

Date: Thursday 20 September 2018

Location: Alexandrina Council Office – 11 Cadell St Goolwa, Large Meeting Room

Meeting opened at 10:00am

1. ATTENDANCE

Present:

Ian Swan (Independent Chairperson)

John Coombe OAM (FRACA Board Member)

Elizabeth Williams (General Manager Organisation & Community, Alexandrina Council)

Kellie Knight-Stacey (Interim Director Corporate & Community Services City of Victor Harbor)

In attendance:

Leonie Boothby, Executive Officer

2. APOLOGIES

Alison Kimber (Deputy Chairperson & FRACA Board Member)

3. CONFLICT OF INTEREST

Nil

4. MINUTES OF THE PREVIOUS MEETING

Moved: Mr John Coombe OAM

Seconded: Ms Elizabeth Williams

FRACA-ARMC0021 That the minutes of the previous Fleurieu Regional Aquatic Centre Authority Audit & Risk Management Committee meeting held on Thursday 26 April 2018 as circulated be confirmed as a true and accurate record.

CARRIED

5. BUSINESS ARISING

5.1 Resolutions Report and Work Program

Moved: Ms Elizabeth Williams

Seconded: Ms Kellie Knight-Stacey

FRACA-ARMC0022

That the Committee note the Work Program and Resolutions Report as at 20 September 2018.

CARRIED

6. PRESENTATIONS

Nil

7 REPORTS

7.1 2017-18 Financial Results

Moved: Mr John Coombe OAM

Seconded: Ms Kellie Knight-Stacey

FRACA-ARMC0023 That the Authority Audit & Risk Management Committee recommend to the Authority Board:

1. That in accordance with S10 of the Local Government (Financial Management) Regulations 2011, the report showing the audited financial results of the Authority compared with the budget for the financial year ending 30 June 2018 be received.
2. That the 2018-19 Annual Business Plan and Budget be updated to reflect the year end results.

CARRIED

7.2 Draft Annual Report and Audited Financial Statements 2017-18

Mr Jim Keough, Partner Dean Newbery & Partners, attended the meeting via teleconference from 11:00am to 11:15am and discussed the content of the Audit Completion Report with the Committee.

Feedback and suggested minor amendments to Annual Report content were provided by the Committee for actioning prior to presentation of draft documents to the Board.

Moved: Ms Kellie Knight-Stacey

Seconded: Mr John Coombe OAM

FRACA-ARMC0024 That the Committee recommend to the Authority Board that it:

1. Adopts the 2017-18 Annual Report for Fleurieu Regional Aquatic Centre Authority as presented in the attachment, with any necessary non-material amendments to be made by the Executive Officer;
2. Receives and notes the Fleurieu Regional Aquatic Centre Authority Annual Financial Statements 2017-18;
3. Delegates approval of any changes to the Year End Financial Statements required by audit to the Authority Chairperson on behalf of the Board;
4. Delegates to the Deputy Chairperson to sign Year End Financial Statements in the absence of the Chairperson;
5. Endorses presentation to the constituent Councils of the Annual Report (incorporating Year End Financial Statements) prior to 30 September 2018;
6. Approves an exemption from Authority Procurement Policy requirements to facilitate engagement of current provider Alexandrina Council as provider of Finance Support Services for financial years 2018-19, 2019-20 and 2020-21 and request that, in line with external audit recommendation, that in providing future services, Alexandrina Council consider retention of corporate knowledge via provision of suitable backfill arrangements as required;
7. Reviews the Authority Asset Accounting Policy in line with external audit comments; specifically, to review the methodology, process and timing of revaluation of assets and associated impacts on 2018-19 Budget Depreciation Expense, asset values for 2018-19 and changes to Long Term Financial Plan forecasts; and
8. As part of the process of development of the Authority Risk Management Framework, undertake a review of legislative compliance in line with external audit recommendations.

CARRIED

7.3 LGFA Depreciation Reserve Funds

Moved: Mr John Coombe OAM

Seconded: Ms Kellie Knight-Stacey

FRACA-ARMC0025 That the Authority Audit & Risk Management Committee recommend to the Authority Board that it:

1. Notes that:
 - a) from 1 July 2018, Council contributions will no longer include cash depreciation and that the 2018-19 Budget and Long Term Financial Plan will be updated as part of the First Quarter Budget Review; and
 - b) in line with the resolution of constituent Councils in August 2018 that from 1 July 2018 no further monies will be transferred to the Authority depreciation reserve account established with the Local Government Finance Authority.
2. Recommends to constituent Councils that:
 - a) no changes to the Authority Charter to implement non-cash depreciation from 1 July 2018 are required at this time; and
 - b) Three years prior to Depreciation Reserves held by the Authority being fully utilised (estimated as financial year 2025-26) that the Authority Board and constituent Councils of the day determine a policy for future capital expenditure on renewal and replacement of assets.

CARRIED

7.4 Policy review: Internal Financial Control Policy

Moved: Ms Kellie Knight-Stacey

Seconded: Ms Elizabeth Williams

FRACA-ARMC0026 That the Committee endorse for subsequent endorsement by the Authority Board, the revised Internal Financial Control Policy.

CARRIED

8 MATTERS FOR DISCUSSION

8.1 Competitive Neutrality Review

The Committee noted the verbal update provided by the Executive Officer on the development of the 2018 Competitive Neutrality Review.

Moved: Ms Kellie Knight-Stacey

Seconded: Ms Elizabeth Williams

FRACA-ARMC0027 That the Committee recommend that the Authority engage an independent consultant with relevant experience to review the financial calculations and methodology applied to development of the 2018 Competitive Neutrality Review, prior to presentation of findings to the Board at its November 2018 meeting.

8.2 Risk Management Framework

The Committee noted the update provided by the Executive Officer on the development of the Authority Risk Management Framework.

Nil

9. URGENT BUSINESS WITHOUT NOTICE

10. CONFIDENTIAL REPORTS

Nil

11. NEXT MEETING

10am Thursday 1 November 2018, City of Victor Harbor – Civic Centre, 1 Bay Road, Victor Harbor, Council Chambers

CLOSURE

Meeting closed at 11:45am

UNCONFIRMED