



16 January 2023

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 20 January 2023
Time: 1:30 pm
Place: Alexandrina Council, Large Meeting Room

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

Yours faithfully

Andrew Baker
Executive Officer

Agenda

Audit & Risk Management Committee

Date & Time: Friday 20 January 2023, 1:30pm

Location: Large Meeting Room, Alexandrina Council

1. Attendance

- Peter van der Eijk (Independent Chairperson)
- Claudia Goldsmith (Independent Member)
- Vicki Tomlinson (Independent Board Member Representative, FRACA)
- Trish Kirkland (Acting General Manager, Alexandrina Council)
- Kellie Knight-Stacey (Director Corporate & Customer Service, City of Victor Harbor)

2. Apologies

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Business Arising

- 5.1. A&RMC Annual Work Plan 2022

6. Verbal Report

- 6.1 Welcome – Trish Kirkland
- 6.2 Executive Officer – update on work in progress

7. Reports

- 7.1. A&RMC Membership – Alexandrina Council Representative
- 7.2. Resolutions Register
- 7.3. Risk Management Framework
- 7.4. External Audit Recommendations

8. Confidential Reports

- 8.1. Adoption of Confidential Minutes
- 8.2. Resolutions Register – In Confidence
- 8.3. YMCA Quarterly Performance Report – Q2
- 8.4. Budget Review 2022-2023 – Q2

9. Next Meeting: 24 March 2023

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: Andrew Baker – Executive Officer
Subject: 4.1 Adoption of Minutes
Date: 20 January 2023
References: Nil
Consultation: Nil
Attachments: 4.1a A&RMC Minutes – 1 December 2022

Purpose

The purpose of this report is to provide the Committee with a copy of the public minutes of the Audit and Risk Management Committee meeting held on 1 December 2022 for review.

Recommendation

The Audit & Risk Management Committee endorse the minutes of the meeting held 1 December 2022 as reviewed by the Committee on 20 January 2023.

Audit & Risk Management Committee

Date & Time: Thursday 1 December 2022, 9:30am

Location: Large Meeting Room, Alexandrina Council

Meeting Opened: 9.32am

1. Present

Peter van der Eijk	Independent Chairperson
Claudia Goldsmith	Independent Member
Kellie Knight-Stacey	Group Manager Governance and Finance, City of Victor Harbor
Vicki Tomlinson	Independent Member

In Attendance

Andrew Baker	Executive Officer, FRACA
Danielle Leckie	Administration Officer, FRACA

2. Apologies

Elizabeth Williams	General Manager Resources, Alexandrina Council
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3. Conflicts of Interest

Nil

4. Minutes of Previous meeting

4.1. A&RMC Minutes

Motion: ARMC0193
Moved: Claudia Goldsmith
Seconded: Kellie Knight-Stacey

The Audit & Risk Management Committee endorse the minutes of the meeting held 23 September 2022 as reviewed by the Committee on 1 December 2022.

CARRIED

5. Business Arising

5.1. A&RMC Annual Work Plan 2022

Motion: ARMC0194
Moved: Kellie Knight-Stacey
Seconded: Claudia Goldsmith

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.*

CARRIED

6. Verbal Report

Nil

7. Reports

7.1. A&RMC Membership

Motion: ARMC0195
Moved: Kellie Knight-Stacey
Seconded: Claudia Goldsmith

The Audit & Risk Management Committee:

- *receive and note the report;*
- *welcome Vicki Tomlinson to the Audit and Risk Management Committee; and*
- *note the vacant Committee membership for Alexandrina Council and that a replacement representative will be advised to the Committee once known.*

CARRIED

7.2. A&RMC Annual Activity Report

Motion: ARMC0196
Moved: Claudia Goldsmith
Seconded: Vicki Tomlinson

The Audit & Risk Management Committee:

- *receive and note the A&RMC Annual Activity Report 2021-2022;*
- *request the revision of the document to include meeting dates as a column heading and that the item Risk Management Framework's title be amended to Risk Management Assistance; and*
- *request the Executive Officer present the amended report to the Authority Board at its next meeting.*

CARRIED

7.3. Budget Review Q1 2022-2023

Motion: ARMC0197
Moved: Claudia Goldsmith
Seconded: Kellie Knight-Stacey

The Audit & Risk Management Committee recommends to the Authority Board:

- *that the Authority Board for the period ending 30 September 2022 adopt a Budget Review with an operating deficit of \$742,083 and estimated cash at the end of the reporting period of \$627,635; and*
- *recommend the Budget Review as at 30 September 2022 to Constituent Councils with no amendment to Council contributions at this stage, noting that an increase in electricity prices will be included in the mid-year budget review with the impact on contributions to be quantified.*

CARRIED

7.4. Treasury Report

Motion: ARMC0198
Moved: Vicki Tomlinson
Seconded: Kellie Knight-Stacey

The Audit & Risk Management Committee:

- *receive and note the report; and*
- *recommends to the Authority Board that future investment options are considered once outcomes are known from the Long-Term Financial Plan and Asset Management Plan.*

CARRIED

7.5. Resolutions Register

Motion: ARMC0199
Moved: Claudia Goldsmith
Seconded: Kellie Knight-Stacey

The Audit & Risk Management Committee receive and note the Resolutions Register Report and attachments.

CARRIED

7.6. Policy Review – Unsolicited Proposals

Motion: ARMC0200
Moved: Claudia Goldsmith
Seconded: Vicki Tomlinson

The Audit & Risk Management Committee recommend that the Authority Board adopt the policy Unsolicited Proposals v2.0 as reviewed and amended by the Committee on 1 December 2022.

CARRIED

8. Confidential Reports

8.1. Adoption of Confidential Minutes

Motion: ARMC0201
Moved: Claudia Goldsmith
Seconded: Kellie Knight-Stacey

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.1 Adoption of Confidential Minutes.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

8.2. Resolutions Register – In Confidence

Motion: ARMC0203
Moved: Kellie Knight-Stacey
Seconded: Vicki Tomlinson

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.2 Resolutions Register.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

8.3. Asset Revaluation

Motion: ARMC0205
Moved: Claudia Goldsmith
Seconded: Kellie Knight-Stacey

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.3 Asset Revaluation.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

8.4. Energy Efficiency

Motion: ARMC0207
Moved: Vicki Tomlinson
Seconded: Claudia Goldsmith

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.4 Energy Efficiency Report.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

8.5. External Audit 2022-2023

Motion: ARMC0209
Moved: Kellie Knight-Stacey
Seconded: Vicki Tomlinson

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.5 External Audit 2022-2023.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

8.6. Review of Internal Financial Controls

Motion: ARMC0211
Moved: Kellie Knight-Stacey
Seconded: Claudia Goldsmith

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.6 Review of Internal Financial Controls.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

Claudia Goldsmith departed the meeting.

8.7. YMCA Q1 Performance Report

Motion: ARMC0213
Moved: Kellie Knight-Stacey
Seconded: Vicki Tomlinson

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.7 YMCA Q1 Performance Report.

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 to prevent disclosure of commercial information of a confidential nature (not being a trade secret).

CARRIED

9. Next Meeting: Friday 20 January 2023, 1.30pm – Large Meeting Room, Alexandrina Council

10. Meeting Closed: 11.55am

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: Andrew Baker - Executive Officer
Subject: 5.1 A&RMC Annual Work Plan
Date: 20 January 2023
References: Nil
Consultation: Nil
Attachments: 5.1a A&RMC Annual Work Plan 2023;

Purpose

The purpose of this report is to provide the Committee with the updated Annual Work Plan for 2023.

Background

The Annual Work 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.

Discussion

A review of the Authority's workplan for the coming year has been developed in conjunction with the workplan for the Authority. Consideration has been given to legislative and regulatory requirements and due dates, Constituent Council meeting dates to meet such dates, and known milestones of projects and initiatives. As projects and initiatives progress, these will be incorporated as applicable. This may include items related to the energy efficiency project, risk framework and unsolicited proposals.

Recommendation

The Audit & Risk Management Committee receive and note the updated A&RMC Annual Work Plan 2022 as presented on 16 January 2023.

Fleurieu Regional Aquatic Centre Authority
Audit & Risk Management Committee Annual Work Plan 2023

Activity	Report	Frequency	Timing				
			20-Jan-23	24-Mar-23	21-Apr-23	22-Sep-23	20-Oct-23
Financial Management	Annual Budget 2023 - 2024 Recommendation	Annual		✓			
	Asset Revaluation	Quinquennial			✓		
	Audited Financial Statements	Annual				✓	
	External Audit Results	Annual				✓	
	Internal Financial Controls Register Creation	As Required		✓			
	Review of Internal Financial Controls	TBD					
	Long Term Financial Plan	Annual				✓	
	Quarterly Budget Review	3 Annually	✓		✓		✓
	Report on Financial Results	Annual				✓	
	Treasury Report	Annual				✓	
	Financial Services Model	As Required		✓		✓	
Governance & Strategy	Annual Report	Annual				✓	
	Annual Work Plan	Ongoing	✓	✓	✓	✓	✓
	Asset Maintenance Plan	Annual		✓			
	Asset Management Plan	Annual			✓		
	Audit Committee Self-Assessment	Annual					✓
	Competitive Neutrality Review	Annual		✓			
	Marketing Plan	Annual		✓			
	Risk Management Framework	Annual	✓				
	Strategic Plan	Triennial					
	Terms of Reference Review	Annual				✓	
Three Year Business Plan	Annual		✓				
Compliance	Confidentiality Register	Biannual	✓				✓
	Resolutions Register	Biannual	✓				✓
	Full Legislative Compliance Review	Triennial			✓		
	YMCA Quarterly Performance Report	3 Annually	✓		✓		✓
	YMCA KPIs	Annual			✓		
Other	A&RMC Annual Activity Report	Annual					✓
	Independent Committee Member Appointment	As Required					
Policy	Code of Conduct Board Members	Triennial			✓		
	Code of Practise Meeting Procedures	Triennial			✓		
	Asset Accounting	Triennial			✓		
	Risk Management	Triennial				✓	
	WHS Contractor Management	Triennial					✓
	Work Health & Safety & Return to Work	Triennial					✓
	Disposal of Land & Assets	Triennial		✓			
	Records Management	Triennial		✓			

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 7.1 A&RMC Membership – Alexandrina Council Representative
Date: 20 January 2023
References: Local Government Act 1999
Consultation: Nil
Attachments: Nil

Purpose

The purpose of this report is to provide an update on the Alexandrina Council Representative of the Audit and Risk Management Committee.

Background

The Alexandrina Council Representative on the Committee, Elizabeth Williams, resigned from Council in late 2022, as reported to the Committee at its meeting held 1 December 2022. At that time, the Authority was awaiting advice from Council CEO Nigel Morris on the new representative.

Discussion

The Authority received correspondence from Mr Morris to confirm that the following resolution was made at the Council meeting held 28 November 2022:

Resolution: ACM221724

Moved Cr Bill Coomans

Seconded Cr Craig Maidment

...

- 3. That Council appoints the Acting General Manager Resources (Trish Kirkland) as Council's representative on the Fleurieu Regional Aquatic Centre Authority Audit & Risk Committee until the conclusion of the 2026 Local Government Periodic Elections.*

CARRIED UNANIMOUSLY

Recommendation

The Audit & Risk Management Committee:

- *receive and note the report; and*
- *welcome Trish Kirkland to the Audit and Risk Management Committee.*

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 7.2 Resolutions Register
Date: 20 January 2023
References: Nil
Consultation: Nil
Attachments: 7.2a Resolutions for review – In Progress

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 1 December 2022, with recommended outcomes of the review to be presented to the Authority Board at their meeting for 27 January 2023. This will include all outstanding recommended outcomes as reviewed by the Committee on 1 December 2022 and at this review point.

As part of the Work Plan of the Committee, the register is to be presented biannually for their review. 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 were a total of seven resolutions in progress as presented at the meeting held 1 December 2022 (Opening – In Progress). All resolutions previously presented as in progress have maintained this status since the last review.

A total of 15 public resolutions had been made by the Committee since the last review from one meeting (1 December 2022). A summary of the status of the resolutions of the Committee is provided below.

Resolutions Summary	
Opening - In Progress	7
<i>Completed</i>	0
New Resolutions	15
<i>No Further Action</i>	9
<i>Completed</i>	5
<i>In Progress</i>	1
Closing - In Progress	8

Attached to this report is a summary of the resolutions currently in progress (8).

Recommendation

The Audit and Risk Management Committee receive and note the Resolutions Register Report and attachments.

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 completed. - Committee Annual Activity Summary completed and presented to the Board.
22/10/2021	ARMC0119	7.2 Risk Management Framework	The Audit & Risk Management Committee recommend the Executive Officer seek a revised Risk Management Services proposal from MLS to provide an update to the Board, including any associated costs.	In Progress	Risk Management project in progress. Schedule presented to ARMC 20 January 2023
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.
6-Jun-22	ARMC00154	5.1 Audit & Risk Management Committee Annual Work Plan 2022	The Audit & Risk Management Committee: <ul style="list-style-type: none"> * Receive and note the updated A&RMC Annual Work Plan 2022 as presented on 6 June 2022. * Recommend a review of the policy register to ensure completeness. 	In Progress	In progress for completion with 2023 work plan
6-Jun-22	ARMC00155	7.1 A&RMC Self-Assessment Review	The Audit & Risk Management Committee requests the Executive Officer: <ul style="list-style-type: none"> * Distribute the Committee Self-Assessment survey as reviewed and agreed by the Committee on 6 June 2022; * Provide a report to the Committee on the results of the assessment at the next meeting. 	In Progress	Self-Assessment survey results to be presented to Board 3 February 2023.
6-Jun-22	ARMC00156	7.2 Asset Management Plan	The Audit & Risk Management Committee recommends to the Authority Board: <ul style="list-style-type: none"> * 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	Linked to completion of Asset Revaluation.

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

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
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 to be completed by 2022-2023 - in progress
1-Dec-22	ARMC00194	5.1 A&RMC Annual Work Plan 2022	The Audit & Risk Management Committee: <ul style="list-style-type: none"> - 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	Commenced as part of 2023 Workplan presented at item 5.1 of 20 January 2023 meeting.

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 7.3 Risk Management Framework
Date: 20 January 2023
References: Local Government Act 1999
Consultation: Nil
Attachments: 7.3a FRACA Agreed Scope of Works – Updated
7.3b Risk Management Policy and Framework - Draft

Purpose

The purpose of this report is to provide the Committee with an updated scope of works developed by Local Government Risk Services for review and recommendation to the Authority Board, and to draft inputs into initial documentation required.

Background

The Authority had engaged with Colleen Green at Local Government Risk Services (LGRS) since 2018 to develop an updated risk management proposal for implementation. This process had been delayed but has now recommenced, with an updated scope of works presented for review. The service provided will be fully funded and will therefore have no impact of the Authority's financial position.

Discussion

The revised timeline as attached at 7.3a sets out the process in the following stages:

January – March 2023	Planning and Document Review
April - July 2023	Risk Management Training and Information Strategic Risk Workshop
July – August 2023	Close Out and Next Steps

This scope of works has been confirmed with LGRS to allow for the prompt commencement of the process.

Planning and Document Review

A Risk Management Policy and Framework document has been provided by LGRS for the Authority to complete for the development of their risk management documentation. This is included as attachment 7.4b for review and input by the Committee. The updated draft

document will then be presented to the Board at their meeting to be held 27 January 2023 for further input and review. This will allow time for the LGRS to review and provide feedback in line with the March deadline for this stage.

Risk Management Training and Information (including Strategic Risk Workshop)

In developing a Strategic Risk Register, the LGRS propose to facilitate a workshop with the Authority Administration, Board and Audit & Risk Management Committee to capture strategic risks for the risk register to then commence the assessment process and document appropriate controls. Subject to availability of the LGRS, it is proposed that the workshop be held in June or July with potential dates for the workshop be discussed by the Committee.

Recommendation

The Audit & Risk Management Committee:

- *receive and note the report;*
- *acknowledge the scope of works as presented, including the requirement for a Strategic Risk Workshop involving the Committee to be held at a date to be determined; and*
- *recommend the Authority Board review and endorse the draft Risk Management Policy and Framework document as developed by the Committee on 20 January 2023.*



Scope – Strategic Risk Services

Council/ PB: Fleurieu Regional Aquatic Centre Authority
Date: V1: 19/11/2018; V2: 12/01/2022;
2.1: 04/04/2022; **V2.2: 20/12/2022**
Key Contact: Andrew Baker, Executive Officer

Scope: Strategic Risk Service Program

Background	<p>In mid-2018, the Fleurieu Regional Aquatic Centre Authority (FRACA) contacted the LGA Mutual Liability Scheme (MLS) requesting some assistance in the development of their risk management framework. Since that time, a number of changes have occurred at the Authority, resulting in the initial scope of works being placed on hold. In late 2021, the Authority contacted the MLS to re-institute the scope of works.</p> <p>FRACA has recognised the value to operationalise their risk management system by the review of their Risk Management Policy, development of a Framework and Strategic Risk Register in order to manage and monitor key risks. FRACA is also taking the opportunity to determine their monitoring and reporting mechanisms and providing training to their Board Members about their strategic risks.</p> <p>FRACA has looked to partner with the MLS to facilitate this requirement and the Strategic Risk Consulting Team has been engaged to create a customised program to meet the FRACA’s needs and structure the work as a partnership between FRACA and the Scheme to evolve FRACA’s risk system to a point where the expectations of their Board and Audit and Risk Management Committee can be met.</p>
Objectives:	<ul style="list-style-type: none"> • Support the development of a customised program for FRACA’s risk framework development and implementation • To support and mentor on an “as needs” basis as requested by FRACA and within the Scheme’s resource capacity • That FRACA’s Executive Officer and the Board understand their Risk Management Framework, their role and responsibility and they can implement it across the organisation • That a formal process is implemented within FRACA for risk management and risk escalation following the delivery of the services by the Scheme
Scope of Services:	<ul style="list-style-type: none"> • Provide support and guidance to FRACA and their Board to enable them to develop FRACA’s Risk Management Framework • Engage with the Parent Councils to gain input to the context and appetite from these organisations that will have relevance to the FRACA risk profile. • Create training pack including tools and facilitate workshops to identify and assess FRACA’s strategic risks • Provide support and guidance to FRACA and the Board with the development of their Strategic Risk Register • Provide training to FRACA and their Board on the Risk Management Framework including their roles and responsibilities • Provide final deliverables such as FRACA’s strategic risk register, training materials (needs to be agreed with FRACA), list of terminology and definitions
Out of Scope:	<p>The Strategic Risk team will not be responsible for the design and implementation of controls for each risks identified. Testing and assessment of controls will not be performed. This work is the function of FRACA once their risk management system is implemented.</p>



Mutual Liability Scheme
 Workers Compensation Scheme
Local Government Association
 of South Australia

Scope – Strategic Risk Services

Council/ PB: Fleurieu Regional Aquatic Centre Authority
Date: V1: 19/11/2018; V2: 12/01/2022;
 2.1: 04/04/2022; **V2.2: 20/12/2022**
Key Contact: **Andrew Baker**, Executive Officer

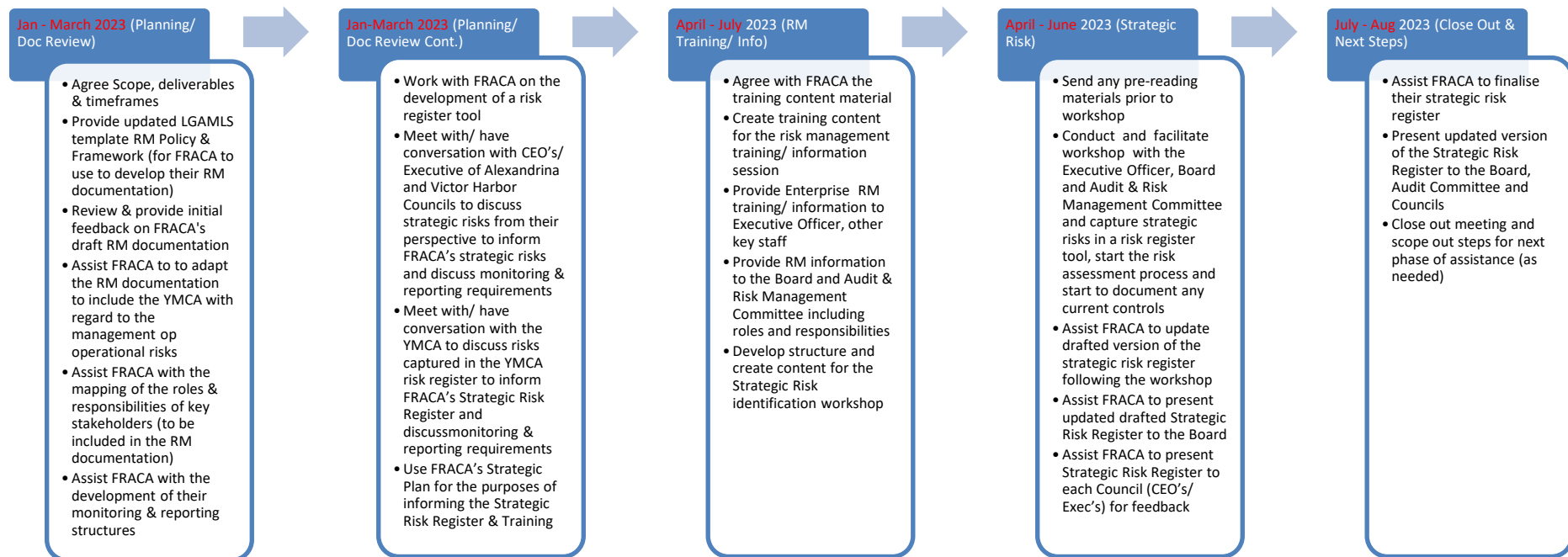
Timelines:	The project will be delivered in phases from January 2023 – August 2023 . Key dates will be agreed with FRACA with the commencement of the project.
Sponsor:	Andrew Baker , Executive Officer



Scope – Strategic Risk Services

Council/ PB: Fleurieu Regional Aquatic Centre Authority
Date: V1: 19/11/2018; V2: 12/01/2022;
2.1: 04/04/2022; **V2.2: 20/12/2022**
Key Contact: **Andrew Baker**, Executive Officer

Detailed Project timeline: **January 2023 to August 2023**





Scope – Strategic Risk Services

Council/ PB: Fleurieu Regional Aquatic Centre Authority
Date: V1: 19/11/2018; V2: 12/01/2022;
2.1: 04/04/2022; **V2.2: 20/12/2022**
Key Contact: **Andrew Baker**, Executive Officer

Prepared by:	Colleen Green (Strategic Risk Consultant - LGAWCS)	Date:	V1: 16/11/2018 V2: 21/12/2021 V2.1: 04/04/2022 V2.2: 20/12/2022
Reviewed by:	Stevie Sanders (WHS & Risk Manager –LGAWCS)	Date:	V1: 19/11/2018 V2: 12/01/2022 V2.1: 14/04/2022 V2.2: 20/12/2022
Approved by:	Leonie Boothby, Executive Officer (V1) Lauren McKee, Executive Officer (V2) Danielle Leckie, Acting Executive Officer (V2.1) Andrew Baker, Executive Officer (V2.2)	Date:	V1: 05/12/2018 V2: 12/01/2022 V2.1: 29/04/2022 V2.2: xx/xx/202x



Mutual Liability Scheme

Local Government Association
of South Australia

Risk Management Policy

20th January 2022



Risk Management Policy

First issue/ approved	
Classification	
Policy owner	
Last reviewed	
Next review	
Council file reference	
Responsible officer	
Relevant legislation	Local Government Act 1999 Work Health and Safety Act 2012 Civil Liabilities Act 1936 State Records Act 1997
Related documents	AS ISO 31000:2018 Risk Management - Guidelines (Insert Member Name) Risk Management Framework Risk Appetite Statements [if completed] LGAMLS Scheme Rules as gazetted July 2020

Instructions: (delete this text box after use)

Drafting notes have been provided throughout this template to assist Members in the customisation of their Risk Management Policy. These are highlighted in green and are to be deleted prior to presenting the draft document for endorsement.

Items where minor customisation is required by the Member have been highlighted in yellow, (e.g. Member name, job titles); common language has been used throughout the template to allow “look up” and “replace” functions to be used.

1. Purpose

- 1.1. (Insert Member Name) recognises that effective management of risk will support successful achievement of its vision and strategic objectives.
- 1.2. The purpose of the Risk Management Policy (the Policy) is to enable an integrated and systematic approach to risk management by:
 - Articulating (Insert Member Name)'s commitment to core risk management principles;
 - Supporting the implementation and maintenance of a Risk Management Framework (“the Framework”) that comprises the tools and processes that underpin the organisation’s risk management approach.

2. Policy statement

- 2.1. The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.
- 2.2. (Insert Member Name) is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.

LGAMLS Risk Management Policy Template	<i>Electronic version on the Intranet is the controlled version. Printed copies are considered uncontrolled. Before using a printed copy, verify that it is the current version.</i>	Page 2 of 7
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Risk Management Policy

- 2.3. Engagement with (Insert Member Name) employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication will be developed and maintained.
- 2.4. (Insert Member Name) will monitor and review its strategic, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

3. Performance measures

The performance of the risk management program will be measured through the following performance indicators: [drafting note: these should be measured and monitored, so choose the 3 or 4 most applicable; delete those not applicable or currently measurable. Note that performance measures are also included in the model Risk Management Framework, so you should check these are aligned or alternatively delete from either the Policy or Framework. You may also want to include targets to measure against.]

- a) Number of strategic objectives achieved, (as a percentage of total)
- b) Year on year reduction in strategic risks rated “extreme” and “high”
- c) Percentage of strategic risks within risk appetite
- d) Number of Elected/Board Members and employees trained in risk management, (as a percentage of total)
- e) Tangible improvement in risk maturity modelling [drafting note: Strategic Risk Consultants can assist with conduct of risk maturity self-assessment]
- f) Percentage achievement of risk evaluation action plan actions

4. Legislative requirement and policy context

- 4.1. Section 48 of the Local Government Act 1999 (‘LG Act’) requires Councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Council/Board.)
- 4.2. Section 125 of the LG Act requires (Insert Member Name) to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 4.3. Section 132A of the LG Act requires (Insert Member Name) to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- 4.4. Section 134(4) (b) of the LG Act requires (Insert Member Name) to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of the members of Elected/Board Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.
- 4.5. As a member of the Local Government Association Mutual Liability Scheme, (Insert Member Name) is bound by the Scheme Rules, which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim.



Risk Management Policy

5. Definitions

Definitions are outlined within the Framework.

6. Roles & responsibilities [drafting note: these should correspond to the Framework]

6.1. Council/Board

The Council/Board is responsible for:

- a) Setting the organisation's risk appetite and policy for managing risk;
- b) Giving adequate consideration to risks when setting objectives and making decisions;
- c) Fostering a culture that is consistent with the organisation's appetite for risk;
- d) Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- e) Setting an appropriate governance structure for risk and risk management including Audit Committee and delegations;
- f) Requiring the CEO to demonstrate that the framework for managing risk is effective and appropriate; and
- g) Requiring the CEO to provide information to allow the Council/Board to understand the risks that may have material impacts on achievement of the organisation's objectives; and
- h) Considering recommendations from the Audit Committee relating to strategic risks or any other risk matter.

6.2. Audit Committee

The Audit Committee is responsible for:

- a) Reviewing and endorsing the criteria contained within the Risk Management Framework; [drafting note: if this is done at CEO/Management Team level, amend as appropriate]
- b) Reviewing reports from the Management Team and auditors to ascertain the adequacy of controls that have been implemented; and
- c) Monitoring strategic risks on a quarterly basis. [drafting note: amend to reflect agreed frequency]

6.3. Chief Executive Officer (CEO)

The CEO has the responsibility for:

- a) Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- b) Reviewing and endorsing the Risk Management Framework; [drafting note: framework is an operational document, however if it is intended that it be endorsed by Audit Committee or Council, amend as appropriate.]
- c) Developing and implementing a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility & accountability at appropriate levels within the organisation;



Risk Management Policy

- d) Allocating and upholding accountability for managing risk;
- e) Ensuring the **Management Team** have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) Regularly reviewing strategic and operational risks and maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls;
- g) Ensuring compliance with legislative and contractual obligations and policy requirements;
- h) Providing reliable information about risks, controls and their effectiveness to the **Council/Board**; and
- i) Escalating all strategic risks that exceed the organisation's risk appetite to the **Audit Committee** or **Council/Board**, as required

6.4. Management Team

Members of the **Management Team** are responsible for:

- a) Commitment to, and promotion of, this Policy and the Framework;
- b) Monitoring the organisation's overall risk profile and mitigation strategies;
- c) Ensuring that risk management is embedded into all functions and activities, including decision making;
- d) Ensuring that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments);
- e) Incorporating risk treatments into **departmental/divisional/business unit** plans;
- f) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;
- g) Providing incentives and performance management arrangements that support the desired approach to managing risk;
- h) Promoting a proactive risk culture in accordance with business management initiatives;
- i) **Collectively reviewing strategic risks and considering emerging risks, (prior to Audit Committee)**
- j) Ensuring compliance with legislative and contractual obligations and policy requirements

6.5. Risk Manager [drafting note: amend to reflect the job title of the person who has responsibility for coordinating and maintaining the risk management system elements]

The **Risk Manager** is responsible for:

- a) Providing guidance and assistance to the **Management Team** and employees in relation to the application of this framework;
- b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the **Management Team** or cascaded to employees, as relevant;
- c) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance; and
- d) Maintaining the Risk Register and reporting timeframes as required.

6.6. Employees, Volunteers and Contractors (Workers):



Risk Management Policy

All Workers are responsible for:

- a) Understanding the risk management processes that apply to their area of work; and
- b) Identifying, evaluating, reporting and managing, (or escalating,) risks relating to daily activities and projects .

7. Review

This policy will be reviewed every 2 years, or more frequently if legislation, relevant standards or organisational needs change.

8. Availability

- 8.1. This Policy will be available on the (Insert Member Name)'s website with hard copies supplied on request.
- 8.2. The Framework is available to all employees via the intranet.

Approved:

Date:

Review history

Document History		
Version	Issue Date:	Description of Change
1.0	Sept 2016	New Document
2.0	April 2018	Revised to reflect ISO31000:2018 updates
3.0	May 2018	Updated for member centre
4.0	June 2020	Updated logo, Updated as per scheduled review and reflects the AS ISO 31000:2018
4.1	June 2020	Updated reference to Australian standard AS ISO 31000: 2018 – Risk management Guidelines, minor formatting
5.0	January 2022	Addition of State Records Act, removed reference to “Council”, inclusion of measurable performance measures, addition of Scheme rules reference at 4.5, alignment of roles & responsibilities with Framework, addition of drafting notes, formatting



Mutual Liability Scheme

Local Government Association
of South Australia

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Local Government Risk Services (LGRS) is a division of Jardine Lloyd Thompson Pty Ltd (ABN 69 009 098 864 AFS Licence No: 226827) (JLT). LGRS is managed by JLT Public Sector. JLT Public Sector is part of the Marsh group of companies.

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To: Audit and Risk Management Committee

From: Andrew Baker - Executive Officer

Subject: 7.4 External Audit Recommendations

Date: 20 January 2023

References: Nil

Consultation: Nil

Attachments: 7.4a 2022 Audit Completion Report

Purpose

The purpose of this report is to provide the Committee with an update on progress on the items raised as Matters to be Addressed in Future Financial Years in the Audit Completion Report.

Background

The Authority has received the Audit Completion Report (7.4a), the items identified as matters to be addressed have been scheduled in the Authorities Workplans to provide a timeline for completion.

Discussion

The table below sets out the recommendations and progress to date.

Item	Progress
Valuations – Date of revaluation	Valuer to report as at 1/7/2022
Valuations – Completeness of Data provided to Valuer	Asset Register has been reviewed and presented to valuer in consolidated format
Valuations - Timing	Onsite inspection scheduled for 30/01/2023 with report to be finalised before 31/3/2023 and presented to ARMC at the meeting scheduled for 21/04/2023
Valuations – Accounting treatment of Asset Revaluation Reserves	To be determined in accordance with AASB 116 following receipt of final valuation report
Asset Management Plan	To be updated following receipt and adoption of final valuation report and presented to ARMC at the meeting scheduled for 21/04/2023
Long Term Financial Plan	To be updated following completion and adoption of Asset Management Plan and presented to ARMC at the meeting scheduled for 22/09/2023

Recommendation

The Audit & Risk Management Committee receive and note the report.



Audit Completion Report

Fleurieu Regional Aquatic Centre Authority (FRACA)

Year Ended 30 June 2022

DeanNewbery

Executive Summary

19 September 2022

Mr Peter van der Eijk
Chairperson of Audit and Risk Management Committee
Fleurieu Regional Aquatic Centre Authority

Dear Mr van der Eijk

This report has been prepared for the Audit and Risk Management Committee of the Fleurieu Regional Aquatic Centre Authority (the Authority) in relation to the 30 June 2022 external audit.

The purpose of this report is to provide members of the Audit and Risk Management Committee and those charged with governance of the Authority a summary of the significant matters that have arisen from our audit which we believe covers material matters dealt within our work completed.

We are pleased to advise that subject to finalisation of the outstanding matters outlined within this report, our audit opinion for financial year ended 30 June 2022 is expected to be issued as an unmodified audit report.

I would like to take this opportunity to thank the Administration for the assistance provided throughout the year.

Your sincerely
DEAN NEWBERY



Samantha Creten
Partner

Executive Summary

Scope

The audit procedures have been designed and carried out by the audit team in accordance with Australian Auditing Standards and per the audit scope prescribed under the Local Government Act 1999 and applicable Regulations for the financial year ended 30 June 2022.

Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Authority for the financial year ended 30 June 2022, all members of our audit team have maintained their independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board and in accordance with Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011.

Audit Status

All requested audit adjustments have been processed and disclosures have been made within the financial report based on audit testing completed.

All requested information has been provided by the Administration during the course of the audit.

Subject to the finalisation of the matters outlined in this report, our audit opinion for the financial year ended 30 June 2022 will be signed without reference to any qualification.

Outstanding Matters

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

Subject to the following work being satisfactorily completed, we expect an unmodified audit opinion to be issued for the financial year:

- Undertake a review of subsequent events since 30 June
- Complete a review of the draft Financial Statements and obtain certified financial statements as required
- Receipt of the signed Management Representation Letter

Fraud & Litigation

As part of our audit we have discussed with the Administration's management staff;

- The safeguards in place in relation to the prevention and detection of fraud
- The existence of any fraud
- The existence of any litigation and claims.

We have not become aware of any material matter which should be brought to the Board or Audit and Risk Management Committee's attention.

Materiality

An item is considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view to the users of the financial statements. Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements.

Any identified errors or differences are investigated and are recorded on a schedule of potential misstatements. These are assessed individually and in aggregate, discussed with the Administration and Audit and Risk Management Committee to further clarify the proposed treatment and/or disclosure of the matter.

Should the matter remain unadjusted and signed off by the Authority's Administration in their letter of representation to us, confirming that in the Audit and Risk Management Committee view also that the matter(s) are immaterial to the financial statements, an item of low value may still be judged material by its nature.

An item of higher value may also be judged not material if it does not distort the accuracy and/or fairness of the financial statements.

Summary of Misstatements

There remain no misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to the Authority's Audit and Risk Committee.

Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been reported and regarded as being minor in the context of the financial report as a whole.

All requested audit adjustment have been processed and disclosures within the financial report have been appropriately modified based on audit testing completed.

Subject to all matters being appropriately completed as outlined in this report, we anticipate to be issuing an unqualified audit opinion on the financial statements (Section 129(1)(a) audit opinion).

Summary of Misstatements cont.

Below details the misstatements identified during the audit process and the action taken by the Administration to address the matter:

Matter No.	Description	Operating Surplus / (Deficit)	Net Surplus/(Deficit)	Net Assets Dr/(Cr)	Equity Dr/(Cr)	Status of Matter
1.	Adjust to correct accrued expenses.	\$20,219.73	\$20,219.73	-	-	Corrected
Summary Corrected Misstatements		\$20,219.73	\$20,219.73	-	-	
Summary Uncorrected Misstatements		-	-	-	-	

Key Audit Matters Considered

As part of our audit planning process we identified key audit and accounting matters that were considered and tested during the course of the audit which represented areas of identified risk where material misstatements could occur.

As a result of the work we have recently completed, we have provided further detail below of the key audit matters and the outcomes from our testing completed.

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Management override of internal controls	<ul style="list-style-type: none"> Review and observation of controls in operation to assess whether controls are operating effectively as intended throughout the period. Perform analytical reviews and recalculation of transactions. 	Our audit procedures did not identify any issues relating to management override of internal controls.
YMCA Audited Profit & Loss Report as at 30 June 2022	<ul style="list-style-type: none"> Review Audit Report signed by William Buck to identify any potential material misstatements. Review Profit & Loss Statement to ensure appropriate allocation of Expenses within FRACA's General Ledger. 	Our audit procedures have not identified any material misstatements.
Expenditure on employee costs, materials, contracts and other expenses (excluding YMCA Transactions)	<ul style="list-style-type: none"> Detailed sample transaction testing. Perform analytical reviews and recalculation of transactions. 	<p>Testing of the expenditure relating to Note 3 Employee Costs did not reveal any material misstatements.</p> <p>Testing of the expenditure relating to Note 3 Material, Contracts and Other Expenses did identify various issues relating to accrued expenses, however these were amended by the administration at the time of our audit.</p>

Key Audit Matters Considered Continued

Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Revenue (excluding YMCA Transactions)	<ul style="list-style-type: none"> Performance of substantive procedures surrounding contributions revenue. 	Our audit procedures have not identified any material misstatements.
Valuation of Infrastructure, Property, Plant & Equipment assets	<ul style="list-style-type: none"> Obtain representations pertaining to adopted accounting policies and key judgements applied to estimates and valuations. 	No testing was undertaken in relation to Valuation of Infrastructure, Property, Plant & Equipment assets. Based on the data received, the asset values recorded are not materially misstated. The Authority will need to undertake Valuations in the 2023 Financial Year.
Infrastructure, Property, Plant & Equipment	<ul style="list-style-type: none"> Reviewed Note 6 Infrastructure, Property, Plant & Equipment movements against General Ledger and relevant asset registers. 	Our audit procedures have not identified any material misstatements.

Matters to be Addressed in Future Financial Years

As a result of audit work completed, the following audit matters have been identified during the course of our audit which we have summarised below:

Audit Matter	Audit Recommendation
Valuation of Infrastructure, Property, Plant & Equipment assets	<p>Due to the unsuitability of the revaluation report received in FY2022, the Authority is required to undertake revaluations in FY2023. As this will be the first revaluation to occur for the Authority, consideration should be given towards, but not limited to, the following:</p> <ul style="list-style-type: none">• Date of application of the revaluation (i.e. 1 July 2022 or 30 June 2023);• The completeness of the data provided to the External Valuer;• Timing of the valuation work to be undertaken;• Accounting treatment of Asset Revaluation Reserves within Equity in line with AASB 116 Property, Plant & Equipment
Asset Management Plans	<p>Once the valuation of Infrastructure, Property, Plant & Equipment assets has been completed, we recommend that the Authority updates its Asset Management Plan to incorporate updated replacement cost unit rates to reflect the most recent and up-to-date data held by the Authority. Once the Plan has been updated, we recommend that the Authority's Long Term Financial Plan is also updated accordingly with revised forecasted depreciation and capital works costs.</p>

Draft Audit Report

INDEPENDENT AUDITOR'S REPORT

To the members of the Fleurieu Regional Aquatic Centre Authority Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Fleurieu Regional Aquatic Centre Authority (the Authority), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion, the accompanying financial report of the Authority is in accordance with the requirements of the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards (including Australian Accounting Interpretations), including;

- (i) giving a true and fair view of the Authority's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (ii) that the financial records kept by the Authority are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. Management's responsibility also includes such internal control as Management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Draft Audit Report (Cont.)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY

Samantha Creten

Partner

Signed on the day of 2022,
at 214 Melbourne Street, North Adelaide

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Confidential Report Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 8.1 Adoption of Confidential Minutes
Date: 20 January 2023
References: Nil
Consultation: Nil
Attachments:

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 the Executive Officer and FRACA Administration Officer, on the basis that it will receive and consider item 8.1 Adoption of Confidential Minutes.

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 to prevent the disclosure of commercial information of a confidential nature (not being a trade secret).

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 8.2 Resolutions Register – In Confidence
Date: 20 January 2023
References: Nil
Consultation: Nil
Attachments:

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 the FRACA Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.2 Resolutions Register – In Confidence.

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.

Substantiation

The matter of the agenda item relating to item 8.2 Resolutions Register – In Confidence Report being information that may prejudice the commercial position of the Authority is not divulged.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 8.3 YMCA Performance Report – Q2
Date: 20 January 2023
References: YMCA Management Agreement
Consultation: James Lomax – YMCA
Attachments:

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 the FRACA Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.3 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.

Substantiation

The matter of the agenda item relating to item 8.3 YMCA Performance Report – Q2 being information that may prejudice the commercial position of the Authority is not divulged.

To: Audit and Risk Management Committee
From: Andrew Baker - Executive Officer
Subject: 8.4 Budget Review 2022-2023 – Q2
Date: 20 January 2023
References: FRAC Authority Charter; Local Government Act 1999.
Consultation: James Lomax – YMCA
Attachments:

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 the Executive Officer and Administration Officer, on the basis that it will receive and consider item 8.4 Budget Review 2022-2023 – 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.

Substantiation

The matter of the agenda item relating to item 8.4 Budget Review 2022-2023 – Q2 Report being information that may prejudice the commercial position of the Authority is not divulged.