



29 January 2024

Contact for apologies: admin@fleurieuaquaticcentre.com.au

Dear Member

Notice of Meeting

Notice is hereby given pursuant to the Fleurieu Regional Aquatic Centre Authority Audit & Risk Management Committee Terms of Reference and Section 87(7) of the Local Government Act 1999, as amended that a meeting of the Fleurieu Regional Aquatic Centre Authority Audit & Risk Management Committee has been called for:

Date: Friday 2 February 2024
Time: 1:30 pm
Place: Large Meeting Room, City of Victor Harbor

Please find enclosed a copy of the Agenda for the meeting.

Yours faithfully

for
Kellie Knight-Stacey
Acting Executive Officer

Agenda

Audit & Risk Management Committee

Date & Time: Friday 2 February 2024, 9:30am

Location: Encounter Room, City of Victor Harbor

1. Attendance

- Peter van der Eijk (Independent Chairperson)
- Vicki Tomlinson (Independent Board Member Representative, FRACA)
- Stephanie Juhas (Team Leader Management Accounting, City of Victor Harbor)
- Trish Kirkland (General Manager, Alexandrina Council)

2. Apologies

- Claudia Goldsmith (Independent Member)

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Business Arising

- 5.1. Annual Work Plan
- 5.2. Resolutions Register

6. Verbal Report

- 6.1 Acting Executive Officer – Kellie Knight-Stacey

7. Reports

- 7.1. Policy Review – Delegations
- 7.2. Budget Review 2023-2024 - Q2

8. Confidential Reports

- 8.1. YMCA Performance Report – Q2
- 8.2. Critical Incident Report

9. Next Meeting: 8 March 2024, Alexandrina Council – Large Meeting Room.

10. Meeting Closed

It should be noted that in accordance with the legal advice received by the Authority dated 26 August 2020, all reports, minutes, attachments, and associated documents from items deliberated by the Authority in confidence, will automatically remain in confidence in perpetuity, unless a resolution of the Board is made to release such items. Items may also be removed from confidence under delegation. At the conclusion of each agenda item that is considered by the Authority in confidence, the default position is for the return to open / public meeting, until such time as a further resolution is made to return to confidential meeting procedures.

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 4.1 Adoption of Minutes
Date: 2 February 2024
References: Nil
Consultation: Nil
Attachments: Nil

Purpose

The purpose of this report is to adopt the minutes of the meeting held by the Committee on the 5 December 2023.

Discussion

Public minutes of the Audit and Risk Management Committee meeting held 5 December 2023 were published on the Authority website, with a confidential version provided directly to Committee members for their information and review on 15 December 2023.

Recommendation

That the Audit and Risk Management Committee endorse the minutes of the meeting held 5 December 2023.

To: Audit and Risk Management Committee

From: Kellie Knight Stacey - Acting Executive Officer

Subject: 5.1 ARMC Annual Work Plan

Date: 2 February 2024

References: Nil

Consultation: Nil

Attachments: 5.1a ARMC Annual Work Plan 2023
5.1b ARMC Annual Work Plan 2024

Purpose

The purpose of this report is to finalise the Annual Work Plan of the Audit and Risk Management Committee (ARMC) for 2023 and present the updated Annual Work Plan for 2024.

Background

The Annual Work Plan (the Plan) provides an annual schedule for the Committee, documenting a plan for the delivery of the Committee's key activities in each calendar year. The Plan is continuously updated and presented at each Committee meeting to track completion and document amendments. With the progression of the Executive Structure Review, the delivery of legislative and operating requirements are the only processes within the capacity of the interim structure.

At the meeting held 5 December 2023, an updated 2023 work plan and proposed work plan for 2024 was presented. The following was resolved:

That the Audit and Risk Management Committee receive and note:

- *the updated Annual Work Plan 2023 as presented at Attachment 5.1a;*
- *the Annual Work Plan 2024 incorporating the meeting schedule as presented at Attachment 5.1b subject to:*
 - *inclusion of activities from the risk management framework and underlying steps; and*
 - *confirmation of meeting dates by Committee Members*

Discussion

2023 Annual Work Plan

The following provides explanation for amendments to the work plan:

- Asset Register – there are not sufficient resources to process the componentisation improvements at this stage. A scope will be developed, and quotes sought for the outsourcing of this early in 2024. This item is scheduled for presentation back to the Committee in May 2024.
- Confidentiality Register – in progress, requires final review. To be presented 8 March 2024.

The updated ARMC Annual Work Plan 2023 is provided at Attachment 5.1a.

2024 Annual Work Plan and Meeting Schedule

A meeting schedule for 2024 was presented to the Committee at its meeting held 5 December, with availability regarding the proposed meeting dates ascertained post meeting. The schedule for 2024 has now been confirmed and meeting invites disseminated to all Committee members and Executive of the Authority, with the scheduled dates incorporated into the 2024 work plan provided at Attachment 5.1b.

Activities required to finalise work on the risk management framework are still to be updated in more detail within the plan, and this item has been maintained in the resolutions register for tracking until completion (resolution reference ARMC00277).

Recommendation

That the Audit and Risk Management Committee receive and note:

- *the updated and final Annual Work Plan 2023 as presented at attachment 5.1a; and*
- *the updated Annual Work Plan 2024 as presented at attachment 5.1b.*

Fleurieu Regional Aquatic Centre Authority
Audit and Risk Management Committee
Annual Work Plan 2024

Legend	Complete	Programmed	Included in Agenda	HOLD / DEFER				
Activity	Report	Frequency	Meeting Dates					Comments
			2-Feb-24	8-Mar-24	10-May-24	6-Sep-24	1-Nov-24	
Financial Management	Annual Business Plan and Budget	Annual						
	Asset Revaluation	Quinquennial						Not Required in 2024
	Asset Register (componentisation improvements)	Triennial						
	Audit and Financial Statements	Annual						
	Internal Financial Controls Register Creation	As Required						Pending Structure Review
	Review of Internal Financial Controls	As Required						Pending Structure Review
	Long Term Financial Plan	Annual						
	Quarterly Budget Review	3 Annually						
	Treasury Report	Annual						
	Financial Services Model	As Required						Pending Structure Review
Governance and Strategy	Annual Report	Annual						
	Annual Work Plan	Ongoing						
	Asset Management Plan	Annual						
	Competitive Neutrality Review	Annual						
	Risk Management Framework	Annual						
	Policy Review	As Required	Delegations					Pending Structure Review
	Strategic Plan	Triennial						Pending Structure Review
	Audit Committee Self-Assessment Review	Annual						
	ARMC Annual Activity Report	Annual						
Terms of Reference Review	Annual							
Compliance	Confidentiality Register	Biannual						
	Resolutions Register	per meeting						
	Full Legislative Compliance Review	Triennial						Pending Structure Review
	YMCA Quarterly Performance Report	3 Annually						
	Facility Management KPI Review	Annual						
Other	Independent Committee Member Appointment	As Required						

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 5.2 Resolutions Register
Date: 2 February 2024
References: Nil
Consultation: Nil
Attachments: 5.2a Resolutions for completion - ARMC
5.2b Resolutions in progress - ARMC

Purpose

To provide an update regarding the status of the public resolutions of the Committee.

Background

The Public Resolutions Register (the Register) of the Audit & Risk Management Committee is a comprehensive record of resolutions made by the Committee, as well as a means to track workload and outcomes of items considered by the Committee.

The Register was last reviewed by the Committee at its meeting held 5 December 2023 and will now be provided at each Committee meeting.

Resolutions presented to the Committee on the register are those that have either had all recommendations finalised since the previous review (Completed), or recommendation outcomes are still in progress (In Progress) for noting. Resolutions where no further action is required when resolved at the meeting (No Further Action) are not presented for review.

Discussion

There was a total of eight (8) resolutions in progress as presented at the meeting held 20 January 2023 (Opening – In Progress).

Attachment 5.2a provides the details of 3 resolutions for the Committee to consider marking as complete.

Attachment 5.2b provides the details of 12 resolutions currently maintained as in progress, with further work required prior to completion.

Recommendation

The Audit and Risk Management Committee:

- *receive and note the Resolutions Register Report; and*
- *endorse the status of 'completed' for the 3 resolutions contained within Attachment 5.2a; and*

- *acknowledge the 'in progress' status of the 12 resolutions contained within Attachment 5.2b.*

Fleurieu Regional Aquatic Centre Authority - Audit & Risk Management Committee Resolutions (PUBLIC)

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
5-Dec-23	ARMC00280	7.2 Resolutions Register	The Audit and Risk Management Committee: <ul style="list-style-type: none"> • Receive and note the Resolutions Register Report; •Endorse the status of 'completed' for the 19 resolutions contained within Attachment 7.2a; and •Acknowledge the 'in progress' status of the 10 resolutions contained within Attachment 7.2b, subject to confirmation of ARMC00233 status. 	Completed	19 resolutions marked as completed.
5-Dec-23	ARMC00281	7.3 202/24 Budget Review - Q1	That the Audit and Risk Management Committee recommend the Authority Board: <ul style="list-style-type: none"> •Adopt the Budget Review for the period ending 30 September 2023 with no proposed changes to the adopted budget for 2023/2024; and •Recommend the Budget Review as at 30 September 2023 be provided to Constituent Councils with no amendment to Council contributions. 	Completed	Board resolved same Q1 lodged with Constituent Councils. Alex endorsed Dec 2023, CoVH endorsed Jan 2024
5-Dec-23	ARMC00282	7.4 Long Term Financial Plan	That the Audit and Risk Management Committee recommends that the Authority Board adopts: <ul style="list-style-type: none"> •The Long-Term Financial Plan, noting it is informed by the 2017 AMP and the proposed key financial indicator targets; and •That the ARMC notes the LTFP will be reviewed periodically as required by material changes. 	Completed	LTFP endorsed by Board Dec 2023, subject to: <ul style="list-style-type: none"> - updated assumptions noting the source of CPI figures; and - commentary on the potential return on investment (reduction in electricity costs);

Fleurieu Regional Aquatic Centre Authority - Audit & Risk Management Committee Resolutions (PUBLIC)

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
22/10/2021	ARMC0117	5.1 A&RMC Annual Work Plan 2021	The Audit & Risk Management Committee: <ul style="list-style-type: none"> • Note the A&RMC Annual Work Plan 2021 as presented on 22 October 2021. • Note the requirement for the full legislative compliance review contained within the Workplan; • Recommend that Policy benchmarking be undertaken by the Executive Officer once all policy reviews have been completed by April 2022; and • Recommend the Executive Officer prepare a summary report of Committee activity to provide to the Authority Board highlighting outcomes for the Financial Year. 	In Progress	- full legislative compliance review - not yet completed. - policy scheduling was completed but further reviews on hold due to Executive Structure Review. - Committee Annual Activity Summary completed and presented to the Board and included in annual work plans for future years.
22/10/2021	ARMC0123	7.6 Policy Review - Internal Financial Controls	The Audit & Risk Management Committee: <ul style="list-style-type: none"> • Adopts the Internal Financial Controls Policy as reviewed and amended by the Committee on 22 October 2021; • Recommends that the Executive officer reviews the Better Practise Model Internal Financial Controls and provides a list of controls to the Committee for review; and • The annual review of Internal Financial Controls is added to the Authority Work Plan. 	In Progress	- better practise model to be presented - internal financial controls added to annual work plan and in progress.
6-Jun-22	ARMC00156	7.2 Asset Management Plan	The Audit & Risk Management Committee recommends to the Authority Board: * Note the review of the Asset Management Plan will be informed, in part, by the outcome of the Asset Revaluation due for completion by 30 June 2022; and * That a substantive review of the Asset Management Plan be undertaken subsequent to the Asset Revaluation and External Audit.	In Progress	AMP pending.
23-Sep-22	ARMC00186	7.1.Audit Report 2021-2022	The Audit & Risk Management Committee: <ul style="list-style-type: none"> •receive and note the 2022 Audit Completion Report; •note the external Auditors list of matters to be addressed in future financial years, being the completion of an asset revaluation and an updated Asset Management Plan and Long Term Financial Plan; •recommend the progression of the asset revaluation as a high priority; and •recommends that the Authority Board adopts the actions listed as 'Matters to be addressed in Future Financial Years' in the 2022 Audit Completion Report. 	In Progress	Asset Revaluation - completed 2023. LTFP - in progress. AMP - in progress.

Fleurieu Regional Aquatic Centre Authority - Audit & Risk Management Committee Resolutions (PUBLIC)

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
1-Dec-22	ARMC00194	5.1 A&RMC Annual Work Plan 2022	The Audit & Risk Management Committee: - receive and note the updated A&RMC Annual Work Plan 2022 as presented on 1 December 2022; - recommends the Board allocate funds to source an external contractor to undertake a review of the operational legislative compliance framework, and facilitate the development of the Authority's Legislative Compliance framework; and - request a schedule for the review of outstanding strategic documents to inform the Committee, Board and Executive Officer's Workplan and to identify resources required to complete all activities in an agreed timeframe.	In Progress	Legislative Compliance review for future consideration in relation to Exec Structure Review.
24-Mar-23	ARMC00231	5.1.A&RMC Annual Work Plan 2023	The Audit & Risk Management Committee: *receive and note the updated A&RMC Annual Work Plan 2023 as presented on 24 March 2023; *note that the item Review of Local Government Act Changes will be rescheduled to September 2023; and *note that the imminent changes in regard to Audit and Risk Committees is to be implemented in November 2023, with a review of the effect on the subsidiary to be undertaken by September 2023.	In Progress	Review of Local Govt Act Changes on hold - Exec Structure Review
24-Mar-23	ARMC00233	7.2.Policy Review – Disposal of Land and Assets	The Audit & Risk Management Committee request further review of the policy be undertaken to determine delegations and processes to dispose of assets in relation to Board and Constituent Council input.	In Progress	
24-Mar-23	ARMC00234	7.3.Policy Review – Records Management	The Audit & Risk Management Committee recommend to the Authority Board the adoption of the policy Records Management v3.0 as reviewed and amended by the Committee on 24 March 2023.	In Progress	Board endorsed Policy. To be updated to current format and added to website.
24-Mar-23	ARMC00235	7.4.Financial Services Model and Internal Financial Controls Register Creation	The Audit & Risk Management Committee: *receive and note the report; *note the extension of the Support Services Agreement with Alexandrina Council for the provision of administrative and financial support services to the Authority until the review of the Executive Structure is finalised to 30 June 2023, or other arrangements are in place; and *note the review of Internal Financial Controls will continue to progress in alignment with the Executive Structure review to assist in informing an appropriate Financial Services Model for the Authority.	In Progress	Support Services Agreement ceased 30 September 2023. Internal Financial Controls in progress in alignment with structure review.
21-Apr-23	ARMC00246	5.1 A&RMC Annual Work Plan 2023	The Audit & Risk Management Committee: *receive and note the updated Annual Work Plan 2023 as presented at Attachment 5.1a subject to confirmation of the May meeting date; and *recommend that the Board outsource the Legislative Compliance Review to ensure that the changes required are identified and relevant documents updated for presentation.	In Progress	Legislative Compliance review for future consideration in relation to Exec Structure Review.

Fleurieu Regional Aquatic Centre Authority - Audit & Risk Management Committee Resolutions (PUBLIC)

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
5-Dec-23	ARMC00277	5.1 A&RMC Annual Work Plan	That the Audit and Risk Management Committee receive and note: <ul style="list-style-type: none"> • the updated Annual Work Plan 2023 as presented at Attachment 5.1a; <ul style="list-style-type: none"> o the Annual Work Plan 2024 incorporating the meeting schedule as presented at Attachment 5.1b subject to: <ul style="list-style-type: none"> * inclusion of activities from the risk management framework and underlying steps; and * Confirmation of meeting dates 	In Progress	Meeting dates confirmed. Risk Management Framework activities to be identified and included in workplan in further detail.
5-Dec-23	ARMC00279	7.1 2022/23 Annual Activity Report	That the Audit and Risk Management Committee: <ul style="list-style-type: none"> •receive and note the 2022/23 Annual Activity report; and •Request the Acting Executive Officer present the report to the Authority Board at its next meeting. 	In Progress	Included in 15 February Board agenda

To: Audit and Risk Management Committee
From: Kellie Knight Stacey - Acting Executive Officer
Subject: 7.1 Policy Review – Delegations
Date: 2 February 2024
References: Nil
Consultation: Nil
Attachments: 7.1a Delegations Policy v4.0 - Draft

Purpose

The purpose of this report is to provide the Delegations policy to the Committee for review and recommendation to the Authority Board.

Background

The Delegations policy identifies the circumstances under which the Board may delegate its responsibilities. This policy was first implemented in January 2021 and initially reviewed in October 2021. A further review was undertaken in April 2023 as a result of the Audit and Risk Management Committees review of the Disposal of Land and Assets Policy, as per the below resolution of the Committee:

Motion: ARMC0248
Moved: Stephanie Juhas
Seconded: Claudia Goldsmith

The Audit & Risk Management Committee:

- *recommend the amendment to the disposal of Plant and Equipment and Furniture and Fittings by the Executive Officer in line with the Delegations Policy (page 5 of current policy);*
- *recommend that the Delegations Policy be updated to provide the Executive Officer with the authority to dispose of Plant and Equipment and Furniture and Fittings in line with the Policy; and*
- *recommend that the Authority Board endorse the Disposal of Land and Assets Policy v2.0 as reviewed and amended by the Committee on 21 April 2023.*

The changes implemented after Board endorsement at that time are summarised as:

- Reviewed Financial delegations to show where officers can make decisions or where consultation with other levels is required (addition of and/or)
- Inclusion of new categories relating to asset disposal.

Discussion

With the structure and resourcing of the Authority's management and operations evolving, a review of the Delegations policy is now required to ensure the business of the Authority can continue.

The Authority faces the risk of delayed payment to its creditors as well as service level implications. The proposed change to the policy aims to address these risks and ensure continuity of service.

The Policy with proposed amendments is included at attachment 7.1a, with changes summarised below:

- **Delegation Levels**
Level 2 has been amended to be a Council Manager appointed by the Constituent Councils respective CEO's. This enables the councils to provide support in consideration of their own resourcing constraints.
Level 4 has been amended to be allow for changes in provision of administrative and financial support.
- **Bank authorisation and signatories**
Removed cheque (not used) and added Chair as a signatory.
Currently, FRACA is unable to pay creditors as there is only one signatory (Acting EO who was also the Council Manager for City of Victor Harbor). Alexandrina Council have advised that their appointed officer is no longer available for this function. Invoices are currently being sent to the City of Victor Harbor for payment until this can be rectified.
- **Inclusion of a new activity that addresses urgent non-budgeted expenditure.**
There have been a number of items over the past year that have required immediate action in order to continue continuity of service at the centre. This amendment allows the Executive Officer in consultation with the Chair to approve expenditure that is deemed emergency and/or critical and includes the replacement of damaged plant and equipment.
- **Temporary change in opening hours**
This has been amended to allow either the Executive officer or Chair to approve temporary changes. There have been a number of incidents including electrical outages that have required the closure of the centre. This is technically a temporary change in opening hours. Where there are matters that are determined to be medium / high risk, consultation with the Chair and/or a Board report will be presented for consideration and approval.

Recommendation

That the Audit and Risk Management Committee recommend the Authority Board adopts the Delegations Policy as reviewed by the Committee and provided at Attachment 7.1a.



Delegations Policy

Creation Date & Authority Resolution	29 January 2021 / FRACA00360		
Version	3.0	Review Frequency	Triennial
Review Date	15 February 2024	Next Review Due	April 2026
Related Documents	FRAC Authority Charter v2.0, Internal Financial Control Policy		
Applicable Legislation	Local Government Act 1999		

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1. Purpose

Delegations of authority are the mechanisms by which the Board of the Fleurieu Aquatic Centre Authority (the Authority) enables its officers to act on its behalf. The purpose of this policy is to identify the circumstances under which the Board may delegate its responsibilities.

2. Objective

To provide a framework for delegating authority within the Authority in a manner that facilitates efficiency and effectiveness and provides accountability for employees in the performance of their duties.

The policy applies to all members of the Board, employees of the Authority, and employees of a Constituent Council who have delegated authority to act and sign documents on behalf of Authority.

Delegations within the Authority are intended to achieve four objectives:

1. to ensure the efficiency and effectiveness of the organisation's administrative processes;
2. to ensure that the appropriate officers have been provided with the level of authority necessary to discharge their responsibilities;
3. to ensure that delegated authority is exercised by the most appropriate and best-informed individuals; and
4. to ensure internal controls are effective.

Delegations are a key element in effective governance and management of the Authority and provide formal authority to individuals to commit the organisation and/or incur liabilities for the organisation.

3. Delegations

In accordance with the Authority's Charter, the Board may delegate to a committee, an employee of the Authority or Constituent Council, or to a person occupying a particular office or position for a time, any of its powers and functions except for:

- the power to borrow money or obtain any other forms of financial accommodation not contained in a Budget adopted by the Authority;
- the power to approve expenditure of money on works, services or operations of the Authority not contained in a Budget adopted by the Authority;

- the power to adopt or revise a Budget of the Authority;
- the power to adopt or revise a Business Plan, Strategic Plan or Long-Term Financial Plan of the Authority;
- the power to adopt or revise financial estimates and reports; and
- the power to make any application or recommendation to the Minister.

Delegations relating to the management and operations of the Authority are provided for in this policy by levels pertaining to an individual's position. Delegations may be revoked or amended at any time.

- Level 1: FRACA Chairperson
- Level 2: Constituent Council Manager as appointed by the [Constituent Councils Chief Executive Officer](#)
- Level 3: Executive Officer
- Level 4: [Finance and Administration Support Services](#)

Financial Delegations

Activity	Delegation	Conditions/Documents
Credit cards allocation and limit setting	Level 1 or 2	All delegations are to be actioned in accordance with the Authority's Procurement Policy and Disposal of Land and Assets Policy
Bank account administration	Level 2, 3 or 4	
Bank authorisation and signatories	Min two required: Level 1, 2 or 3	
Budgeted expenditure	Level 1 or 3	
Non-budgeted expenditure: Emergency and/or critical functions for operation of facility including replacement of damaged assets that impair service levels.	Level 1 and 3	
Negotiate and sign service level agreements	Level 1 or 3	
Procurement and authorisation of contracts	Level 1 or 3	
Lodgement of taxation documents	Level 2, 3 or 4	
Disposal of Surplus Assets: <ul style="list-style-type: none"> • Plant and Equipment • Furniture and Fittings 	Level 1 and 3	
Disposal of Replaced Assets: <ul style="list-style-type: none"> • Plant and Equipment • Furniture and Fittings 	Level 1 or 3	

Fleurieu Aquatic Centre Operations Delegations

Activity	Delegation	Conditions/Documents
New program implementation	Level 1 or 3	All delegations to be actioned within budget and reported to the Authority Board
Temporary change in opening hours	Level 1 or 3	
Member communication	Level 1 or 3	
Community partnerships	Level 1 and 3	
Amendment of KPI's	Level 1 and 3	

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4. Implementation

The Authority Executive Officer has the authority to implement this policy.

5. Availability of this Policy

This Policy will be available on the Fleurieu Aquatic Centre website.

6. Review

This Policy shall be reviewed by the Authority triennially.

Document History

Version	Document	Action	Date
1.0	Approved version	FRAC Authority Board	29 January 2021
2.0	Approved version	FRAC Authority Board	17 December 2021
3.0	Approved version	FRAC Authority Board	28 April 2023
4.0	Approved version	FRAC Authority Board	15 February 2024



Delegations Policy

Creation Date & Authority Resolution	29 January 2021 / FRACA00360		
Version	3.0	Review Frequency	Triennial
Review Date	<u>16 February 2024</u> ³	Next Review Due	April 2026
Related Documents	FRAC Authority Charter v2.0, Internal Financial Control Policy		
Applicable Legislation	Local Government Act 1999		

1. Purpose

Delegations of authority are the mechanisms by which the Board of the Fleurieu Aquatic Centre Authority (the Authority) enables its officers to act on its behalf. The purpose of this policy is to identify the circumstances under which the Board may delegate its responsibilities.

2. Objective

To provide a framework for delegating authority within the Authority in a manner that facilitates efficiency and effectiveness and provides accountability for employees in the performance of their duties.

The policy applies to all members of the Board, employees of the Authority, and employees of a Constituent Council who have delegated authority to act and sign documents on behalf of Authority.

Delegations within the Authority are intended to achieve four objectives:

1. to ensure the efficiency and effectiveness of the organisation's administrative processes;
2. to ensure that the appropriate officers have been provided with the level of authority necessary to discharge their responsibilities;
3. to ensure that delegated authority is exercised by the most appropriate and best-informed individuals; and
4. to ensure internal controls are effective.

Delegations are a key element in effective governance and management of the Authority and provide formal authority to individuals to commit the organisation and/or incur liabilities for the organisation.

3. Delegations

In accordance with the Authority's Charter, the Board may delegate to a committee, an employee of the Authority or Constituent Council, or to a person occupying a particular office or position for a time, any of its powers and functions except for:

- the power to borrow money or obtain any other forms of financial accommodation not contained in a Budget adopted by the Authority;
- the power to approve expenditure of money on works, services or operations of the Authority not contained in a Budget adopted by the Authority;

- the power to adopt or revise a Budget of the Authority;
- the power to adopt or revise a Business Plan, Strategic Plan or Long-Term Financial Plan of the Authority;
- the power to adopt or revise financial estimates and reports; and
- the power to make any application or recommendation to the Minister.

Delegations relating to the management and operations of the Authority are provided for in this policy by levels pertaining to an individual's position. Delegations may be revoked or amended at any time.

- Level 1: FRACA Chairperson
- Level 2: Constituent Council Manager as appointed by the [Board](#) [Constituent Councils](#) [Chief Executive Officer](#)
- Level 3: Executive Officer
- Level 4: [Constituent Council Finance Officer](#) [Finance and Administration Support Services](#)

Financial Delegations

Activity	Delegation	Conditions/Documents
Credit cards allocation and limit setting	Level 1 or 2	All delegations are to be actioned in accordance with the Authority's Procurement Policy and Disposal of Land and Assets Policy
Bank account administration	Level 2, 3 or 4	
Bank authorisation and cheque signatories	<u>Min two required:</u> Level 1, 2 and 3	
Budgeted expenditure	Level 1 or 3	
<u>Non-budgeted expenditure:</u> <u>Emergency and/or critical functions for operation of facility including replacement of damaged assets that impair service levels.</u>	<u>Level 1 and 3</u>	
Negotiate and sign service level agreements	Level 1 or 3	
Procurement and authorisation of contracts	Level 1 or 3	
Lodgement of taxation documents	Level 2, 3 or 4	
Disposal of Surplus Assets: <ul style="list-style-type: none"> • Plant and Equipment • Furniture and Fittings 	Level 1 and 3	
Disposal of Replaced Assets: <ul style="list-style-type: none"> • Plant and Equipment • Furniture and Fittings 	Level 1 or 3	

Fleurieu Aquatic Centre Operations Delegations

Activity	Delegation	Conditions/Documents
New program implementation	Level 1 or 3	All delegations to be actioned within budget and reported to the Authority Board
Temporary change in opening hours	Level 1 and 3	
Member communication	Level 1 or 3	
Community partnerships	Level 1 and 3	

Amendment of KPI's	Level 1 and 3	
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4. Implementation

The Authority Executive Officer has the authority to implement this policy.

5. Availability of this Policy

This Policy will be available on the Fleurieu Aquatic Centre website.

6. Review

This Policy shall be reviewed by the Authority triennially.

Document History

Version	Document	Action	Date
1.0	Approved version	FRAC Authority Board	29 January 2021
2.0	Approved version	FRAC Authority Board	17 December 2021
3.0	Approved version	FRAC Authority Board	28 April 2023
<u>4.0</u>		<u>FRAC Authority Board</u>	<u>16 February 2024</u>

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey, Acting Executive Officer
Subject: 7.2 2023/24 Budget Review – Q2
Date: 2 February 2024
References: FRAC Authority Charter; Local Government Act 1999.
Consultation: James Lomax – YMCA
Attachments: 7.2a BR2 Statements

Purpose

The purpose of this report is to present the 2023/24 Budget Review # 2 to the Committee for consideration.

Background

The quarterly budget review provides a projection of the Fleurieu Regional Aquatic Centre Authority budget for 2023-2024 identifying any variations sought from Constituent Councils to the Authority's original budget and the cumulative financial implications.

Regulation 9(1)(b) and 9(2) of the Local Government (Financial Management) Regulations 2011 requires a budget review to include a revised forecast of the Authority's operating and capital investment activities compared with estimates set out in the budget.

In accordance with the Authority Charter quarterly reports summarising the financial position and performance of the Authority against the Budget must be prepared and presented to the Board who may, with the approval of the Constituent Councils, amend its Budget for a Financial Year at any time before the year ends.

Discussion

The budget review contains year to date actuals to 31 December 2023 with forecast estimates for the period January 2024 to June 2024 to project year-end figures.

Budgets will continue to be monitored throughout the second quarter, and any feedback or proposed budget amendments will be presented to the Board at the next meeting on 15 February 2024.

The budgeted financial statements are provided at Attachment 7.2a.

Capital

No changes are proposed for the capital budget at this stage, with the outcome of the grant funding application pending.

Operating

Income is currently \$69k below budget year-to-date. Group Fitness and Health Club revenue is above budget, however revenue from other revenue classes is below budget including Swimming Lessons, Memberships and Café sales. Income is subject to seasonal factors and will be monitored over the summer months.

Expenditure is \$24k above budget year-to-date. Cost pressures include electricity expenditure exceeding budget by \$21k and consulting fees of \$13k paid for a grant funding application and business case. Insurances and Café purchases are tracking below budget.

No changes are proposed for the operating budget at this stage.

Key Financial Indicators

The Board also recently endorsed a reviewed Long Term Financial Plan which included updates to the Key Financial Indicators. The budget review references the pre-review targets which will be updated when the reviewed plan has been approved by the Constituent Councils.

The table below shows the comparison targets:

Ratio	Forecast	Old Ratios	New Ratios
Operating Surplus	(16.8%)	0% to 10%	(20%) to 2%
Own Source Income	71.1%	59% to 64%	60% to 100%
Asset Renewal Funding	100%	90% to 100%	90% to 110%
Net Financial Liabilities	(14.6%)	0% to 100%	0% to 40%

Constituent Councils

Council contributions are forecast as:

- Cash contribution of \$934,000 (\$467,000 per council)
- Equity adjustment of \$543,000 (\$271,500 per council)

No changes are proposed to constituent council contributions at this stage.

Recommendation

That the Audit and Risk Management Committee recommend the Authority Board:

- *Adopt the Budget Review for the period ending 31 December 2023 with no proposed changes to the adopted budget for 2023/2024; and*
- *Recommend the Budget Review as at 31 December 2023 be provided to Constituent Councils with no amendment to Council contributions.*

	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
Fleurieu Regional Aquatic Centre Authority Statement of Comprehensive Income As at 31 December 2023	Audited Actual	Original Budget	BR1	BR2	YTD Actual	Adjustment Required to Current Budget
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
INCOME						
User charges	2,019	2,275	2,275	2,275	1,068	-
Grants, subsidies and contributions	998	934	934	934	467	-
Investment income	20	23	23	23	12	-
Other income	4	-	-	-	-	-
Total Income	3,041	3,232	3,232	3,232	1,547	-
EXPENSES						
Employee costs	30	-	-	-	-	-
Materials, Contracts and Other Expenses	3,008	3,232	3,232	3,232	1,637	-
Finance Costs	-	-	-	-	-	-
Depreciation, amortisation & impairment	537	543	543	543	275	-
Total Direct Expenses	3,575	3,775	3,775	3,775	1,912	-
OPERATING SURPLUS / (DEFICIT)	(534)	(543)	(543)	(543)	(365)	-
Asset disposal & fair value adjustments	-	-	-	-	-	-
Amounts specifically for new or upgraded assets	-	-	-	-	-	-
Physical resources received free of charge	-	-	-	-	-	-
NET SURPLUS / (DEFICIT)	(534)	(543)	(543)	(543)	(365)	-
Net gain (loss) on revaluation of assets	12,241	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	11,707	(543)	(543)	(543)	(365)	-

Fleurieu Regional Aquatic Centre Authority Statement of Financial Position As at 31 December 2023	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
	Audited Actual	Original Budget	BR1	BR2	YTD Actual	Adjustment Required to Current Budget
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
ASSETS						
CURRENT ASSETS						
Cash & Cash Equivalents	723	601	612	612	734	-
Trade & Other Receivables	11	159	11	11	49	-
TOTAL CURRENT ASSETS	734	760	623	623	783	-
NON-CURRENT ASSETS						
Infrastructure, Property, Plant & Equipment	29,332	28,905	28,940	28,940	29,119	-
TOTAL NON-CURRENT ASSETS	29,332	28,905	28,940	28,940	29,119	-
TOTAL ASSETS	30,066	29,665	29,563	29,563	29,902	-
LIABILITIES						
CURRENT LIABILITIES						
Trade & Other Payables	112	189	112	112	313	-
Short Term Borrowings	-	1	1	1	-	-
TOTAL CURRENT LIABILITIES	112	190	113	113	313	-
NON-CURRENT LIABILITIES						
Long Term Borrowings	-	38	38	38	-	-
TOTAL NON-CURRENT LIABILITIES	-	38	38	38	-	-
TOTAL LIABILITIES	112	228	151	151	313	-
NET ASSETS	29,954	29,437	29,412	29,412	29,589	-
EQUITY						
Accumulated Surplus	(3,356)	(3,877)	(3,898)	(3,898)	(3,721)	-
Asset Revaluation Reserve	12,241	12,245	12,241	12,241	12,241	-
Capital Contribution	21,069	21,069	21,069	21,069	21,069	-
TOTAL EQUITY	29,954	29,437	29,412	29,412	29,589	-

Fleurieu Regional Aquatic Centre Authority Statement of Cashflows As at 31 December 2023	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
	Audited Actual	Original Budget	BR1	BR2	YTD Actual	Adjustment Required to Current Budget
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts						
Operating receipts	3,164	3,209	3,209	3,209	1,496	-
Investment receipts	18	23	23	23	12	-
Payments						
Operating payments to suppliers & employees	(3,110)	(3,232)	(3,232)	(3,232)	(1,440)	-
Finance payments	-	-	-	-	-	-
Net Cash provided by (or used in) Operating Activities	72	-	-	-	69	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Grants specifically for new or upgraded assets	-	-	-	-	-	-
Repayments from Community Groups	-	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-
Payments						
Capital Expenditure on renewal/replacement of assets	(2)	(110)	(110)	(110)	(58)	-
Capital Expenditure on new/upgraded assets	(35)	(40)	(40)	(40)	-	-
Net Cash provided by (or used in) Investing Activities	(37)	(150)	(150)	(150)	(58)	-
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Proceeds from Borrowings	-	40	40	40	-	-
Payments						
Repayment of Borrowings	-	(1)	(1)	(1)	-	-
Net Cash used in Financing Activities	-	39	39	39	-	-
NET INCREASE (DECREASE) IN CASH HELD	35	(111)	(111)	(111)	11	-
CASH AT BEGINNING OF YEAR	688	712	723	723	723	-
CASH AT END OF PERIOD	723	601	612	612	734	-

	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
Fleurieu Regional Aquatic Centre Authority Uniform Presentation of Finances As at 31 December 2023	Audited Actual	Original Budget	BR1	BR2	YTD Actual	Adjustment Required to Current Budget
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Income						
User charges	2,019	2,275	2,275	2,275	1,068	-
Grants, subsidies and contributions ¹ - Operating	998	934	934	934	467	-
Investment income	20	23	23	23	12	-
Reimbursements	-	-	-	-	-	-
Other income	4	-	-	-	-	-
	3,041	3,232	3,232	3,232	1,547	-
Expenses						
Employee costs	(30)	-	-	-	-	-
Materials, contracts and other expenses	(3,008)	(3,232)	(3,232)	(3,232)	(1,637)	-
Finance costs	-	-	-	-	-	-
Depreciation, amortisation and impairment	(537)	(543)	(543)	(543)	(275)	-
	(3,575)	(3,775)	(3,775)	(3,775)	(1,912)	-
OPERATING SURPLUS / (DEFICIT)	(534)	(543)	(543)	(543)	(365)	-
Timing adjustment for grant revenue	-	-	-	-	-	-
ADJUSTED OPERATING SURPLUS / (DEFICIT)	(534)	(543)	(543)	(543)	(365)	-
NET OUTLAYS ON EXISTING ASSETS						
Capital Expenditure on Renewal and Replacement of Existing Assets	(2)	(110)	(110)	(110)	(58)	-
add back Depreciation, Amortisation and Impairment	537	543	543	543	275	-
add back Proceeds from Sale of Replaced Assets	277	-	-	-	-	-
	812	433	433	433	217	-
NET OUTLAYS ON NEW AND UPGRADED ASSETS						
Capital Expenditure on New and Upgraded Assets	(35)	(40)	(40)	(40)	-	-
add back Amounts Received Specifically for New and Upgraded Assets	605	-	-	-	-	-
add back Proceeds from Sale of Surplus Assets	1,200	-	-	-	-	-
	1,770	(40)	(40)	(40)	-	-
NET LENDING (BORROWING) FOR FINANCIAL PERIOD	2,048	(150)	(150)	(150)	(148)	-

	2022/23	2023/24	2023/24	2023/24	2023/24	2023/24
Fleurieu Regional Aquatic Centre Authority Statement of Changes in Equity As at 31 December 2023	Audited Actual	Original Budget	BR1	BR2	YTD Actual	Adjustment Required to Current Budget
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
ACCUMULATED SURPLUS						
Opening balance at beginning of financial year	(2,821)	(3,335)	(3,355)	(3,355)	(3,356)	
Total comprehensive income for the year	(534)	(543)	(543)	(543)	(365)	-
Transfer to reserves						
Transfer from reserves						
Closing balance at end of period	(3,355)	(3,878)	(3,898)	(3,898)	(3,721)	-
ASSET REVALUATION RESERVE						
Opening balance at beginning of financial year	-	12,245	12,241	12,241	12,241	
Gain/(loss) on revaluation of infrastructure, property, plant & equipment	12,241	-			-	-
Closing balance at end of period	12,241	12,245	12,241	12,241	12,241	-
COUNCIL CONTRIBUTIONS						
Opening balance at beginning of financial year	21,069	21,069	21,069	21,069	21,069	
Closing balance at end of period	21,069	21,069	21,069	21,069	21,069	-
TOTAL EQUITY AT END OF REPORTING PERIOD	29,955	29,436	29,412	29,412	29,589	-

Fleurieu Regional Aquatic Centre Authority Financial Indicators As at 31 December 2023	2022/23 Audited Actual	2023/24 Original Budget	2023/24 BR1	2023/24 BR2	2023/24 YTD Actual	TARGET RANGE
Operating Surplus Ratio <i>being operating surplus (deficit) divided by operating revenue</i>	-17.6%	-16.8%	-16.8%	-16.8%	-23.6%	0% - 10%
Adjusted Operating Surplus Ratio <i>Operating Surplus ratio above adjusted to exclude financial assistance grants received in advance</i>	-17.6%	-16.8%	-16.8%	-16.8%	-23.6%	0% - 10%
Net Financial Liabilities Ratio <i>being total liabilities less financial assets (excluding equity accounted investments in Council business), divided by total operating revenue</i>	-20.5%	-16.5%	-14.6%	-14.6%	-30.4%	0% - 100%
Adjusted Net Financial Liabilities Ratio <i>Net Financial Liabilities ratio above adjusted to exclude financial assistance grants received in advance</i>	-20.5%	-16.5%	-14.6%	-14.6%	-30.4%	0% - 100%
Asset Renewal Funding Ratio <i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets. The optimal level planned refers to the Council's Asset Management Plan (AMP) which forecasts the activities/projects that need to be undertaken in order to maintain the Council's assets.</i>		100.0%	100.0%	100.0%	52.7%	90% - 100%
Own Source Income Ratio <i>This ratio is calculated as 'income excluding Council contributions' as a percentage of total Authority expenditure</i>	67.2%	71.1%	71.1%	71.1%	66.0%	59% - 64%

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 8.1 2023/24 YMCA Performance Report – Q2
Date: 2 February 2024
References: YMCA Management Agreement
Consultation: James Lomax – YMCA
Attachments: 8.1a 2023/24 YMCA Performance Report – Q2

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Committee orders that all members of the public be excluded, with the exception of Acting Executive Officer, Kellie Knight-Stacey and Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.1 2023/24 YMCA Performance Report – Q2.

The Committee is satisfied, pursuant to section 90(3)(d) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) would, on balance, be contrary to the public interest.*

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it contains information that relates to the commercial operation of the Fleurieu Aquatic Centre.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 8.2 Critical Incident Report
Date: 2 February 2024
References: Nil
Consultation: James Lomax – YMCA
Attachments: Nil

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Committee orders that all members of the public be excluded, with the exception of Acting Executive Officer, Kellie Knight-Stacey and Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.2 Critical Incident Report.

The Committee is satisfied, pursuant to section 90(3)(a) of the Act, that the information to be received, discussed or considered in relation to this Agenda Item is:

Information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it includes information referencing the personal affairs related to a critical incident at the Fleurieu Aquatic Centre.