



4 March 2024

Contact for apologies: admin@fleurieuaquaticcentre.com.au

Dear Member

Notice of Meeting

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

Date: Friday 8 March 2024
Time: 1:30 pm
Place: Large Meeting Room, Alexandrina Council

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

Yours faithfully

for
Kellie Knight-Stacey
Acting Executive Officer

Agenda

Audit & Risk Management Committee

Date & Time: Friday 8 March 2024, 1:30pm

Location: Large Meeting Room, Alexandrina Council

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 (General Manager, Alexandrina Council)

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Business Arising

- 5.1. Annual Work Plan
- 5.2. Resolutions Register

6. Verbal Report

- 6.1 Acting Executive Officer – Kellie Knight-Stacey

7. Reports

Nil

8. Confidential Reports

- 8.1. Fees and Competitive Neutrality Review
- 8.2. Annual Budget 2024-2025
- 8.3. Resolutions Register – In Confidence
- 8.4. External Audit Services

9. Next Meeting: 10 May 2024 – City of Victor Harbor, Encounter Room

10. Meeting Closed

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

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 4.1 Adoption of Minutes
Date: 8 March 2024
References: Nil
Consultation: Nil
Attachments: Nil

Purpose

The purpose of this report is to adopt the minutes of the meeting held by the Committee on the 2 February 2024.

Discussion

Public minutes of the Audit and Risk Management Committee meeting held 2 February 2024 were published on the Authority website, with a confidential version provided directly to Committee members for their information and review on 9 February 2024.

Recommendation

That the Audit and Risk Management Committee endorse the minutes of the meeting held 2 February 2024.

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight Stacey - Acting Executive Officer
Subject: 5.1 ARMC Annual Work Plan
Date: 8 March 2024
References: Nil
Consultation: Nil
Attachments: 5.1a ARMC Annual Work Plan 2024

Purpose

The purpose of this report is to provide an update on progress of the Committee's Workplan for 2024.

Background

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

Discussion

Since the last Committee meeting, work undertaken has been focused on the draft 2024/25 budget, energy efficiency project, grant funding and resolution registers.

The following items have been deferred to the May meeting, subject to resources:

- Risk Management Framework – breakdown of requirements to be detailed in the workplan.
- Competitive Neutrality Review – the 2024/25 draft fees and charges have now been received for consideration.
- Facility Management KPI review – this is on hold pending the management agreement.

Recommendation

That the Audit and Risk Management Committee receive and note the updated Work Plan as presented at Attachment 5.1a.

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

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

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 5.2 Resolutions Register
Date: 8 March 2024
References: Nil
Consultation: Nil
Attachments: 5.2a Resolutions for completion - ARMC
5.2b Resolutions in progress - ARMC

Purpose

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

Background

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

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

At the Committee meeting held 9 February 2024, public resolutions were presented to the Committee and the following resolved:

The Audit and Risk Management Committee:

- *receive and note the Resolutions Register Report; and*
- *endorse the status of 'completed' for the 3 resolutions contained within Attachment 5.2a; and*
- *acknowledge the 'in progress' status of the 12 resolutions contained within Attachment 5.2b.*

At its meeting held 15 February 2024, the Board also reviewed the resolutions of the Committee and endorsed and acknowledged the completion and status of resolutions as previously presented to the Committee.

Discussion

Attachment 5.2a provides the details of 13 resolutions for the Committee to consider marking as complete.

Attachment 5.2b provides the details of 4 resolutions currently maintained as in progress, with further work required prior to completion as noted next to each item.

Recommendation

The Audit and Risk Management Committee:

- *receive and note the Resolutions Register Report; and*
- *endorse the status of 'completed' for the 13 resolutions contained within Attachment 5.2a; and*
- *acknowledge the 'in progress' status of the 4 resolutions contained within Attachment 5.2b.*

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

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
22/10/2021	ARMC0117	5.1 A&RMC Annual Work Plan 2021	The Audit & Risk Management Committee: <ul style="list-style-type: none"> • Note the A&RMC Annual Work Plan 2021 as presented on 22 October 2021. • Note the requirement for the full legislative compliance review contained within the Workplan; • Recommend that Policy benchmarking be undertaken by the Executive Officer once all policy reviews have been completed by April 2022; and • Recommend the Executive Officer prepare a summary report of Committee activity to provide to the Authority Board highlighting outcomes for the Financial Year. 	Completed	Recommendations noted by Board and Committee Activity report presented annually.
22/10/2021	ARMC0123	7.6 Policy Review - Internal Financial Controls	The Audit & Risk Management Committee: <ul style="list-style-type: none"> • Adopts the Internal Financial Controls Policy as reviewed and amended by the Committee on 22 October 2021; • Recommends that the Executive officer reviews the Better Practise Model Internal Financial Controls and provides a list of controls to the Committee for review; and • The annual review of Internal Financial Controls is added to the Authority Work Plan. 	Completed	Policy endorsed and annual review of internal controls added to Workplan (FRACA00444)
23-Sep-22	ARMC00186	7.1.Audit Report 2021-2022	The Audit & Risk Management Committee: <ul style="list-style-type: none"> •receive and note the 2022 Audit Completion Report; •note the external Auditors list of matters to be addressed in future financial years, being the completion of an asset revaluation and an updated Asset Management Plan and Long Term Financial Plan; •recommend the progression of the asset revaluation as a high priority; and •recommends that the Authority Board adopts the actions listed as 'Matters to be addressed in Future Financial Years' in the 2022 Audit Completion Report. 	Completed	Noted and recommendations presented to Board (FRACA00545) Revaluation completed.
1-Dec-22	ARMC00194	5.1 A&RMC Annual Work Plan 2022	The Audit & Risk Management Committee: <ul style="list-style-type: none"> - receive and note the updated A&RMC Annual Work Plan 2022 as presented on 1 December 2022; - recommends the Board allocate funds to source an external contractor to undertake a review of the operational legislative compliance framework, and facilitate the development of the Authority's Legislative Compliance framework; and - request a schedule for the review of outstanding strategic documents to inform the Committee, Board and Executive Officer's Workplan and to identify resources required to complete all activities in an agreed timeframe. 	Completed	Noted and recommendations presented to Board (FRACA00577)
24-Mar-23	ARMC00231	5.1.A&RMC Annual Work Plan 2023	The Audit & Risk Management Committee: <ul style="list-style-type: none"> •receive and note the updated A&RMC Annual Work Plan 2023 as presented on 24 March 2023; •note that the item Review of Local Government Act Changes will be rescheduled to September 2023; and •note that the imminent changes in regard to Audit and Risk Committees is to be implemented in November 2023, with a review of the effect on the subsidiary to be undertaken by September 2023. 	Completed	Review on subsidiary undertaken - no amendments to current practices or documentation required.
24-Mar-23	ARMC00233	7.2.Policy Review – Disposal of Land and Assets	The Audit & Risk Management Committee request further review of the policy be undertaken to determine delegations and processes to dispose of assets in relation to Board and Constituent Council input.	Completed	Disposal of Land and Asset Policy reviewed as at 28 April 2023 and endorsed by Board (FRACA 00641)

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

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
21-Apr-23	ARMC00246	5.1 A&RMC Annual Work Plan 2023	The Audit & Risk Management Committee: <ul style="list-style-type: none"> •receive and note the updated Annual Work Plan 2023 as presented at Attachment 5.1a subject to confirmation of the May meeting date; and •recommend that the Board outsource the Legislative Compliance Review to ensure that the changes required are identified and relevant documents updated for presentation. 	Completed	Workplan updated and Board endorsed the outsourcing Legislative Compliance Review (FRACA00636). Quotes sought, on hold pending Executive Structure Review Outcome
5-Dec-23	ARMC00279	7.1 2022/23 Annual Activity Report	That the Audit and Risk Management Committee: <ul style="list-style-type: none"> •receive and note the 2022/23 Annual Activity report; and •Request the Acting Executive Officer present the report to the Authority Board at its next meeting. 	Completed	Activity Report presented to Board at meeting held 15 Feb 2024. Received and Noted.
2-Feb-24	ARMC00290	5.1.A&RMC Annual Work Plan	That the Audit and Risk Management Committee receive and note: <ul style="list-style-type: none"> •the updated and final Annual Work Plan 2023 as presented at attachment 5.1a; •the updated Annual Work Plan 2024 as presented at attachment 5.1b; and •recommend that the Authority Board consider the appointment of an external auditor to undertake the required audit activities for the 2023/2024 annual financial statements. 	Completed	Authority Board endorsed engagement of external Auditor (FRACA00731)
2-Feb-24	ARMC00291	5.2.Resolutions Register	The Audit and Risk Management Committee: <ul style="list-style-type: none"> •receive and note the Resolutions Register Report; •endorse the status of 'completed' for the 3 resolutions contained within Attachment 5.2a; •acknowledge the 'in progress' status of the 12 resolutions contained within Attachment 5.2; and •note the resolutions register will be provided to the Authority Board at their February 2024 meeting for their information. 	Completed	Register presented to Board 15 Feb 2024, endorsed closure of resolutions as recommended by Committee
2-Feb-24	ARMC00292	6. Verbal Report	The Audit and Risk Management committee: <ul style="list-style-type: none"> •receive and note the verbal report as provided by the Acting Executive Officer; •recommends to the Authority Board that an appropriate evaluation be undertaken to determine the level of risk associated with ongoing resourcing constraints; •recommends a further evaluation of risk associated with resourcing a major infrastructure project, should grant funding be successful for the Energy Efficiency Project; and •recommends the Authority Board approves the procurement of risk management services from a suitable third-party provider to undertake the evaluations. 	Completed	Recommendation provided to Board 15 Feb 2024.
2-Feb-24	ARMC00293	7.1. Policy Review - Delegations	That the Audit and Risk Management Committee recommend the Authority Board adopts the Delegations Policy as reviewed and amended by the Committee to incorporate Level 5 as Deputy Chair, and subsequent delegation to bank signatory activity.	Completed	Policy endorsed by Board as presented and recommended by Committee. Published to website 16/2/2024
2-Feb-24	ARMC00294	7.2 Budget Review 2023-2024 Q2	That the Audit and Risk Management Committee recommend the Authority Board: <ul style="list-style-type: none"> •adopt the Budget Review for the period ending 31 December 2023 with no proposed changes to the adopted budget for 2023/2024; and •recommend the Budget Review as at 31 December 2023 be provided to Constituent Councils with no amendment to Council contributions. 	Completed	Board endorsed Budget Review as presented and recommended by Committee.

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

Meeting Date	Resolution Number	Agenda Item	Resolution	Status	Notes
6-Jun-22	ARMC00156	7.2 Asset Management Plan	The Audit & Risk Management Committee recommends to the Authority Board: * Note the review of the Asset Management Plan will be informed, in part, by the outcome of the Asset Revaluation due for completion by 30 June 2022; and * That a substantive review of the Asset Management Plan be undertaken subsequent to the Asset Revaluation and External Audit.	In Progress	Asset Management Plans on hold due to resourcing and Executive Structure Review.
24-Mar-23	ARMC00234	7.3.Policy Review – Records Management	The Audit & Risk Management Committee recommend to the Authority Board the adoption of the policy Records Management v3.0 as reviewed and amended by the Committee on 24 March 2023.	In Progress	Records Management Policy endorsed by Board (FRACA00618). To be updated to current format and added to website.
24-Mar-23	ARMC00235	7.4.Financial Services Model and Internal Financial Controls Register Creation	The Audit & Risk Management Committee: •receive and note the report; •note the extension of the Support Services Agreement with Alexandrina Council for the provision of administrative and financial support services to the Authority until the review of the Executive Structure is finalised to 30 June 2023, or other arrangements are in place; and •note the review of Internal Financial Controls will continue to progress in alignment with the Executive Structure review to assist in informing an appropriate Financial Services Model for the Authority.	In Progress	Support Services Agreement ceased 30 September 2023. Internal Financial Controls review on hold due to resourcing and Executive Structure Review.
5-Dec-23	ARMC00277	5.1 A&RMC Annual Work Plan	That the Audit and Risk Management Committee receive and note: • the updated Annual Work Plan 2023 as presented at Attachment 5.1a; • the Annual Work Plan 2024 incorporating the meeting schedule as presented at Attachment 5.1b subject to: * inclusion of activities from the risk management framework and underlying steps; and * Confirmation of meeting dates	In Progress	Meeting dates confirmed. Risk Management Framework activities to be identified and included in workplan in further detail.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 8.1 Fees and Competitive Neutrality Review
Date: 8 March 2024
References: Nil
Consultation: James Lomax – Regional Manager YMCA
Attachments: 8.1a FAC Fees Schedule

Recommendation

Pursuant to section 90(2) of the Local Government Act 1999, the Committee orders that all members of the public be excluded, with the exception of Acting Executive Officer, Kellie Knight-Stacey, and FRACA Administration Officer, Danielle Leckie, on the basis that it will receive and consider item 8.1 Fees and Competitive Neutrality Review.

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

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

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

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it contains information relating to the commercial operations of the Fleurieu Aquatic Centre as managed by 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 Annual Budget 2024-2025

Date: 8 March 2024

References: Nil

Consultation: James Lomax – YMCA

Attachments: 8.2a Long Term Financial Plan 2023-2032 (Draft)
8.2b FAC Business and Marketing Plan 2024-2025
8.2c FAC Maintenance Plan 2024-2025
8.2d FRACA Draft Annual Budget 2024-2025
8.2e New and Replacement Capital 2024-25

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 8.2 Annual Budget 2024-2025.

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

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

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

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it contains commercial information relating to the operational management of the centre.

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 8.3 Resolutions Register – In Confidence
Date: 8 March 2024
References: Nil
Consultation: Nil
Attachments: 8.3a Confidential Resolutions – Completed
8.3b Confidential Resolutions – In progress
8.3c Confidential Items Register – Release from confidence
8.3d Confidential Items Register – Maintain in confidence

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 8.3 Resolutions Register – In Confidence.

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

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

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

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential.

Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 8.4 External Audit Services
Date: 8 March 2024
References: Nil
Consultation: Dean Newbery and Partners
Attachments: 8.4a Audit Services Contract Dean Newbery & Partners

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 8.4 External Audit Services.

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

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

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

Accordingly, the Committee is satisfied that the principle that the meeting should be conducted in a place open to the public has been outweighed by the need to keep the information and discussion confidential as it contains commercial information relating to a contract with a third party to the Authority.