investigated *if* warranted
25 May 2021	**Stand-alone session** ➢ Reviewed the Audit Panel Charter and made relevant recommendations to Council ➢ Received a progress update on implementation of recommendations from the 2020 Memorandum of Audit Findings from Tasmanian Audit Office **Joint session with Latrobe Council Audit Panel** ➢ Received a Covid-19 response, OneSystem Implementation and Embedding Shared Services update from management ➢ Received an updated Finance team Key Dates Checklist for 2020/21 and 2021/22

Meeting Date	Main Agenda Items / Outcomes
	➢ Reviewed and discussed current Accounting Policies of the councils and recommended that the councils check with other councils and consider increasing their capitalization thresholds for road, bridge and building assets to between $25,000 and $30,000 ➢ Received an update from the Team Leader Finance on the 2020/21 Budget ➢ Reviewed and discussed policies and processes for payment of allowances and reimbursements to employees and elected members and requested that statistics on the number and dollar value of reimbursements be presented to the next Audit Panel meeting ➢ Reviewed and discussed the Auditor General's Report on the Financial Statements of State Entities (Local Government Section) for 2019/20

The audit panel has met once since the end of the 2020/21 financial year and work relevant to this annual report completed during that time includes:

- Reviewed and discussed the unaudited financial report for the year ended 30 June 2021 (lodged with TAO 14/8/21)

- Noted the re-appointment of Ben Coull as chairperson until 17 August 2025 and the re-appointment of Cr Haberle and Cr Mawer as audit panel member until 20 November 2022.

- Received a presentation from TAO on the 2020/21 Audit Strategy

The Audit Panel was effectively supported in its activities by council staff, and their contribution to its functioning is duly appreciated by members of the audit panel.

Signed this 23 November 2021

Mr Ben Coull
Chairman