

Latrobe Council Audit Panel

Annual Report to Council

For year ended 30 June 2022

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 Graeme Brown	Cr Lesley Young	Cr Mike McLaren (Proxy)
24 August 2021	✓		✓	
23 November 2021	✓	✓	✓	
22 February 2022	✓		✓	
31 May 2022	✓	✓	✓	

Summary of the Audit Panel meetings held between July 2021 and June 2022

Meeting Date	Main Agenda Items / Outcomes
24 August 2021	<p>Stand-alone session</p> <ul style="list-style-type: none">➤ Received, reviewed and discussed the unaudited Annual Financial Report for 2020-21➤ Noted the reappointment by Council of Ben Coull as independent chairperson until 17 August 2025 and the reappointment of Councillors Brown, Young and McLaren (Proxy) until the end of their current four-year term on Council.➤ Received a presentation from Tasmanian Audit Office regarding 2020-21 Audit Strategy <p>Joint session with Kentish Council Audit Panel</p> <ul style="list-style-type: none">➤ Reviewed and discussed Council's cyber risk including receiving a report from management regarding Essential 8 compliance and cyber risk training programs.➤ Reviewed and discussed Council's Risk Management Framework and Corporate Risk Register➤ Resolved to seek a proposal from Wise Lord and Fergusson including scope and price of to conduct an independent review of both councils' Risk Management Framework and Corporate Risk Register➤ Reviewed and discussed a self-assessment review survey to measure the effectiveness of the Audit Panel.
23 November 2021	<p>Stand-alone session</p> <ul style="list-style-type: none">➤ Discussed and reviewed 2020-21 Audited Annual Financial Report including TAO Audit Report together with TAO completion report➤ KPMG presented the Memorandum of Audit Findings noting that there were no new audit findings and that open findings were reduced from 9 to 5, with most of the remaining open findings expected to be closed during 2021/22.

Meeting Date	Main Agenda Items / Outcomes
	<ul style="list-style-type: none"> ➤ Discussed and endorsed an Audit Panel Report to Council for the two-year period ended 30 June 2021 and recommend that council upload the report to its website and include it in its annual report. <p>Joint session with Kentish Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received a presentation from Council’s IT providers regarding Essential 8 cyber risk compliance and cyber risk training provided to staff and councillors. ➤ Reviewed and discussed Council’s revised Risk Management Framework and recommended it to Council for adoption. ➤ Resolved to engage WLF to deliver a review of Council’s risk management policy and risk registers. ➤ Reviewed and discussed revised Fraud & Corruption Control Policy and Fraud & Corruption Control System and resolved to recommend these documents to the councils for adoption. ➤ Reviewed and discussed revised Investment Policy and resolved to recommend it to the councils for adoption. ➤ Reviewed, discussed and resolved to endorse Audit Panel self-assessment review.
22 February 2022	<p>Stand-alone session</p> <ul style="list-style-type: none"> ➤ Reviewed and discussed the previous year’s audit management letter and managements update on actions taken to implement/address auditor recommendations. <p>Joint session with Kentish Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Reviewed, discussed and adopted Audit Panel annual work program for 2022. ➤ Reviewed and discussed the results of procurement spot checks conducted by Council’s Supply Services (accounts payable) staff during May and June 2021 and determined that the results of the testing do not warrant a recommendation for further testing at this stage. ➤ Received a verbal report from management indicating management’s risk-based approach to ensuring legislative compliance and resolved that the Audit Panel is satisfied with the explanations provided by management regarding legislative compliance and with the ongoing process and progress of reviewing and updating Council Policies <p>Reviewed and discussed Tasmanian Audit Office Performance Audit report on Council general manager recruitment, appointment and performance assessment.</p>
31 May 2022	<p>Joint session with Kentish Council Audit Panel</p> <ul style="list-style-type: none"> ➤ Received a presentation from KPMG regarding 2021-22 Audit Strategy ➤ The Audit Panel reviewed and discussed the attached Accounting Position Paper outlining consideration of accounting policies, accounting standards, significant accounting estimates and significant accounting issues expected to impact preparation of the 2022 financial statements. The Audit Panel concurred with the staff recommendation to leave the current asset capitalisation thresholds unchanged. ➤ Received an update on the process and progress to date for development of the 2022-23 Annual Plan and Budget ➤ Received a briefing from the councils’ HR Professional on Councils’ recruitment policy, process and procedures and resolved to recommend that Council consider amending its recruitment policy to include a line noting that the General Manager is to advise the council when discretion to direct appoint an employee is used, including justification for the decision to direct appoint. ➤ Received an update from management regarding the recent Staff Survey

Mr Ben Coull
Chairman