

INFOSHEET – VERSION 1.0 (23/12/2021)

Tasmanian Relief and Recovery Arrangements Natural Disaster Relief to Local Government Policy

Audit and Assurance

The Tasmanian Relief and Recovery Arrangements (TRRA) Natural Disaster Relief to Local Government Policy provides financial support for local governments to defray the cost of eligible relief and recovery activities following natural disasters.

The TRRA Natural Disaster Relief to Local Government Policy is administered by the Department of Premier and Cabinet (DPAC) Office of Security and Emergency Management (OSEM).

Audit and Assurance

Overview

The Tasmanian Government includes eligible local government costs in its claims for financial assistance from the Australian Government under the Disaster Recovery Funding Arrangements (DRFA). This helps to maintain the financial viability of the TRRA Natural Disaster Relief to Local Government Policy.

The financial participation of all three levels of government means that local government costs can be subject to two distinct audit and assurance processes. This infosheet provides information about these processes and the requirements that apply to Tasmanian local governments.

This infosheet should be read in conjunction with the TRRA Natural Disaster Relief to Local Government Policy and associated Guidelines. In case of inconsistency between this infosheet and the TRRA Natural Disaster Relief to Local Government Policy or any Guidelines, the Policy and Guidelines prevail.

The Tasmanian Audit Office audit

Local government claims under the TRRA Natural Disaster Relief to Local Government Policy must be audited by the Tasmanian Audit Office (TAO) for compliance with the policy.

The TAO audit:

- must be requested, coordinated and paid for by the local government submitting a claim;

- must be completed before submission of the claim to the Tasmanian Government – local governments should provide completed claims directly to the TAO;
- comprises a financial audit and an audit of cost eligibility under the TRRA Natural Disaster Relief to Local Government Policy – local government should have relevant compliance evidence ready to provide to the TAO; and
- cannot be requested later than 5 months after the end of the financial year to which a claim relates, but can otherwise be requested at any time.

The collaborative assurance process

Tasmania's claims for financial assistance from the Australian Government are subject to collaborative assurance, which is provided by an auditor appointed by the Australian Government.

The Australian Government's auditor occasionally selects local government transactions to review as part of the collaborative assurance activities. When this happens, it is necessary for OSEM to request supporting documentation from the relevant local governments.

The collaborative assurance process:

- is requested by the Australian Government – the Tasmanian Government (including Tasmanian local governments) response is coordinated by OSEM;
- is distinct from the TAO process – the Australian Government auditor does not review information from the TAO audit when choosing transactions, so the selection of a local government transaction in a collaborative assurance sample does not indicate that there were any problems with the relevant claim or the relevant TAO audit;
- occurs once per year, approximately 1 year after the end of the financial year to which the claim relates; and
- may not require additional information from all local governments with costs included in the relevant state claim.

Audit and Assurance – FAQs

When are local government claims paid? After the TAO audit or after the collaborative assurance process?

Local government claims are paid after the TAO audit.

How long does the TAO audit take?

The TAO manages audits of local government expenditure under the TRRA Natural Disaster Relief to Local Government Policy as part of its larger work program. Questions about timelines for TAO audits should be addressed to the TAO.

Why has the TAO / the Australian Government auditor requested information about low value transactions?

Audit and assurance activities under the TRRA Natural Disaster Relief to Local Government Policy and the DRFA include an audit of compliance with the policy or arrangements. This means that low value transactions may be chosen for review to provide a full picture of the measures included in a claim or because certain transaction types are more likely to be associated with compliance risks.

Why has the Australian Government auditor requested information about transactions that were already reviewed by the TAO?

The collaborative assurance process is separate from the TAO audit. The Australian Government auditor does not review information collected by the TAO during the collaborative assurance process. This means that the Australian Government auditor may request information that was also requested by the TAO. It also means that local governments can provide the same information during the collaborative assurance process – additional information may not be required.

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