

GLENORCHY CITY COUNCIL

AUDIT PANEL REPORT 2024-25

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.

Alderman Harry Quick represented Council on the Audit Panel until his passing in October 2024. Panel members would like to take this opportunity to express our condolences to his family and acknowledge Harry's service to both Council and the Audit Panel.

The Panel was also saddened to learn of the passing of a former panel member, Alderman Jan Dunsby.

Alderman Russell Yaxley was appointed to the Panel in July 2024 and Alderman Peter Ridler was appointed in January 2025.

During 2024-25 the independent members of the Panel for the full year were Mike Derbyshire (Chair), Ric de Santi and Heather Salisbury.

MEETINGS OF THE PANEL

The Panel met five times during the financial year ending 30 June 2025. In addition to Panel members, meetings were also attended by a range of Council staff including the Chief Executive Officer, 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 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. Both internal and external auditors complement its role.

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 seven 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 one Audit Panel meeting during the 2024-25 financial year. During this meeting, the Audit Panel and TAO officers discussed the 2024-25 Financial Year Audit Strategy and Plan, and a review of key audit areas identified for the year. The completion report and memorandum of audit findings for the 2023-24 audit was provided to the Panel in December 2024. All findings are included in the risk and audit actions register.

The Audit Panel will monitor progress on these matters during 2025-26.

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 2024-25 included:

- Landfill (Tollbooth) Management (completed)
- Fleet Management (To be completed by end of 2025)
- Safety – Psychosocial Harm (completed – July 2025)

Audit findings reports were received from WLF for the Landfill (Tollbooth) Management audit (Feb 2025) and the Safety – Psychosocial Harm audit (July 2025). All identified risks and recommendations were included in Council's risk register and audit actions register.

The Audit Panel regularly monitors progress with adopted audit recommendations. As of June 2025, there were sixteen recommendations outstanding of which none related to areas identified as being of high, significant, or notable risk. This compares to the situation in June 2024 when there were eighteen recommendations still to be finalised with no 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 2025-26.

The Panel would like to acknowledge the funding that was provided in 2024-25 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 2024-25;
- regularly reviewed the Audit Panel annual work plan;
- continued to review and advocate for implementation of outstanding audit recommendations;
- received a compliance report on Council's emergency management and recovery arrangements conducted by WLF on behalf of LGAT;
- received the Municipal Association of Victoria's (MAV) Compliance Review Report focusing on reserves and open space management;
- received the Auditor General's report on the financial statements of state entities (2023-24);
- received and reviewed a report on Childcare Payroll corrections;
- reviewed and endorsed the Financial Statements for financial year ending June 2024;
- considered and discussed the 2023-24 Memorandum of Audit Findings provided by the TAO;
- oversaw the 2024-25 External Audit planning process;
- received updates on the Workplace Health and Safety Committee and reviewed the minutes of their monthly meetings;
- received progress updates on Project Hudson;
- received the Quarterly Annual Plan Progress Report;
- regularly reviewed and commented on 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 presented by the CEO;
- received a report on the Risk Management Framework;
- received information about the renewal of Council's insurances for 2024-25;
- reviewed credit card expenditure incurred by Council's CEO;
- 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;
- received and noted the TAO's 2023-2024 Report to Parliament, summarising the findings from public sector audits;
- conducted an Audit Panel Self-Assessment and reviewed the findings, including the implementation of suggested improvement actions.

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 2025