



26 September 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: Tuesday 3 October 2023
Time: 2:00 pm
Place: Alexandrina Council Office

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

Yours faithfully

Kellie Knight-Stacey
Acting Executive Officer

Agenda

Audit & Risk Management Committee

Date & Time: Tuesday 3 October 2023, 2:00pm

Location: Alexandrina Council Office

1. Attendance

- Peter van der Eijk (Independent Chairperson)
- Vicki Tomlinson (Independent Board Member Representative, FRACA)
- Claudia Goldsmith (Independent Member)
- Stephanie Juhas (Team Leader Management Accounting, City of Victor Harbor)

2. Apologies

- Trish Kirkland (Acting General Manager, Alexandrina Council)

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Business Arising

- 5.1. A&RMC Annual Work Plan 2023

6. Verbal Report

- 6.1 Acting Executive Officer – Kellie Knight-Stacey

7. Reports

- 7.1. Audit Completion Report 2022-2023
- 7.2. Audited Financial Statements 2022-2023
- 7.3. Report on Financial Results - Budget v Actuals
- 7.4. FRACA Annual Report 2022-2023
- 7.5. Treasury Report

8. Confidential Reports

- 8.1. Strategic Risk Management Framework
- 8.2. Management Agreement
- 8.3. Executive Structure and Interim Resourcing

9. Next Meeting: TBC

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: 3 October 2023
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 23 May 2023.

Discussion

Public minutes of the Audit and Risk Management Committee meeting held 23 May 2023 were published on the Authority website, with a confidential version provided directly to Committee members for their information and review on 25 May 2023.

Recommendation

That the Audit and Risk Management Committee endorse the minutes of the meeting held 23 May 2023.

To: Audit and Risk Management Committee

From: Kellie Knight Stacey - Acting Executive Officer

Subject: 5.1 ARMC Annual Work Plan

Date: 3 October 2023

References: Nil

Consultation: Nil

Attachments: 5.1a Board Annual Work Plan 2023
5.1b ARMC Annual Work Plan 2023
5.1c ARMC Self-Assessment Survey 2023

Purpose

The purpose of this report is to review progress on the Annual Work Plan of the Audit and Risk Management Committee (ARMC) for 2023.

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.

Discussion

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. A review of the Boards's Annual Work Plan and 3 Year Business Plan activities has been undertaken to detail the activities that can be delivered within the current resourcing of the Authority.

The following provides an update in relation to the review:

Annual Work Plan

The Boards Annual Work Plan for 2023/2024 has been reviewed with a number of items identified to be placed on hold, pending the outcome of the Executive Structure Review.

Items that are recommended to continue are either legislative requirements, are in progress or assessed as a medium or high risk as follows:

- 2022/2023 Financial Statements, External Audit and Annual Report
- Treasury Report
- Quarterly Budget Reviews
- Risk Management Framework and Policy

- Self-Assessments and Resolution Registers
- Facility Management Performance Reporting
- Facility Management Agreement

The reviewed Board Annual Work Plan is provided at Attachment 5.1a.

3 Year Business Plan

The Authority Board has reviewed the list of action scheduled for implementation in 2023/2024 in consideration of the interim structure with current resource levels not sufficient for all work to be completed. A number of items were identified as critical and would present risks if not undertaken. The Board were presented with a list of items recommended to continue at its meeting held 8 September 2023 as follows:

- Access Audit
- Asset Management Plan
- Facility Management Agreement
- Strategic Risk Framework

The following was resolved by the Board:

The Authority Board:

- *receive and note the updated Authority Board Annual Work Plan 2023 and 3 year Business Plan summary actions for 2023/24; and*
- *endorse the actions recommended for continuation with all others placed on hold pending the outcome of the Executive Structure Review, subject to the inclusion of any required recruitment activity of the Authority.*

ARMC Work Plan

A review of the ARMC Annual Work Plan has also been undertaken in line to reflect the changes to the Board's work plan. Items that have been identified to be placed on hold are activities that may be affected by the outcome of the Executive Structure Review as follows:

- Internal Financial Controls Register Creation
- Review of Internal Financial Controls
- Terms of Reference Review
- Review of Local Government Act changes
- Full Legislative Compliance Review*
- Policy – WHS Contractor Management
- Policy – WHS and Return to Work

All other items are either complete for 2023, included in the 3 October 2023 meeting agenda or in progress.

*The Legislative Compliance review was approved to be outsourced. A scope was developed, and quotes obtained. Due to the commencement of the structure review, this has not progressed due to cost / benefit considerations at this point in time.

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

Annual Self-Assessment

Clause 15 of the ARMC Charter, requires the Committee to undertake a self-assessment, of its performance as follows:

- 15.1 *The Committee shall, at least once a year, review its own performance in line with the purpose for establishing the Committee and in relation to the Terms of Reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Authority for approval.*
- 15.2 *These Terms of Reference shall be reviewed by the Authority annually.*

For the purposes of clause 15.1, a draft survey is provided at Attachment 5.1c the Committee's review. Subject to feedback, the survey will be distributed to Committee Members for completion prior to the next meeting.

As per the updated ARMC Annual Work Plan, it is recommended that a review of the Terms of Reference is placed on hold pending the outcome of the Executive Structure Review.

Recommendation

1. *That the Audit and Risk Management Committee receive and note the updated Board Annual Work Plan 2023 as presented at Attachment 5.1a.*
2. *That the Audit and Risk Management Committee:*
 - i. *receive and note the updated ARMC Annual Work Plan 2023 as presented at Attachment 5.1b; and*
 - ii. *endorse the actions recommended for continuation with all others placed on hold pending the outcome of the Executive Structure Review.*
3. *That the Audit and Risk Management Committee receive and note the 2023 ARMC Self-Assessment survey for completion prior to the next ARMC meeting scheduled in October 2023.*

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

Attachment 5.1b

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

2023 ARMC Self-Assessment Survey		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Comments
1	Members of the Committee understand their role and responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
2	The Committee reviews annually its terms of reference and recommends any necessary changes the Board	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
3	Committee members are independent of management, exercise their own judgement, voice their own opinions and act freely from any conflicts of interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
4	The Committee collectively has sufficient skills, experience, time and resources to undertake its duties	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
5	All Committee members demonstrate the highest level of integrity; including maintaining utmost confidentiality and identifying, disclosing and managing conflicts of interest	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
6	There is a general understanding of the Authority, Local Government sector and external issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
7	Committee members attend meetings on a regular basis	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
8	The Committee Chair runs meetings appropriately to ensure that the committee's workload is dealt with effectively	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
9	The Committee works consutructively as a team and works well with staff and individuals that attend meetings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
10	The Committee provides effective support to the Board in fulfilling its responsibilities and adding value to the Authority.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
11	The Committee has, and has implemented, a Work Program that covers its main responsibilities.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
12	The meeting arrangements enhance the Committee's effectiveness (e/g/ frequency, timing, duration, venue and format) and allow sufficient time for the discussion of substantive matters	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
13	Meeting agendas and related background information is well structured and circulated in a timely manner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
14	The Committee receives information, presentations or explanation considered necessary to fulfil its responsibilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
15	Effective minutes are prepared, distributed and followed up	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
16	Meetings allow Committee members to raise any issue they believe relevant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
17	The Committee assures itself that responsibility is taken by appropriate parties for risk identification and control, with formal assurance through reporting that key risks are being adequately managed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
18	The Committee is satisfied that there is an effective program in place to ensure that risk management is an integral part of the way in which the Authority conducts business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
19	Management responds to external audit recommendations in a timely and appropriate manner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
20	Overall, the Committee is efficient and effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 7.1 Audit Completion Report 2022-2023
Date: 3 October 2023
References: Nil
Consultation: Samantha Creten – Dean Newbery
Attachments: 7.1a 2023 Audit Completion Report

Purpose

The purpose of this report is to provide the Committee with the Fleurieu Regional Aquatic Centre Authority Audit Completion Report 2023 for consideration and recommendation to the Authority Board.

Background

At the completion of 2022 Audit, the following items were noted as matter to be addressed in future financial years:

- Revaluation of Infrastructure, Property, Plant and Equipment in 2022-2023;
- Update to the Asset Management Plan and Long-Term Financial Plan.

With the Revaluation of assets completed in early 2023, the Authority is currently working towards completion of its Asset Management Plan and Long-Term Financial Plan.

Discussion

Dean Newbery has undertaken the external audit for the Authority for the 2022-2023 financial year. The amended statements were provided to the auditors on Monday, 18 September for final review.

The Audit report will be provided to the Committee as soon as it becomes available.

Recommendation

1. *That the Audit and Risk Management Committee receives and notes the 2022/23 Audit Completion Report.*
2. *That the Audit and Risk Management Committee provides the following feedback to the Board:*

(to be completed at the meeting)



Audit Completion Report

Year Ended 30 June 2023

Fleurieu Regional Aquatic Centre Authority
(FRACA)

DeanNewbery

Executive Summary

20 September 2023

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 Committee of the Fleurieu Regional Aquatic Centre Authority (the Authority) in relation to the 30 June 2023 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 2023 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
Director

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 2023.

Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Authority for the financial year ended 30 June 2023, 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 within the financial report appropriately modified 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 2023 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
- 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 matter which should be brought to the Board or Audit and Risk 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 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 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 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 within the financial report 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.

Matter No.	Description	Operating Surplus / (Deficit)	Net Surplus/(Deficit)	Assets Dr/(Cr)	Liabilities Dr/(Cr)	Equity Dr/(Cr)	Status of Matter
1.	Identified misstatements in posting of depreciation expense and valuation movements compared to fixed asset register and external asset valuation reports.	(152,567)	(152,567)	148,621	-	(148,621)	Corrected
2.	Accruals not reversed from prior financial year (FY2022). Journals posted to reverse prior period accruals.	17,463	17,463	-	17,463	17,463	Corrected
3.	Testing identified that interim period accrual entries (e.g. journals recorded between 1 July 2022 – 30 June 2023) had not been reversed and therefore expenses were recorded twice. Reversal of interim period accruals recorded to correct this matter.	38,699	38,699	-	38,699	38,699	Corrected
4.	Expenses payments were incorrectly recorded in accrual accounts on the Balance Sheet which were corrected so as to be reflected in the correct expense account on the Statement of Comprehensive Income.	(22,391)	(22,391)	-	(22,391)	(22,391)	Corrected
5.	Credit note received in January 2023 which found not to be processed and corrected as at 30 June 2023 and applied against the appropriate supplier.	17,258	17,258	17,258	-	17,258	Corrected
Summary Corrected Misstatements		(101,538)	(101,538)	165,879	33,771	(97,592)	
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. 	<p>The Authority was unable to provide accurate reconciliations for Balance Sheet ledger accounts on commencement of the Audit. Audit procedures identified misstatements which had not been identified and corrected thought the course of the financial year.</p> <p>We recommend the Authority prepare a documented schedule/checklist which outlines the required frequency of general ledger reconciliation for all applicable ledger accounts as well as the responsible officer for preparing and reviewing each reconciliation activity.</p>
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. Reviewed the reclassification and updated componentisation methodology applied to revalued assets. Recognition and recording of Land asset within the valuation. 	<p>Corrections relating to the recording of the asset valuation movement and depreciation expense have been noted in the Summary of Misstatement and have all been corrected.</p> <p>Additional disclosures relating to the application of the valuation information and the estimated impact on depreciation expense has been recorded in Note 6.</p>
Young Men’s Christian Association of South Australia Inc (YMCA) Income and Expenditure	<ul style="list-style-type: none"> Review independent Audit Report issued by William Buck in respect of the special purpose financial report prepared by the YMCA. Consulted with William Buck to determine appropriate materiality threshold for special purpose financial reports. 	<p>William Buck issued an unmodified Audit Opinion of the special purpose financial report. Reliance has been placed on the Audited Profit and Loss Report as appropriate audit evidence.</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 accompanying financial report of the Fleurieu Regional Aquatic Centre Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2023, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of the Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the 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 of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the Authority's financial report in accordance with Australian Accounting Standards, the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, and for such controls 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, Management 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

Director

Signed on the day of 2023.

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DeanNewbery

To: Audit and Risk Management Committee

From: Kellie Knight-Stacey - Acting Executive Officer

Subject: 7.2 Audited Financial Statements 2022-2023

Date: 3 October 2023

References: Nil

Consultation: Nil

Attachments: 7.2a draft Financial Statements 2022-2023

Purpose

The purpose of this report is to provide the Committee with the Fleurieu Regional Aquatic Centre Authority Audited Financial Statements for the year ended 30 June 2023 for consideration and recommendation to the Authority Board.

Discussion

The Audited 2022/23 Financial Statements have been prepared by Alexandrina Council under the Support Services agreement and reviewed as part of the external Audit process. The following provides a high-level summary of significant income /expense items and comparison to 2021/22:

Description	2021/22	2022/23	Variance	Comments
INCOME				
User Charges	1,828,655	2,018,850	10.4%	Increase usage and fees
Council Contributions	870,883	996,658	14.4%	Increased electricity costs
Investments	4,632	20,172	335%	Interest on funds in reserve
EXPENSE				
Employee Costs	42,720	30,243	(29.2%)	Position vacant from March 23
Materials, Contracts and Other Expenses	2,650,148	3,009,374	13.5%	Increased electricity costs and reactive maintenance
Depreciation	689,657	536,953	(22.1%)	Revaluation in 2022

The Net Operating Deficit is \$535,269 similar to the depreciation amount of \$536,953 (\$1,684 variance). This is in line with the Constituent Council's resolution to treat depreciation through equity adjustments rather than funding the expense.

The model financial statements require certification to finalise prior to auditor sign off. This requires authorisation from the Board, and it is recommended that the Chairperson and Acting Executive Officer be provided approval to certify the statements. The certification can be found on page one of the draft 2022/23 Financial Statements.

Recommendation

1. *That the Audit and Risk Management Committee advises the Board that it has reviewed the audited financial statements of the Fleurieu Regional Aquatic Centre Authority for the financial year ended 30 June 2023 and is satisfied that they present fairly the state of affairs of the Authority.*

2. *That the Audit and Risk Management Committee recommends that the Board:*
 - i. *adopts the Fleurieu Regional Aquatic Centre Authority Annual Financial Statements 2022-2023; and*
 - ii. *authorises the Chairperson and Acting Executive Officer to sign the Certification of Financial Statements on behalf of the Authority.*

Fleurieu Regional Aquatic Centre Authority

**General Purpose Financial Reports
for the year ended 30 June 2023**

Fleurieu Regional Aquatic Centre Authority
General Purpose Financial Reports
for the year ended 30 June 2023

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Fleurieu Regional Aquatic Centre Authority
Annual Financial Statements
for the year ended 30 June 2023

CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Fleurieu regional Aquatic Centre Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2023 and the results of its operations and cash flows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.

.....

Steve Mathewson
CHAIR PERSON

Date:

.....

Kellie Knight-Stacey
ACTING EXECUTIVE OFFICER

Date:

Fleurieu Regional Aquatic Centre Authority
Statement of Comprehensive Income
for the year ended 30 June 2023

		2023	2022
	Notes		
INCOME			
User charges	2	2,018,850	1,828,655
Grants, subsidies and contributions - Operating	2	997,658	870,883
Investment income	2	20,172	4,632
Reimbursements	2	275	-
Other income	2	4,346	-
Total Income		3,041,301	2,704,170
EXPENSES			
Employee costs	3	30,243	42,720
Materials, contracts & other expenses	3	3,009,374	2,650,148
Depreciation, amortisation & impairment	3	536,953	689,657
Total Expenses		3,576,570	3,382,525
OPERATING SURPLUS / (DEFICIT)		(535,269)	(678,355)
Asset disposal & fair value adjustments	4	-	(26,976)
Amounts received specifically for new or upgraded assets	2	-	20,322
NET SURPLUS / (DEFICIT)		(535,269)	(685,009)
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment	8	12,241,477	-
Total Other Comprehensive Income		12,241,477	-
TOTAL COMPREHENSIVE INCOME		11,706,208	(685,009)

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Aquatic Centre Authority
Statement of Financial Position
as at 30 June 2023

		2023	2022
ASSETS	Notes		
Current Assets			
Cash and cash equivalents	5	723,096	687,900
Trade & other receivables	5	10,623	158,619
Total Current Assets		<u>733,719</u>	<u>846,519</u>
Non-current Assets			
Financial assets	6	-	-
Equity accounted investments in Council businesses	6	-	-
Infrastructure, property, plant & equipment	6	29,332,194	17,590,407
Other non-current assets	6	-	-
Total Non-current Assets		<u>29,332,194</u>	<u>17,590,407</u>
Total Assets		<u>30,065,913</u>	<u>18,436,926</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	7	112,241	189,462
Total Current Liabilities		<u>112,241</u>	<u>189,462</u>
Total Liabilities		<u>112,241</u>	<u>189,462</u>
NET ASSETS		<u>29,953,672</u>	<u>18,247,464</u>
EQUITY			
Accumulated surplus		(3,356,366)	(2,821,097)
Asset revaluation reserves	8	12,241,477	-
Capital contribution		21,068,561	21,068,561
TOTAL EQUITY		<u>29,953,672</u>	<u>18,247,464</u>

This Statement is to be read in conjunction with the attached Notes.

Fleurieu Regional Aquatic Centre Authority
Statement of Changes in Equity
for the year ended 30 June 2023

2023	Notes	Acc'd Surplus	Asset Rev'n Reserve	Capital Contributions	TOTAL EQUITY
Balance at end of previous reporting period		(2,821,097)	-	21,068,561	18,247,464
Net Surplus / (Deficit) for Year		(535,269)	-	-	(535,269)
Other Comprehensive Income					
Gain on revaluation of infrastructure, property, plant & equipment		-	12,241,477	-	12,241,477
Balance at end of period	8	(3,356,366)	12,241,477	21,068,561	29,953,672

2022	Notes	Acc'd Surplus	Asset Rev'n Reserve	Capital Contributions	TOTAL EQUITY
Balance at end of previous reporting period		(2,136,088)	-	21,068,561	18,932,473
Net Surplus / (Deficit) for Year		(685,009)	-	-	(685,009)
Balance at end of period	8	(2,821,097)	-	21,068,561	18,247,464

This Statement is to be read in conjunction with the attached Notes

Fleurieu Regional Aquatic Centre Authority
Statement of Cash Flows
for the year ended 30 June 2023

		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES	Notes		
Receipts:			
User charges		2,166,180	1,754,944
Investment receipts		18,495	4,632
Grants utilised for operating purposes		997,658	870,883
Reimbursements		275	-
Other revenues		-	(6,688)
Payments:			
Employee costs		(30,243)	(45,893)
Materials, contracts & other expenses		(3,079,906)	(2,567,202)
Finance payments		-	(30,234)
Net Cash provided by (or used in) Operating Activities		72,459	(19,558)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Amounts specifically for new or upgraded assets		-	20,322
Payments:			
Expenditure on renewal/replacement of assets		(2,111)	(25,719)
Expenditure on new/upgraded assets		(35,152)	(36,268)
Net Cash provided by (or used in) Investing Activities		(37,263)	(41,665)
Net Increase (Decrease) in cash held		35,196	(61,223)
Cash & cash equivalents at beginning of period	5	687,900	749,123
Cash & cash equivalents at end of period	5	723,096	687,900

This Statement is to be read in conjunction with the attached Notes

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023
Note 1 - Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The Fleurieu Regional Aquatic Centre Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of Alexandrina Council and City of Victor Harbor.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Authority's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

2 The Local Government Reporting Entity

The Authority was established on 6 August 2015 in accordance with Section 43 of the Local Government Act 1999 and Section 25 of the Local Government Implementation Act 1999. These financial statements have been prepared for use by the constituent Council's of the Authority.

3 Income recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when Authority enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and Other Financial Instruments

Cash assets include all amounts readily convertible to cash on hand at Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Cash assets include all amounts readily convertible to cash on hand at Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

Fleurieu Regional Aquatic Centre Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

5 Infrastructure, Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 6. No capitalisation threshold is applied to the acquisition of

Materiality levels for capitalisation are set at:

Furniture, Fittings and Minor Equipment	\$1,000
Plant and Major Equipment	\$5,000
Buildings	\$5,000
Infrastructure	\$5,000

5.3 Subsequent Recognition

An item that qualifies for recognition as an asset shall be measured at its cost on the date of recognition. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use. Where an asset is acquired at no cost, or for a nominal cost, the cost is its fair value as at the date of acquisition. The following years after asset recognition the asset will be valued at fair value according to the revaluation program as determined.

5.4 Depreciation of Non-Current Assets

All non-current assets have a limited useful life except for land and land improvements. The depreciable amount of all non-current assets, excluding freehold land and land improvements, are systematically depreciated over their useful lives which reflects the consumption of the service potential embodied in those assets.

Depreciation of an asset begins when it is available for use i.e. when it is in the condition necessary for it to be capable of operating in the manner intended; and ends when it is classified as held for sale or when derecognised.

Depreciation of assets is calculated on a straight-line basis using the following standard estimates for useful lives. The useful lives for building, infrastructure; furniture and fittings; and plant and equipment assets have been estimated based on industry standards and consultancy advice. The actual useful life and therefore depreciation rates may be varied for specific assets where asset quality and environmental and/or operational conditions so warrant. Useful lives and residual values for each class of asset are reviewed annually and are included in the asset register which is updated following adoption of the annual financial statements each year.

Buildings & Other Structures	7 - 40 years
Furniture & Fittings	2 - 40 years
Plant & Equipment	6 - 40 years
Infrastructure	12 - 40 years

5.5 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed periodically for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount in accordance with AASB 136.

Fleurieu Regional Aquatic Centre Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 1 - Significant Accounting Policies

External indicators for impairment may include significant adverse changes in the technological, market, economic or legal environment. Internal indicators may include obsolescence or physical damage of an asset.

Impairment shall be determined subject to the provisions AASB 108 Materiality, whereby the total change in the written down value for the asset or the total impact on the depreciation shall be material. An impairment loss is recognised in the Income Statement, unless the asset is carried at a revalued amount, whereby it is to be treated in the same way as a revaluation decrement against the same asset. An impairment loss can be reversed in subsequent years.

6 Payables

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

No accrual is made for sick leave as Authority experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Authority does not make payment for untaken sick leave.

Superannuation:

The Authority makes employer superannuation contributions in respect of its employee's choice of superannuation fund.

The Authority had no employees at 30 June 2023.

8 Constituent Council Contributions

The City of Victor Harbor and Alexandrina Council funded the construction of the Fleurieu Aquatic Centre facilities and purchased all plant and equipment for the Aquatic Centre. Each Council contributed 50% towards the cost of construction of the facility and purchase of the equipment. Both Councils transferred these assets to the Authority on 17 March 2017, as an equity contribution.

The Authority for 2018/19 received contributions from Constituent Councils towards net operating deficits excluding depreciation expense for the facility. The Constituent Councils during 2018/19 resolved not to cash fund depreciation expense for the Authority. As a result the Authority expects operating deficits close to the depreciation expense for future years.

09 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

10 New and amended standards and interpretations

There were no new accounting standards implements during the financial year. There are no proposed changes in future accounting standards, interpretations or guidance statements which are expected to have a material impact on the accounting policies of the Authority in future periods as at the time of preparing the financial statements.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 2 - INCOME

	2023	2022
	Notes	
USER CHARGES		
FAC Income	<u>2,018,850</u>	<u>1,828,655</u>
	2,018,850	1,828,655
INVESTMENT INCOME		
Interest on investments:		
Local Government Finance Authority	20,154	4,541
Banks & other	<u>18</u>	<u>91</u>
	20,172	4,632
REIMBURSEMENTS		
Other	<u>275</u>	<u>-</u>
	275	-
OTHER INCOME		
Sundry	<u>4,346</u>	<u>-</u>
	4,346	-
GRANTS, SUBSIDIES, CONTRIBUTIONS		
<i>Amounts received specifically for new or upgraded assets</i>	-	20,322
<i>Other grants, subsidies and contributions - Operating</i>		
Council Contribution - Alexandrina Council	498,329	435,442
Council Contribution - City of Victor Harbor	498,329	435,442
Sundry	<u>1,000</u>	<u>-</u>
	997,658	870,883

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 3 - EXPENSE

	Notes	2023	2022
EMPLOYEE COSTS			
Salaries and Wages		25,445	35,962
Employee leave expense		1,775	1,899
Superannuation - defined contribution plan contributions	1.7	2,423	3,808
Workers' Compensation Insurance		600	600
Other employment related costs		-	451
Total Operating Employee Costs		30,243	42,720
Total Number of Employees		-	-
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		5,730	5,085
Subtotal - Prescribed Expenses		5,730	5,085
<u>Other Materials, Contracts & Expenses</u>			
Contractors		109,925	109,545
Board Expenses		31,305	21,837
Administration		90,654	84,835
Fleurieu Aquatic Centre Site Expenses		611,392	435,113
Fleurieu Aquatic Centre Expenses		2,160,368	1,993,733
Subtotal - Other Materials, Contracts & Expenses		3,003,644	2,645,063
		3,009,374	2,650,148
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Depreciation			
Buildings & Other Structures		483,104	365,016
Furniture & Fittings		31,402	154,372
Plant & Equipment		22,447	73,291
Infrastructure		-	96,978
		536,953	689,657

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2023	2022
Notes		
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	26,976
Gain (Loss) on disposal	-	(26,976)
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	-	(26,976)

Note 5 - CURRENT ASSETS

	2023	2022
Notes		
CASH & EQUIVALENT ASSETS		
Cash on Hand and at Bank	113,427	96,709
Deposits at Call	609,669	591,191
	723,096	687,900
TRADE & OTHER RECEIVABLES		
Accrued Revenues	2,130	453
Debtors - general	8,493	151,477
Prepayments	-	6,689
Total	10,623	158,619

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 6 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

		2022				2023			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
		Land	2	-	-	-	-	5,605,000	-
Buildings & Other Structures	3	-	12,407,742	(1,930,085)	10,477,657	27,163,111	-	(3,815,369)	23,347,742
Furniture & Fittings		-	3,867,215	(807,378)	3,059,837	-	395,410	(168,701)	226,709
Plant & Equipment		-	1,216,378	(345,277)	871,101	-	254,625	(101,882)	152,743
Infrastructure		-	3,694,601	(512,789)	3,181,812	-	-	-	-
Total IPP&E		-	21,185,936	(3,595,529)	17,590,407	32,768,111	650,035	(4,085,952)	29,332,194
Comparatives		-	21,161,756	(2,916,703)	18,245,053	-	21,185,936	(3,595,529)	17,590,407

	2022	Carrying Amounts Movement During the Year						2023	
	Carrying Amount	Additions		Disposals	Dep'n	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals			In	Out		
Land	-	-	-	-	-	-	-	5,605,000	5,605,000
Buildings & Other Structures	10,477,657	-	-	-	(483,104)	6,716,713	-	6,636,477	23,347,742
Furniture & Fittings	3,059,837	34,063	-	-	(31,402)	-	(2,835,789)	-	226,709
Plant & Equipment	871,101	1,089	2,111	-	(22,447)	-	(699,112)	-	152,743
Infrastructure	3,181,812	-	-	-	-	-	(3,181,812)	-	-
Total IPP&E	17,590,407	35,152	2,111	-	(536,953)	6,716,713	(6,716,713)	12,241,477	29,332,194
Comparatives	18,245,053	36,268	25,721	(26,977)	(689,657)	-	-	-	17,590,407

Fleurieu Regional Aquatic Centre Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 6 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs other than quoted prices that are not based on observable market data (unobservable inputs).

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Land

Freehold land and land over which Fleurieu Regional Aquatic Centre Authority has control is recognised at fair Value. No capitalisation threshold is applied to the acquisition of land or interests in land.

As a result of the valuation conducted, the Authority has recognised the value of the land which the Authority controls and has recognised this through the Asset Revaluation Reserve.

Land was revalued as at 1 July 2022 by APV Valuers & Asset Management.

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2022 by APV Valuers & Asset Management.

All additions recorded after the date of the valuation are recorded at cost. The estimated decrease in depreciation expense as a result of the valuation is \$152,000.

Plant & Equipment

Basis of revaluation: Valued at Costs.

Furniture & Fittings

Basis of revaluation: Valued at Costs.

Transfers

On advice from the valuers, all assets were transferred from infrastructure to buildings in line with the valuers grouping of the assets and components of furniture and fittings and plant and equipment were also transferred to buildings.

Fleurieu Regional Aquatic Centre Authority

Notes to and forming part of the Financial Statements

for the year ended 30 June 2023

Note 7 - LIABILITIES

		2023		2022	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Accrued expenses - other		26,264	-	105,267	-
GST Payable		1,726	-	2,894	-
Other		84,251	-	81,301	-
		112,241	-	189,462	-

Amounts included in trade & other payables that are not expected to be settled within 12 months of reporting date.

Note 8 - RESERVES

ASSET REVALUATION RESERVE		1/7/2022	Net Increments/ (Decrements)	Transfers, Impairments	30/6/2023
	Notes				
Land		-	5,605,000		5,605,000
Buildings & Other Structures		-	6,636,477		6,636,477
TOTAL		-	12,241,477	-	12,241,477

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 9 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2023	2022
Total cash & equivalent assets	5	723,096	687,900
Balances per Cash Flow Statement		<u>723,096</u>	<u>687,900</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		(535,269)	(685,009)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		536,953	689,657
Net increase (decrease) in unpaid employee benefits		-	(3,173)
Grants for capital acquisitions treated as Investing Activity		-	(20,322)
Net (Gain) Loss on Disposals		-	26,976
		<u>1,684</u>	<u>8,129</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		147,996	(79,779)
Net increase (decrease) in trade & other payables		(77,220)	30,591
Net Cash provided by (or used in) operations		<u>72,459</u>	<u>(41,059)</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	5,000	5,000
------------------------	--------------	-------

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 10 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits **Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned
Terms & conditions: Deposits are returning fixed interest rates between 0.01% and 4.3% (2022: average rate 0.7%).

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Fees & other charges **Accounting Policy:** carried at nominal values less any allowances for doubtful debts.
Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authority's boundaries.

Carrying amount: approximates fair value (after deduction of any allowance).

Liabilities - Creditors and Accruals **Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Liquidity Analysis

2023	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>					
Cash & Equivalents	723,096	-	-	723,096	723,096
Receivables	10,623	-	-	10,623	10,623
Total	733,719	-	-	733,719	733,719
<u>Financial Liabilities</u>					
Payables	85,977	-	-	85,977	85,977
Total	85,977	-	-	85,977	85,977
2022	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>					
Cash & Equivalents	687,900	-	-	687,900	687,900
Receivables	151,930	-	-	151,930	151,930
Total	839,830	-	-	839,830	839,830
<u>Financial Liabilities</u>					
Payables	189,462	-	-	189,462	189,462
Total	189,462	-	-	189,462	189,462

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 10 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 11 - COMMITMENTS FOR EXPENDITURE

Service	Contractor	Period of contract	Brief description
Operational Management – Fleurieu Aquatic Centre	YMCA SA	Two year extension to 30 June 2024	Provision of aquatic centre facility management and operating services for the Fleurieu Aquatic Centre (management of all aspects of daily operations and maintenance of the facility)
External Audit Services - Fleurieu Regional Aquatic Centre Authority	Dean Newbery & Partners	One year extension to 30 June 2023	Provision of an independent audit opinion of the accounts and annual financial reports of the Authority for financial years 2019/20, 2020/21, 2021/22 and 2022/23.
Administration & Finance Services	Alexandrina Council	Agreement extended to 31 December 2023	Provision of 0.5FTE Administration Officer and 0.05FTE Finance Officer

Note 12 - YMCA Management

The Authority has engaged the YMCA to manage the day to day running of the Fleurieu Aquatic Centre (FAC). This management encompasses the receipting of income and outgoing of expenditure of the facility. The following income and expenditure lines relate to those managed by the YMCA:

	2023	2022
FAC Income	2,019,850	1,828,656
FAC Expense	2,142,759	1,993,733
Net Result	(122,909)	(165,077)

Note 13 - OPERATING LEASES

The Authority as at 30 June 2023 had not entered into any operating leases.

Note 14 - CONTINGENCIES, ASSETS & LIABILITIES NOT RECOGNISED

The Authority as at 30 June 2023 had not recognised any contingencies.

Note 15 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events subsequent to 30 June 2023 that need to be disclosed in the financial statements.

Note 16 - ECONOMIC DEPENDENCY

Per section 5.2 of the Authority's Charter there maybe a requirement for additional financial contributions to be made by Constituent Councils if there is insufficient working capital available to meet the Authority's financial obligations. The Authority may be reliant on this additional financial support being provided to enable it to continue to operate on a going concern basis.

Fleurieu Regional Aquatic Centre Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2023

Note 17 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Authority include the Chair, the Board and Executive Officer prescribed officers under section 112 of the Local Government Act 1999. In all, one person was paid the following total compensation:

	2023	2022
	\$	\$
Salaries, allowances & other short term benefits	32,518	63,506
TOTAL	32,518	63,506

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

The following transactions occurred with Related Parties during the financial year ended 30 June 2023:

Related Party Entity	Sale of Goods & Services (\$)	Amounts Outstanding from Related Parties (\$)	Description of Services Provided to Related Parties
Alexandrina Council	498,329	-	Provision of regional aquatic facilities
City of Victor Harbor	498,329	-	Provision of regional aquatic facilities

Amounts recorded as outstanding from Related Parties are recorded in trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Constituent Councils. Constituent Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial operating decisions of the Authority. No one Constituent Council individually has control of those policies.

Fleurieu Regional Aquatic Centre Authority
Annual Financial Statements
for the year ended 30 June 2023
CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Fleurieu Regional Aquatic Centre Authority for the year ended 30 June 2023, the Authority's Auditor, Dean Newbery & Partners, Chartered Accountants, has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

.....
Kellie Knight-Stacey
ACTING CHIEF EXECUTIVE OFFICER

Date:

To: FRACA Audit & Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 7.3 Report on Financial Results 2022-2023
Date: 3 October 2023
References: Nil
Consultation: Nil
Attachments: Nil

Purpose

The purpose of this report is to provide the Committee with a Report on Financial Results for the 2022/23 financial year and commentary in regard to material variances to budget.

Discussion.

The following tables provide a high-level summary of the significant variances from the 2022-23 original budget to end of financial year result.

Statement of Comprehensive Income

There was an overall positive result to the Operating Deficit due to a reduction in depreciation as a result of the revaluation on land and buildings and the introduction of short and long life components.

Description	2022/23 Budget	2022/23 Actual	Variance (\$)	Variance (%)	Comments (Items over 10% variance)
INCOME					
User Charges	2,036,411	2,018,850	(17,561)	-0.9%	-
Grants and contributions	755,934	997,658	241,724	32.0%	Increased council contributions due to electricity costs
Investment Income	4,900	20,172	15,272	311.7%	Interest rate increases throughout year
Reimbursements	0	275	275	N/A	-
Other Income	0	4,346	4,346	N/A	-
Total Income	2,797,245	3,041,301	244,056	8.7%	-
EXPENSES					
Employee Expenses	66,600	30,243	(36,357)	-54.6%	Executive Officer position vacant
Materials, Contracts and Other	2,730,645	3,009,374	278,729	10.2%	Increased electricity costs and reactive maintenance
Depreciation	693,948	536,953	(156,995)	-22.6%	Revaluation and introduction of short and long life components
Total Expenses	3,491,193	3,576,570	85,377	2.4%	-
Operating Surplus / (Deficit)	(693,948)	(535,269)	158,679	-22.9%	Reduced deficit

Statement of Financial Position

Non-Current asset values increased due to the revaluation undertaken on land and buildings. There was a 12.1% decrease in trade receivables as at 30 June than forecast with a larger decrease in trade payables of 40.8%.

Description	2022/23 Budget	2022/23 Actual	Variance (\$)	Variance (%)	Comments (items over 10% variance)
ASSETS					
Current Assets	834,389	733,719	(100,670)	-12.1%	Actual Trade and Receivables on 30 June
Non-Current Assets	16,908,589	29,332,194	12,423,605	73.5%	Revaluation on Land and Buildings
Total Assets	17,742,978	30,065,913	12,322,935	69.5%	
LIABILITIES					
Current Liabilities	189,462	112,241	(77,221)	-40.8%	Actual Trade and Payable outstanding on 30 June
Total Liabilities	189,462	112,241	(77,221)	-40.8%	
NET ASSETS	17,553,516	29,953,672	12,400,156	70.6%	Revaluation on Land and Buildings

Statement of Cashflows

Cash receipts and payments increased in line with electricity expenses and council contributions. Additional credit interest was received for cash reserves due to interest rate rises through out the year.

Description	2022/23 Budget	2022/23 Actual	Variance (\$)	Variance (%)	Comments (items over 10% variance)
CASHFLOWS FROM OPERATING ACTIVITIES					
Receipts	2,797,245	3,182,608	385,363	13.8%	Additional contributions from Council for electricity
Payments	(2,797,245)	(3,110,149)	(312,904)	11.2%	Additional electricity expenses
Net Cash	0	72,459	72,459	N/A	
CASHFLOWS FROM INVESTMENT ACTIVITIES					
Receipts	0	0	0	N/A	-
Payments	12,130	37,263	25,133	207.2%	Urgent replacement of essential equipment
Net Cash	(12,130)	(37,263)	(25,133)	207.2%	
Net Increase (Decrease) in Cash	(12,130)	35,196	47,326	-390.2%	Increased interest on cash reserves and contributions
Cash at beginning of period	687,900	687,900	0	0.0%	-
Cash at end of period	675,770	723,096	47,326	7.0%	

Recommendation

That the Audit and Risk Management Committee receives and notes the 2022/23 Budget v Actuals analysis and advises the Board that it is satisfied with the explanations for material variances.

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 7.4 FRACA Annual Report 2021-2023
Date: 3 October 2023
References: Nil
Consultation: James Lomax - YMCA
Attachments: 7.4a FRACA Annual Report 2022-2023 v2.0

Purpose

The purpose of this report is to provide the FRACA Annual Report for the 2022/23 financial year to the Committee for review and recommend to the Authority Board.

Background

In accordance with the Charter and the Local Government Act 1999, the Authority is required to prepare and submit an Annual Report to Constituent Councils by 30 September each year. The Annual Report provides a summary of activities and achievements of the Fleurieu Aquatic Centre and the Authority, as well as providing the audited Financial Statements.

Recommendation

1. *The Audit and Risk Management Committee recommends that the Authority Board:*
 - i. *adopt the FRACA Annual Report 2022-2023 as reviewed and amended by the Committee on 3 October 2023; and*
 - ii. *authorise the Executive Officer to make any immaterial changes required prior to submission to Constituent Councils; and*
 - iii. *request the Executive Officer prepare the appropriate documents for submission of the FRACA Annual Report 2022-2022 to Constituent Councils once endorsed by the Authority Board in accordance with the Authority Charter.*

22/23 Annual Report



Fleurieu Regional
Aquatic Centre
Authority





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Strategic Direction	X	> Community Feedback	X
The Board	X	Marketing & Communication	X
Audit & Risk Management Committee	X	Financial Statements	X
Fleurieu Aquatic Centre Performance	X		
Key Achievements	X		
> Social Impact Highlights	X		

The Fleurieu Regional Aquatic Centre Authority acknowledge the traditional custodians of the land the Centre is on, and acknowledge their connections to the land, waters and community. We pay our respect to their Elders past, present and future, and extend that respect to all Aboriginal and Torres Strait Islander peoples across Australia. The Authority will commence consultation to form an agreed acknowledgement with Aboriginal and Torres Strait Islander peoples and to inform future plans and processes.



Chairperson's Message

Reflecting on the 2022/2023 financial year, the Fleurieu Regional Aquatic Centre Authority Board has established a foundation to move forward on a number of significant and important initiatives. We have steadily emerged from the uncertainty brought by the COVID pandemic, seeing differences in centre usage and a gradual return to confidence by the public. We continue to grow our service to the community, thinking innovatively with a focus on improving accessibility and sustainability at the forefront of our future vision.

This year also saw a change in our Board composition welcoming Council Member Angela Schiller to the Board and Council Members Lou Nicolson and Stewart Burns as new Deputy Council Members. I would like to thank David Kemp for his support on the Board and Audit Committee over the last 4 years, providing valuable expertise, advice and direction.

The Authority Board has shown a strong and considered approach to the challenges facing the Authority in the past year, committed to ensuring decisions are made for the benefit of the community and centre. I acknowledge and thank the Board for their work and effort in moving our Strategic Plan forward in an ever-changing environment, while fulfilling our governance requirements and reflecting honestly on the most appropriate structure for the Authority moving forward.

We continue to work with the YMCA on delivering an improved service offering, with a new Sensory Hydrotherapy program launched in early 2023 to enable access to our hydrotherapy pool for those living with sensory challenges. This initiative was part of a collaboration between the Authority Board, YMCA, Mission Australia and Alexandrina Council. We've also continued to focus on accessibility with improvements to our assets and infrastructure, including the purchase of an electric adult change table in the hydrotherapy pool area. We will continue to improve our facilities based on community feedback and intend to implement further changes and initiatives that will ensure our centre is a place for everyone.

The YMCA continue to deliver to our community, managing site attendance of over 183,000 visitors and a return of \$3.2million in social value outcomes. Social value measures the positive impacts of attendance that contribute to health outcomes in the lives of our residents by way of benefits such as improved mental health, increased productivity,

supporting those with chronic health conditions, improvements to swim safety for people of all ages and reducing reliance on the health system. Safety is also at the forefront of their management model, with the centre scoring extremely high when assessed against the Surf Life Saving SA's Pool Safety Assessment and setting the benchmark for the state. The social benefits of a community aquatic facility have also seen a resurgence in a post COVID world, with a number of events aimed at increasing social interaction for all ages proving to be popular activities that are well attended.

While our financial position was better than expected as we close out 2022/2023, energy costs remain the Authority's greatest challenge. Moving into the new financial year, our focus on decreasing our carbon footprint, increasing our environmental sustainability while reducing energy costs will come to life. In progressing our energy efficiency project, we continue to remain vigilant and agile in our pursuit of grant funding opportunities from all levels of government.

The review of the Authority's structure, currently being undertaken in conjunction with the Constituent Councils, will shape and inform its future into 2023/2024 and beyond. Ensuring that the model we operate under moving forward is appropriate for the Centre's viability and current stage of life, with the Authority having delivered its intended purpose for the launch and establishment of the centre.

Dean Newbery & Partners has audited the 2022-2023 Financial Statements and a complete copy of the Audited Financial Statements forms part of this report.

In closing, I am proud of the work that we as the Authority Board, Audit and Risk Management Committee and in partnership with our Constituent Councils have undertaken in recent years. Whatever the future holds, I am confident we will continue to see the Fleurieu Aquatic Centre thrive and evolve, building on its current place in the community as a place for health, wellbeing and social connection.

Steve Mathewson

Chairperson, Fleurieu Regional Aquatic Centre Authority



“

The YMCA continue to deliver to our community, managing site attendance of over 183,000 visitors and a return of \$3.2million in social value outcomes.

”

Who we are...

The Fleurieu Regional Aquatic Centre Authority is a regional subsidiary of City of Victor Harbor and Alexandrina Council, established to enable joint ownership and management of the Fleurieu Aquatic Centre on behalf of the two Constituent Councils.



The Centre opened to the region in 2017 after an investment of \$6.5 million from each Constituent Council, \$7.5 million from the Australian Government, \$500,000 from the South Australian Government, and a generous land donation from Beyond Today.

Located at 50 Ocean Road in Hayborough, South Australia, this premier facility provides the community with access to:

- **an 8-lane, 25-metre lap swimming pool;**
- **a multi-use hydrotherapy pool;**
- **a children's pool;**
- **a zero-depth outdoor splash park;**
- **a crèche facility;**
- **fitness facilities; and**
- **a commercial kiosk.**

Centre operations are managed by YMCA South Australia, who work closely with the Authority Executive Officer to care for and maximise the asset on behalf of the community.

The Charter was reviewed in 2021 and is the guiding document of the Authority and sets out its key responsibilities in relation to the management of the Centre.

These are to:

- manage the facilities of and services at the Aquatic Centre in accordance with the Charter and all applicable legislation;
- undertake the care, protection, management, operation and improvement of the Aquatic Centre and its associated facilities and services in an efficient, effective and sustainable manner;
- pro-actively manage the business of the Aquatic Centre in a competitive and changing environment;
- deliver effective and sustainable service provision for the Constituent Councils, customers of the Aquatic Centre and the regional communities of and surrounding the Constituent Councils;
- contribute to the education and welfare of the Constituent Councils and the wider community through the facilitation of various aquatic programs;
- foster social inclusion through the provision of a community place providing a variety of aquatic programs and associated services and facilities;
- maximise participation in and use of the aquatic programs provided at the Aquatic Centre and the facilities and services of the Aquatic Centre by users of all ages and abilities;
- undertake key strategic and policy decisions for the purpose of enhancing and developing the Aquatic Centre;
- establish and demonstrate ethical policies and standards, in accordance with the rights of customers and industry standards; and
- as far as possible, be financially self-sufficient.

More information about the Centre and the Authority is available on our website at www.fleurieuaquaticcentre.com.au.

Strategic Direction

The Authority is boldly working towards its goals to achieve its vision from a revitalized Strategic Plan 2023-2032. This is supported by the updated 3 Year Business Plan 2023-2026.

Mission

A premier aquatic facility that enhances the health and wellbeing of our regional communities.

Vision

A vibrant, contemporary and inclusive facility, embraced by our communities.

Aspirations

1. Participation and Awareness

Increase participation and awareness of the Fleurieu Aquatic Centre and its program and facilities.

2. Social Inclusion

Foster and maximise social inclusion and social activities.

3. Collaboration

Build relationships and collaborate for improved social, community, and commercial outcomes.

4. Stewardship

Provide prudent stewardship, striving for sustainability, innovation and creativity.

Planning Context

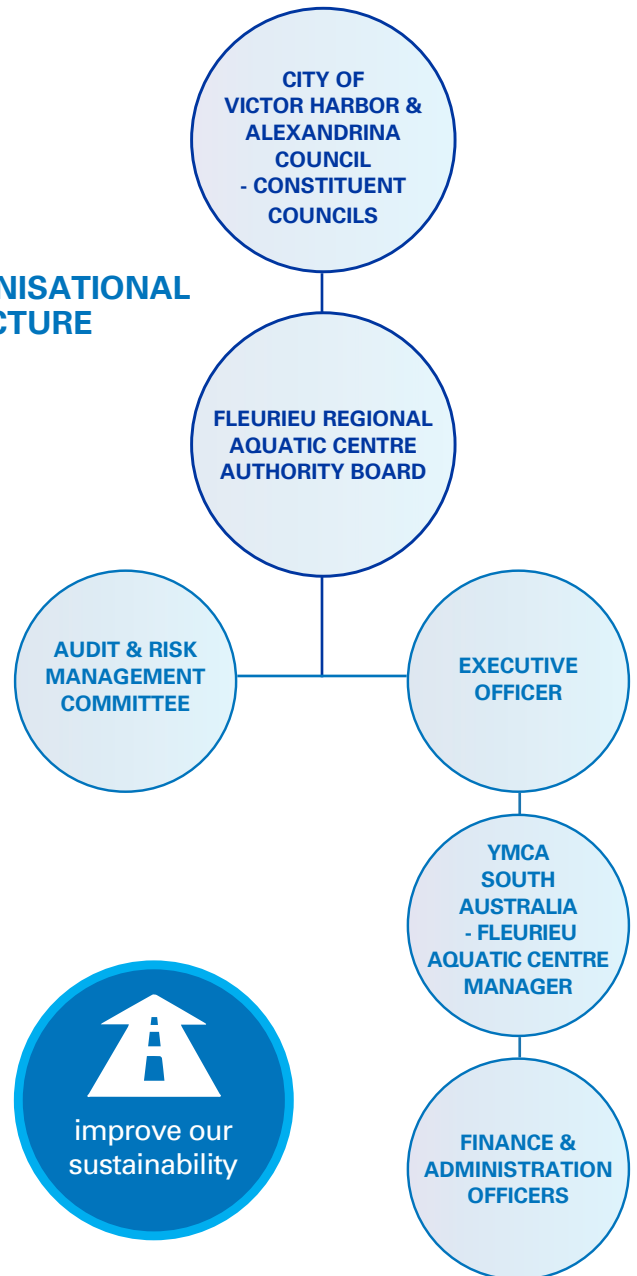
The Authority has a suite of strategic planning documents, including the Strategic Plan 2023-32 (subject to Constituent Council endorsement), Asset Management Plan 2018-2027 and Long-Term Financial Plan 2018-2027.

These strategic documents inform and are supported by the Authority 3-Year Business Plan, an annual Fleurieu Aquatic Centre Business & Marketing Plan, and annual budgets.

Organisational Structure

The Authority is a body corporate and is governed by the Local Government Act 1999 and its Charter.

THE ORGANISATIONAL STRUCTURE



Looking Ahead

The Authority undertook significant work to capture its strategic risks and formed the draft Strategic Risk Management Plan in 2023. After the completion of the Asset Revaluation in late 2022, we continue with the management of our assets by reviewing the Asset Management Plan and Long-Term Financial Plan.

Further progress has been achieved to improve our sustainability with an energy solution set to commence in early 2024.

The Authority has made a number of applications for State and Federal government grants to support this project throughout the financial year. This has been a much longed-for development by the Authority, Constituent Councils and the community, with the hope to see the rewards of any decisions implemented for the long-term future. This project will continue regardless of grant funding outcomes.

The Board

The Authority is led by a Board of Management responsible for ensuring the Authority acts in accordance with its Charter and all other relevant legislation, while providing a premier regional aquatic center to the community of behalf of its Constituent Councils.

The Board is comprised of five Members, including an elected member of each Constituent Council, and three independent Members engaged for their specialist skills and expertise. The 2022 Local Government Elections saw us welcome a new Representative from City of Victor Harbor, Angela Schiller. The Authority also engaged a new Independent Member in September 2022, Vicki Tomlinson. Both new members bring a wealth of experience and knowledge to the Board.

The Board is supported by an Executive Officer who gives effect to decisions and oversees the day to day operating functions of the the Authority and liaison with the YMCA.

In 2022/2023, the Executive Officer position was held by Andrew Baker, Victoria MacKirdy and Kellie Knight-Stacey.

During the 2022-2023 financial year the Board met 11 times at the City of Victor Harbor and Alexandrina Council offices. This included a training session and subsequent workshop to determine the current Strategic Risks of the Authority.



Steve Mathewson

Independent Chairperson Attended
11/11 meetings



Mark Easton

Independent Member
Attended 10/11 meetings



Vicki Tomlinson

Independent Member
Attended 10/10 meetings
(Commenced September 2022)



Cr Margaret Gardner

Alexandrina Council
Attended 9/11 meetings



Cr Angela Schiller

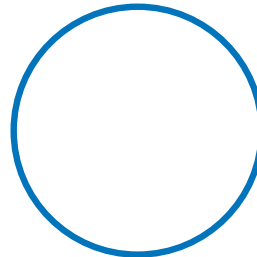
City of Victor Harbor
Attended 7/8 meetings
(Commenced December 2022)

Deputy Council Member Representatives



Cr Lou Nicholson

Alexandrina Council
Attended 4/7 meetings
(Commenced December 2022)



Cr Stewart Burns

City of Victor Harbor
Attended 7/8 meetings
(Commenced December 2022)

Audit & Risk Management Committee



The Audit & Risk Management Committee provides assurance support to the Authority Board through the review of key documents and information.

In accordance with the Terms of Reference, the Committee's key responsibilities include:

- reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the Authority;
- reviewing the adequacy of Authority risk management systems;
- proposing, and providing information relevant to, a review of the Authority's strategic management plans or annual business plan;

- liaising with the Authority's external auditor; and
- reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Authority on a regular basis.

The Audit & Risk Management Committee met eight (8) times in the 2022-2023 financial year.

Independent Chairperson



Independent Member



Authority Board Member



Constituent Council Representatives



Fleurieu Aquatic Centre

“

We continue to grow our service to the community, thinking innovatively with a focus on improving accessibility and sustainability at the forefront of our future vision.

”

Competitive Neutrality

The Constituent Councils and the Authority must comply with the principles of competitive neutrality in the conduct of significant business activities. The principles of competitive neutrality do not limit the types of business activities which councils (hence the Authority) may engage in, but requires that where these business activities are significant they are provided in a manner which is competitively neutral (provided that the public benefits of doing so outweigh the costs). The Authority is obliged by its Charter to undertake a competitive neutrality assessment of its significant business activities each year. The Board reviewed the fees and charges in 2022/23 to ensure that the principles of competitive neutrality were maintained.

Fleurieu Aquatic Centre Performance

Key Achievements

Membership peaked to **1198**, Member growth increase of **4.3%** from 2021/2022.

183,036 Centre visits during the year, an increase of **4.9%** (8,544) from 2021/2022.

Ongoing management of COVID-19 safety systems.

Social Impact Highlights

YMCA in partnership with Surf Lifesaving SA and other community organisations, launched the Parnggi Yarlular Porlar (Water Ocean Kids) program, of which the Fleurieu Aquatic Centre is a proud program member.

This initiative offers an invaluable opportunity to up to 25 First Nations children aged 7-12 years across SA to participate in free swimming lessons during Terms 2 and 3, in addition to the Nippers program at Goolwa Surf Lifesaving Club. The funding for this program is from an Office of Recreation Sport and Racing Grant, a reflection of the YMCA's proactive approach to seeking resources to facilitate such transformative programs, bringing the opportunity to local children in our community.

Another standout moment of the year was the introduction of Australia's inaugural public access Sensory Hydrotherapy sessions. This is an innovative new program transforming the hydrotherapy pool into a calm dark area with visual sensory lighting, projections and music, offering an accessible, low sensory pool session, ideal for those who would benefit from a calmer environment. This program was made possible by the collaboration between the Authority, YMCA, Mission Australia and Alexandrina Council.

Aqua Babies was launched in February 2023 and is a free program to introduce infants aged 3-6 months old to the water, providing a nurturing and supportive environment for their initial aquatic experiences. Serving as a feeder into the broader swimming lesson program, Aqua Babies ensures a seamless transition into water-based activities for these young participants.

Our swimming lesson program stands as a marker of our commitment to water safety and education.



The impressive statistic of over 13,544 lessons delivered in 2022/23 underscores our dedication to imparting essential skills in the Fleurieu community. With lessons catering to a diverse age range, spanning from 6-month-old infants to adults, including those with additional support needs, we continue to offer an inclusive and welcoming space for all.

School holiday activities continue to be a key focus at the Centre, with a diverse range of offerings both in and out of the pool provided to engage with local youth. This includes Mega Splash, inflatable volleyball, slime making, slide n splash and cookie decorating.

The YMCA's dedication to community enrichment continues to embrace the social connection aspect of the Authority's vision. A number of social events were relaunched in 2022/2023 after years of Covid interruptions, including the 80's disco aqua aerobics event. Beyond being a fun and entertaining social gathering, it also served a higher purpose by raising \$395 for a local charity that runs a community pantry, providing support to families facing challenging circumstances.

Social Impact Highlights (cont)

This collaborative effort highlights the Centre’s role as a hub for both fitness and community involvement, fostering a culture of giving back.

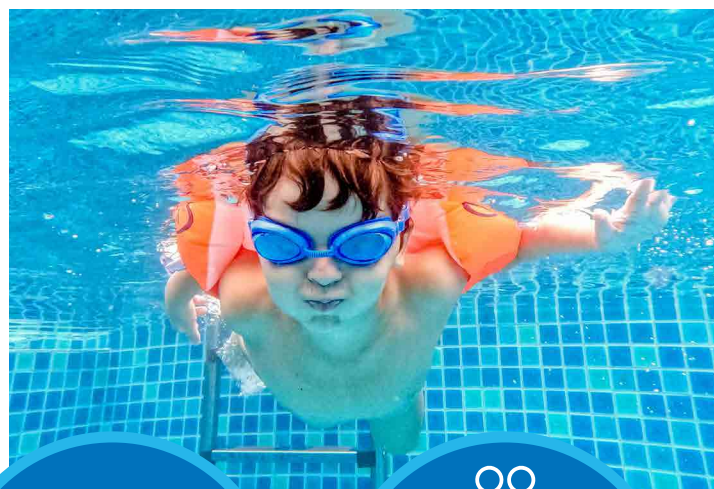
The Centre’s members remain at the heart of its accomplishments. The “Member of the Month” initiative continued throughout the year, providing a platform to celebrate the remarkable stories of individuals on their fitness journeys. These narratives are a testament to the positive impact the Centre has on its members, serving as a source of motivation and inspiration.

The Fleurieu Aquatic Centre has solidified its standing as a nurturing ground for talent and community engagement. The Great Southern Swimming Club continues to flourish with training sessions held five times a week. The club’s consistent growth, averaging 20-30 active swimmers per session, showcases the Centre’s pivotal role in honing local athletes and providing them with a platform to excel.

The YMCA demonstrated resourcefulness by repurposing unclaimed lost property, including bathing suits and goggles. These items were generously donated to a swim school in

Zimbabwe, which in turn distributed them to underprivileged children, showcasing a heartwarming display of international collaboration and support.

These new initiatives and programs build on our existing partnerships with a number of community organisations such as MS Society, YWCA, Department of Education, and Community Living Australia.



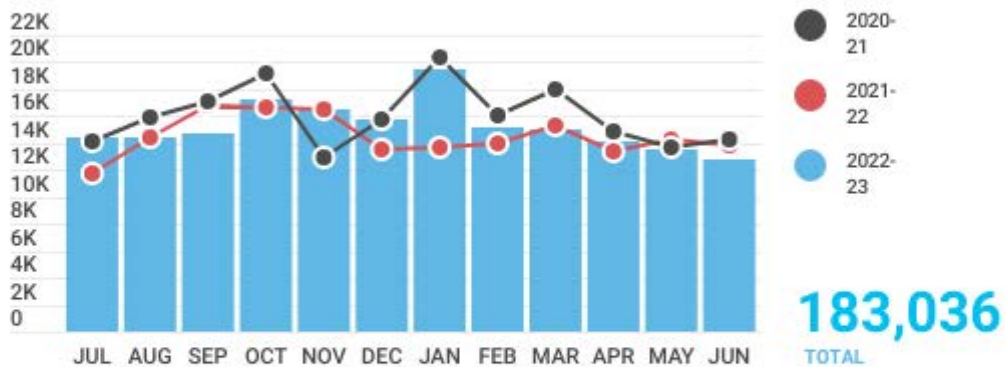
YMCA
dedication to community enrichment

A nurturing ground for talent & community engagement



Centre Utilisation

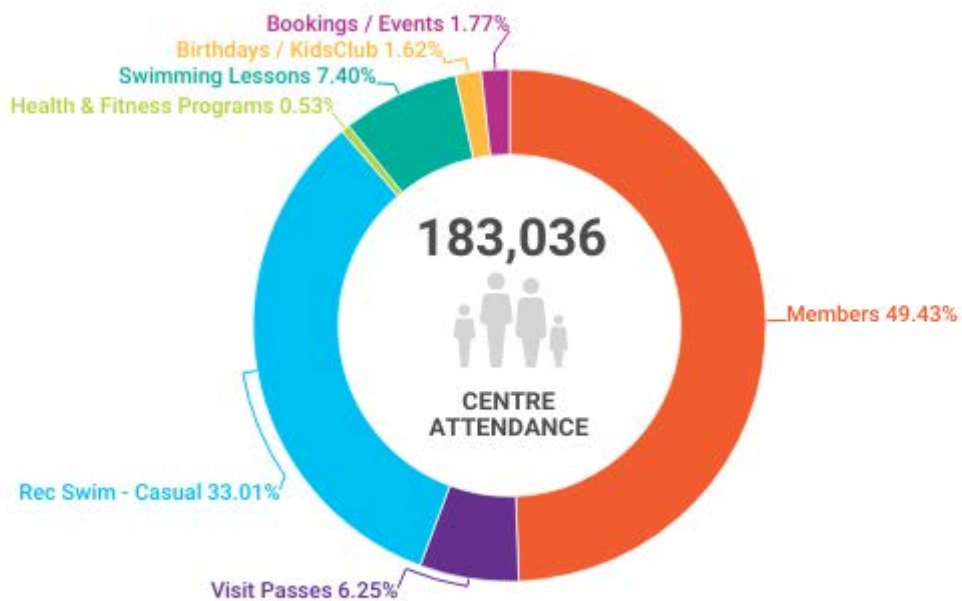
Site Attendance




Peak Membership
1,198

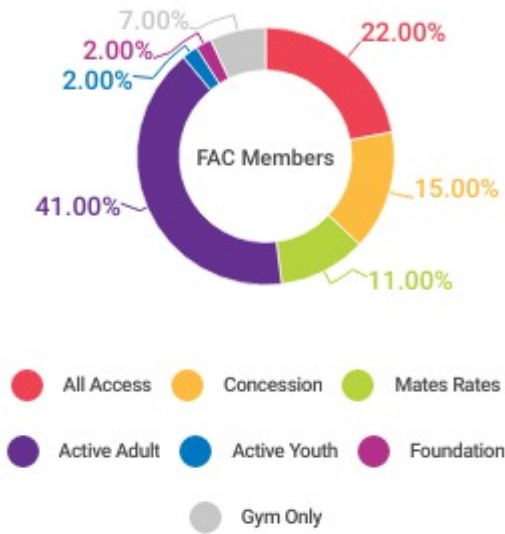

Peak Swimming Lessons Participants
451


Employees as of 30 June 2023
19 FTE

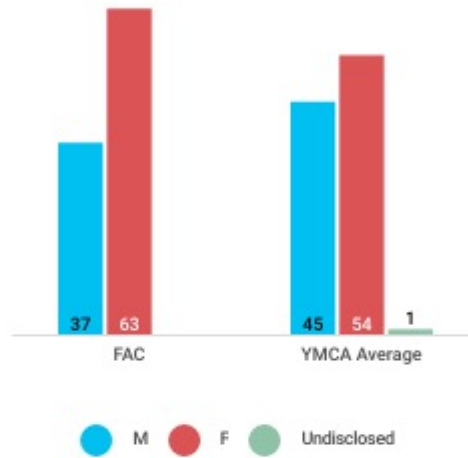


Members

MEMBERSHIP TYPE BREAKDOWN



GENDER



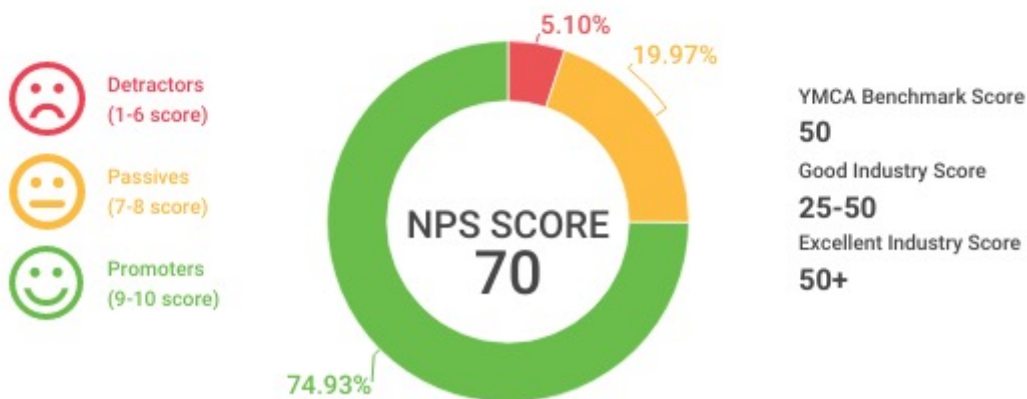
Community Feedback

The **Ask Nicely** system gathers customer feedback online via a short survey to calculate a Net Promoter Score for the Centre, with any concerns addressed by the Centre Manager. The overall score for 2022/2023 has increased to 70, from a score of 69 in 2021/2022.



COMMUNITY

NET PROMOTER SCORE



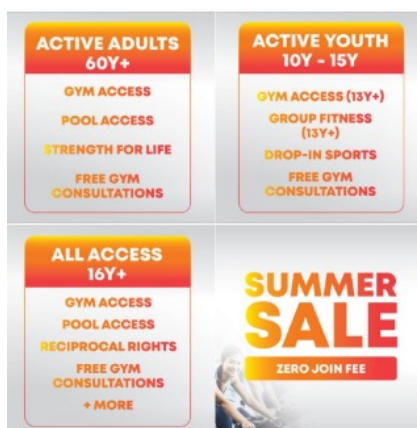
Marketing & Communication

The marketing strategy for the year 2022/23 had a clear focus on boosting Centre membership and enhancing community involvement, prioritising two key programs – swimming lessons and group fitness.

Highlighting these offerings promoted avenues for personal growth, fitness and the opportunity to reengage our close-knit community.

The following campaigns and promotions were run throughout the year using a range of media to increase reach and target specific demographic groups. Engagement is undertaken through a range of marketing activity, local newspapers, online promotions including social media, website and sharing through likeminded partners including Alexandrina and the City of Victor Harbor Councils.

- School holiday focused promotion included VacSwim, and school holiday programming for each school holiday period. This comprehensive approach led to impressive increases in attendance for recreational swimming activities and corresponding revenues.
- Showcasing transformative journeys and achievements of Centre members to capture emotional bonds forged in the Centre's welcoming environment. This included swim fundraising efforts for the Starlight Children's Foundation, and regular 'swimmer of the week' social media posts from Junior Swim lessons.
- Internal member communication via email E-Blast.
- Promotion of new programs including Sensory Hydrotherapy and Parnggi Yarluwar Porlar (Water Ocean Kids).
- Aqua Guard Workshop promotion.



“

The Fleurieu Aquatic Centre has solidified its standing as a nurturing ground for talent and community engagement.

”



**Fleurieu Regional Aquatic
Centre Authority**

XXXXXXXXXXXXXX

Financial Statements

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 7.5 Treasury Report
Date: 3 October 2023
References: Treasury Management Policy
Consultation: Nil
Attachments: 7.5a LGFA Statement
7.5b Treasury Management Policy

Purpose

The purpose of this report is to provide an update to the Committee regarding the treasury management performance of the Authority prior to presentation to the Board.

Background

The Treasury Management Policy provides a clear direction to guide the Authority in relation to the treasury function, support decision making regarding its financial operations, and ensure it is operating in a financially sustainable manner.

Clause 3e of the Policy states:

At least once a year the Authority Board shall receive a specific report regarding treasury management performance relative to this policy document. The report shall highlight:

- *for each borrowing and investment - the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report;*
- *the average balance of funds held in non-investment accounts for the reporting period; and*
- *the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period along with key reasons for significant variances compared with the targets specified in this policy.*

A Treasury Report was presented to the Committee at its meeting held 1 December 2022 where the following was resolved:

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.*

At its meeting held 16 December 2022, the Board resolved the following in response to the Committee’s recommendation:

The Authority Board:

- *receive and note the report; and*
- *request the Executive Officer review future investment options for reconsideration of the Board once outcomes are known from the Long-Term Financial Plan and Asset Management Plan.*

Discussion

The Authority had no borrowings for the reporting period.

The below table provides details of the Authority’s deposits for the 2022/23 financial year including investment accounts with the Local Government Finance Authority (LGFA) and the ANZ operating account:

Account type	Balance as at:		Average Balance Held	Average Interest Rate
	01/07/2022	30/06/2023		
LGFA - Surplus Funds	8,781.36	10,407.25	9,800.54	2.90%
LGFA - Depreciation Reserve	582,409.76	599,261.81	589,995.82	2.90%
ANZ – Operating Account	95,183.31	113,426.72	147,986.48	0.01%

Credit interest rates on at call deposits with the LGFA rose over the course of the year from 1.05% in July 2022 to 4.30% in on 30 June 2023.

A copy of the LGFA statement for the financial year is provided at Attachment 7.5a.

Excluding the depreciation reserve, cash held at 30 June 2023 totals \$123,833.97 and as such no disbursement to Constituent Councils was required as per clause 3c of the Policy.

Interest received into the deposit accounts during the reporting period totals \$16,792.04. There were no funds transfers noted on the LGFA statements. Credit interest performance could be improved by regular transfers from the ANZ operating account to the LGFA Surplus funds account as per clause 3d of the Policy which states:

“Subject to above (clause 3c), the Authority’s funds that are not immediately required for operation needs and cannot be applied top either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with ‘at call’ market rates shall be kept at a level that is no greater than is required to meet immediate working capital requirements.”

Future Considerations

The Authority may be required to obtain loan funding from the LGFA to deliver its energy efficiency project. The amount of any loan funding will be known once the outcome of the current request for tender has been determined, as well as outcomes of a Federal Government grant fund application (Expression of Interest lodged August 2023) and State Government grant fund application (submission lodged 25 September 2023). While a

detailed timeframe for implementation of the project has not yet been confirmed, it is anticipated that works will commence from April 2024.

As the Executive Structure Review is in progress, no changes are recommended to current investment practices except for the commencement of regular transfers of funds to and from the operating account to maximise credit interest where resources permit.

The review of the Authority Long Term Financial Plan and Asset Management Plan will commence in the very near future. Any consideration of potential investment of Authority funds will be better informed after these reviews are finalised.

A copy of the Treasury Management Policy is provided at Attachment 7.5b.

Recommendation

The Audit and Risk Management Committee receives and notes the report on Treasury Management performance.

Transaction Statement from 01/07/2022 to 30/06/2023 inclusive

Council Deposits

Deal	Action Date	Transaction	Interest Rate	Amount	Balance
Fleur Reg Aquatic 01 Dep res					
Council Dep - 24HR Mthly - 59813					
	01/07/2022	Opening Balance	1.05%		\$582,409.76
59813	01/07/2022	Capitalise Interest	1.05%	\$446.74	\$582,856.50
59813	01/08/2022	Capitalise Interest	1.55%	\$727.34	\$583,583.84
59813	01/09/2022	Capitalise Interest	2.05%	\$1,000.14	\$584,583.98
59813	04/10/2022	Capitalise Interest	2.55%	\$1,177.15	\$585,761.13
59813	01/11/2022	Capitalise Interest	2.80%	\$1,377.03	\$587,138.16
59813	01/12/2022	Capitalise Interest	3.05%	\$1,467.82	\$588,605.98
59813	03/01/2023	Capitalise Interest	3.30%	\$1,625.54	\$590,231.52
59813	01/02/2023	Capitalise Interest	3.30%	\$1,654.22	\$591,885.74
59813	01/03/2023	Capitalise Interest	3.55%	\$1,583.52	\$593,469.26
59813	03/04/2023	Capitalise Interest	3.80%	\$1,886.96	\$595,356.22
59813	01/05/2023	Capitalise Interest	3.80%	\$1,859.44	\$597,215.66
61538	01/06/2023	INTEREST FROM DEAL 59813	4.05%	\$2,046.15	\$599,261.81
	30/06/2023	Closing Balance	4.30%		\$599,261.81
Accrued Interest for Selected Period				\$16,514.66	
Unpaid Accrued Interest for Interest Period				\$2,093.32	
Fleur Reg Aquatic 01 Dep res Total for Selected Period				\$16,514.66	
Fleur Reg Aquatic 01 Dep res Total Unpaid for Interest Period				\$2,093.32	
Fleur Reg Aquatic General					
Council Dep - 24HR Mthly - 59814					
	01/07/2022	Opening Balance	1.05%		\$8,781.36
59814	01/07/2022	Capitalise Interest	1.05%	\$6.70	\$8,788.06
59814	01/08/2022	Capitalise Interest	1.55%	\$10.92	\$8,798.98
59814	01/09/2022	Capitalise Interest	2.05%	\$14.99	\$8,813.97
59814	04/10/2022	Capitalise Interest	2.55%	\$17.83	\$8,831.80
59814	28/10/2022	SPECIAL DISTRIBUTION ON LOANS	2.80%	0	\$8,831.80
59814	28/10/2022	SPECIAL DISTRIBUTION ON DEPOSITS	2.80%	\$1,343.78	\$10,175.58
59814	01/11/2022	Capitalise Interest	2.80%	\$21.20	\$10,196.78
59814	01/12/2022	Capitalise Interest	3.05%	\$25.47	\$10,222.25
59814	03/01/2023	Capitalise Interest	3.30%	\$28.16	\$10,250.41
59814	01/02/2023	Capitalise Interest	3.30%	\$28.77	\$10,279.18
59814	01/03/2023	Capitalise Interest	3.55%	\$27.51	\$10,306.69
59814	03/04/2023	Capitalise Interest	3.80%	\$32.72	\$10,339.41
59814	01/05/2023	Capitalise Interest	3.80%	\$32.33	\$10,371.74
61539	01/06/2023	INTEREST FROM DEAL 59814	4.05%	\$35.51	\$10,407.25
	30/06/2023	Closing Balance	4.30%		\$10,407.25
Accrued Interest for Selected Period				\$277.38	
Unpaid Accrued Interest for Interest Period				\$36.39	
Fleur Reg Aquatic General Total for Selected Period				\$277.38	

Fleur Reg Aquatic General Total Unpaid for Interest Period

\$36.39**Summary**

Council	Accrued Interest	Unpaid Accrued Interest
Fleur Reg Aquatic 01 Dep res Total	\$16,514.66	\$2,093.32
Fleur Reg Aquatic General Total	\$277.38	\$36.39
Grand Total	\$16,792.04	\$2,129.71

Treasury Management Policy

Creation Date & Authority Resolution		22 September 2017 / FRACA000106	
Version	2.0	Review Frequency	Triennial
Review Date	17 December 2021	Next Review Due	December 2024
Related Documents	FRACA Charter		
Applicable Legislation	Local Government Act 1999; Local Government (Financial Management) Regulations 2011		

1. Introduction

This policy provides clear direction to guide the Fleurieu Regional Aquatic Centre Authority (the Authority) in relation to the treasury function. It underpins the Authority's decision-making regarding the financing of its operations as documented in its annual budget and long-term financial plan and associated projected, and actual cash flow receipts and outlays.

The Authority is committed to adopting and maintaining a long-term financial plan and operating in a financially sustainable manner.

All investments and borrowings are to be made exercising care, diligence, and skill that a prudent person of business would exercise in managing the affairs of other persons.

The Authority Charter provides as follows:

2.1 **Functions and Powers**

2.1.3 *to accumulate surplus funds for investment purposes;*

2.1.4 *to establish and maintain a reserve fund or funds clearly identified for the upkeep and/or replacement of fixed assets of the Authority or meeting any deferred liability of the Authority;*

2.1.5 *to establish and maintain a cash reserve development fund or funds clearly identified for future initiatives supported by the Strategic Plan;*

2.1.7 *to borrow funds and incur expenditure in accordance with Clause 2.6;*

2.1.16 *to invest any funds of the Authority in any investment provided that:*

2.1.16.1 *in exercising this power of investment the Authority must exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and*

2.1.16.2 *the Authority must avoid investments that are speculative or hazardous in nature;*

2.1.16.3 *any investments must be with the Local Government Finance Authority only;*

2.5 **Borrowings and Expenditure**

2.5.2 *Subject to Clause 2.5.3 the Authority has the power to borrow money as follows:*

2.5.2.1 *in accordance with a budget adopted by the Authority as required by the Act or this Charter;*

2.5.2.2 *in respect of an overdraft facility or facilities up to a maximum amount of \$100,000;*

2.5.2.3 *with the prior approval of the Constituent Councils.*

2.5.3 *Unless otherwise approved by both of the Constituent Councils, any and all borrowings taken out by the Authority:*

2.5.3.1 *must be from the Local Government Financial Authority; and*

2.5.3.2 *in the case of fixed loans, must be drawn down within a period of 24 months from the date of approval.*

2. Policy Objectives

This policy establishes a decision framework to ensure that:

- funds are available as required to support approved outlays;
- interest rate and other risks (e.g. liquidity and investment credit risks) are acknowledged and responsibly managed;
- a process is in place to monitor cash and anticipated future cash flows with surplus funds invested or disbursed in accordance with this policy; and
- the net interest costs of the Authority and the Constituent Councils associated with borrowing and investing are reasonably likely to be minimised on average over the longer term.

3. Policy Statements

a. Treasury Management Strategy

The Authority's operating and capital expenditure decisions are made based on:

- identified need and benefit relative to other expenditure options;
- cost effectiveness of the proposed means of service delivery; and,
- affordability of proposals having regard to the Authority's long term financial sustainability, including consideration of the cost of capital.

The Authority manages its finances holistically in accordance with its Charter and overall financial sustainability strategies and targets. This means the Authority will:

- not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- borrow funds in accordance with the requirements set out in its long term financial plan; and
- apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

b. Interest Rate Risk Exposure

The Authority has set range limits for both fixed and variable interest rate borrowings to minimise net interest costs on average over the longer term and at the same time manage interest rate movement risks within acceptable limits. In the initial years of the Authority's operation, additional consideration will need to be given to the composition of its loan portfolio in particular the use of fixed versus variable rate borrowings. The Authority may need to consider operating outside its range limits in the initial years of operation until their borrowings reach an appropriate threshold to warrant reducing interest rate risk.

i. Fixed Interest Rate Borrowings

To ensure an adequate mix of interest rate exposures, the Authority will structure its portfolio of borrowings to progressively achieve and thereafter maintain on average in any year, not less than 30% of its gross debt in the form of fixed interest rate borrowings.

To spread its exposure to interest rate movements, the Authority will aim to have a variety of maturity dates on its fixed interest rate borrowings over the available maturity spectrum.

In circumstances where the Authority needs to raise new fixed interest rate borrowings it will consider using medium to long-term borrowings (3 years or more duration) that:

- require interest payments only; and
- allow the full amount of principal to be repaid (or rolled over) at maturity.

The Authority also will ensure that no more than 30% of its fixed interest rate borrowings mature in any year.

ii. Variable Interest Rate Borrowings

In circumstances where the Authority needs to raise new variable rate borrowings it will do so by utilising an *LGFA Cash Advance Debenture Facility* which enables principle to be repaid or redrawn at call. The Authority will structure its portfolio of borrowings to progressively achieve, and then maintain, not less than 30% of its gross debt on average in any year in the form of variable interest rate borrowings.

c. Disbursements

The Authority's funds that are not required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings may be returned to the Constituent Councils as a Disbursement of Capital, subject to the following criteria:

- only cash reserves above \$250,000 shall be disbursed to allow sufficient working capital; and
- disbursement will occur on an annual basis between April and June based on the projections of the Annual Budget and Long-Term Financial Plan.

d. Investments

Subject to above, the Authority's funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested. The balance of funds held in any operating bank account that does not provide investment returns at least consistent with 'at call' market rates shall

be kept at a level that is no greater than is required to meet immediate working capital requirements.

The Authority's funds available for investment will be lodged 'at call' or, having regard to differences in interest rates for fixed term investments of varying maturity dates, may be invested for a fixed term. In the case of fixed term investments, the term should not exceed a point in time where the funds otherwise could be applied to cost-effectively either defer the need to raise a new borrowing or reduce the level of the Authority's variable interest rate borrowing facility. Investments fixed for a period greater than 12 months are to be approved by the Constituent Councils.

When investing funds, the Authority will select the investment type which delivers the best value, having regard to investment returns, transaction costs and other relevant and objectively quantifiable factors.

The Authority may from time to time invest surplus funds in:

- deposits with the Local Government Finance Authority; and/or
- bank interest bearing deposits.

Any other investment requires the specific approval of the Constituent Councils. Where the Constituent Councils authorise any investments of a type outside of those specified above, the amount so invested will be cumulatively limited to no more than 20% of the average level of funds expected to be available for investment by the Authority over the duration of the specific authorised investments.

A Depreciation Reserve account has been established with the Local Government Finance Authority. Monies may be transferred on a quarterly basis for the purposes of funding future capital renewal.

Depreciation Reserve funds will be utilised to fund planned renewal and replacement of assets in line with the Asset Management Plan and reflected in approved Annual Budgets. Should the Authority propose to utilise Depreciation Reserve funds for any form of expenditure that is outside of the Asset Management Plan and approved Annual Budgets, approval will be required from both Constituent Councils.

e. Reporting

At least once a year the Authority Board shall receive a specific report regarding treasury management performance relative to this policy document.

The report shall highlight:

- for each borrowing and investment - the quantum of funds, its interest rate and maturity date, and changes in the quantum since the previous report;
- the average balance of funds held in non-investment accounts for the reporting period; and
- the proportion of fixed interest rate and variable interest rate borrowings at the end date of the reporting period and an estimate of the average of these proportions across this period along with key reasons for significant variances compared with the targets specified in this policy.

4. Responsibilities

The Authority Executive Officer has overall responsibility for ensuring that treasury management is conducted in accordance with legislation, Accounting Standards and Authority policies.

5. Delegations

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

6. Availability of Policy

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

7. Review

This policy shall be reviewed by the Authority triennially.

Document History

VERSION	DOCUMENT	ACTION	DATE
1.0	Approved version	FRAC Authority endorsement	22 September 2017
2.0	Approved version	FRAC Authority endorsement	17 December 2021

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 8.1 Strategic Risk Management Framework
Date: 3 October 2023
References: Nil
Consultation: Colleen Green, Local Government Risk Services

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 Acting Executive Officer, Kellie Knight-Stacey and Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.1 Strategic Risk Management Framework.

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) as it includes information relating to the commercial operations of the YMCA.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 8.2 Management Agreement
Date: 3 October 2023
References: Procurement Policy, YMCA Management Agreement 2016
Consultation: Mabel Tan, Norman Waterhouse

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 Acting Executive Officer, Kellie Knight-Stacey and Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.2 Management Agreement.

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 includes information that may prejudice the commercial position of the Authority.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 8.3 Executive Structure and Interim Resourcing
Date: 3 October 2023
References: Nil
Consultation: Nil
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 the FRACA Acting Executive Officer, Kellie Knight-Stacey and Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.3 Executive Structure Review and Interim Resourcing.

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 includes information that may prejudice the commercial position of the Authority.