



17 April 2023

Contact for apologies: admin@fleurieuaquaticcentre.com.au

Dear Member

Notice of Meeting

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

Date: Friday 21 April 2023
Time: 1:30 pm
Place: Alexandrina Council, Large Meeting Room

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

Yours faithfully

Kellie Knight-Stacey
Acting Executive Officer

Audit & Risk Management Committee

Date & Time: Friday 21 April 2023, 1:30pm

Location: Large Meeting Room, Alexandrina Council

1. Attendance

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

2. Apologies

3. Conflict of Interest

4. Minutes of Previous Meeting

- 4.1. Adoption of Minutes

5. Business Arising

- 5.1. A&RMC Annual Work Plan 2023
- 5.2. Asset Revaluation
- 5.3. Policy Review – Disposal of Land and Assets

6. Verbal Report

- 6.1 Acting Executive Officer – Kellie Knight-Stacey

7. Reports

- 7.1. Risk Management Framework
- 7.2. Policy Review – Code of Conduct Board Members
- 7.3. Policy Review – Code of Practice for Meeting Procedures
- 7.4. Policy Review – Asset Accounting

8. Confidential Reports

Nil

9. Next Meeting: 22 September 2023

10. Meeting Closed

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

Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 4.1 Adoption of Minutes
Date: 21 April 2023
References: Nil
Consultation: Nil
Attachments: Nil

Purpose

The purpose of this report is to adopt the minutes of the meeting held by the Board on the 24 March 2023.

Discussion

Public minutes of the Audit and Risk Management Committee meeting held 24 March 2023 were published on the Authority website, with a confidential version provided directly to Committee members for their information and review on 31 March 2023.

Recommendation

That the Audit and Risk Management Committee endorse the minutes of the meeting held 24 March 2023.

To: Audit and Risk Management Committee
From: Kellie Knight Stacey - Acting Executive Officer
Subject: 5.1 A&RMC Annual Work Plan
Date: 21 April 2023
References: Nil
Consultation: Nil
Attachments: 5.1a A&RMC Annual Work Plan 2023

Purpose

The purpose of this report is to review progress on the Annual Work Plan of the Audit and Risk Management Committee 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

The Plan has been reviewed and updated including some minor formatting amendments. Excluding items included in the current agenda, the following items are pending:

- Internal Financial Controls Register Creation
This has commenced and will provide the high-level procedures that should be undertaken for transactional and approval processes. Due to the current vacancy in the Executive Officer position and the structural review underway, this has been deferred to the September 2023 meeting.
- Quarterly Budget Review (Q3)
An additional meeting has been proposed in May allow for the Q3 budget review and a number of items that have been unable to be completed due to the changeover in Executive Officers and access to software.
- YMCA Performance Report (Q3)
In alignment with the presentation of the Q3 Budget review, this will be delayed to the May meeting to provide further context to the budget review.
- Financial Services Model
Due to the position and the structural review underway, this has been deferred to the May 2023 meeting.

- **Asset Management Plan**
Works have commenced and a further review needs to be undertaken in light of the changes to the Asset Register as a result of the recent revaluation.
- **Review of Local Government Act Changes**
This has been updated to be presented 22 September 2023 in accordance with the following resolution (ARMC0231) from Committee Meeting held 24 March 2023:
The Audit & Risk Management Committee:
 - *receive and note the updated A&RMC Annual Work Plan 2023 as presented on 24 March 2023;*
 - *note that the item Review of Local Government Act Changes will be rescheduled to September 2023; and*
 - *note that the imminent changes in regard to Audit and Risk Committees is to be implemented in November 2023, with a review of the effect on the subsidiary to be undertaken by September 2023.*
- **Full legislative compliance review**
This has commenced but due to the current vacancy in the Executive Officer and capacity of the Acting Executive Officer it is recommended that this be outsourced to ensure the Authority is meeting its requirements including an action plan for any identified areas for amendments.
- **YMCA KPI's**
This has not been undertaken due to the changeover in Executive Officers and has been deferred on the Annual Work Plan.
- **Policy Review – Disposal of Land and Assets**
A further review has been undertaken and is provided at agenda item 5.3.

Recommendation

That the Audit and Risk Management Committee:

- *receive and note the updated Annual Work Plan 2023 as presented at Attachment 5.1a.*
- *recommend that the Board outsource the Legislative Compliance Review to ensure that the changes required are identified and relevant documents updated for presentation.*

5.1a A&RMC Annual Work Plan

Fleurieu Regional Aquatic Centre
Authority

Audit and Risk Management Committee Annual Work Plan 2023

Activity	Report	Frequency	Timing						
			20-Jan-23	24-Mar-23	21-Apr-23	19-May-	22-Sep-23	20-Oct-23	
Financial Management	Annual Budget 2023 - 2024 Recommendation	Annual							
	Asset Revaluation	Quinquennial							
	Audited Financial Statements	Annual							
	External Audit Results	Annual							
	Internal Financial Controls Register Creation	As Required			→				
	Review of Internal Financial Controls	TBD							
	Long Term Financial Plan	Annual							
	Quarterly Budget Review	3 Annually				→			
	Report on Financial Results	Annual							
Treasury Report	Annual								
Financial Services Model	As Required			→					
Governance and Strategy	Annual Report	Annual							
	Annual Work Plan	Ongoing							
	Asset Maintenance Plan	Annual							
	Asset Management Plan	Annual				→			
	Audit Committee Self-Assessment Review	Annual							
	Competitive Neutrality Review	Annual							
	Marketing Plan	Annual							
	Risk Management Framework	Annual							
	Strategic Plan	Triennial							
Three Year Business Plan	Annual								
Terms of Reference Review	Annual								
Compliance	Confidentiality Register	Biannual							
	Review of Local Government Act Changes	As Required							
	Resolutions Register	Biannual							
	Full Legislative Compliance Review	Triennial				→			
	YMCA Quarterly Performance Report	3 Annually				→			
YMCA KPIs	Annual				→				
Other	A&RMC Annual Activity Report	Annual							
	Independent Committee Member Appointment	As Required							
Policy	Code of Conduct Board Members	Triennial							
	Code of Practise Meeting Procedures	Triennial							
	Asset Accounting	Triennial							
	Risk Management	Triennial							
	WHS Contractor Management	Triennial							
	Work Health & Safety & Return to Work	Triennial							
	Disposal of Land & Assets	Triennial			→				
Records Management	Triennial								

Legend	Included in Current Agenda	Programmed	Deferred	Complete
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Confidential Report

Audit and Risk Management Committee

To: Audit and Risk Management Committee

From: Kellie Knight-Stacey – Acting Executive Officer

Subject: 5.2 Asset Revaluation

Date: 21 April 2023

References: Nil

Consultation: Andrew Baker
APV Valuers & Asset Management

Attachments: 5.2a Asset Register
5.2b Certificate of Value

Purpose

To present the Committee with the Asset Revaluation Report for their review and recommendation to the Authority Board.

Background

After determining that the asset revaluation exercise undertaken in the first half of 2022 provided results that were unable to be verified when tested, the external audit process recommended that a further external audit be undertaken in the 2022-2023 financial year.

As a result of this determination, a procurement process was undertaken, with APV Valuers & Asset Management determined as the preferred supplier. Deliverables were agreed to be presented to the Authority before 31 March 2023, with assets valued as at 1 July 2022. The results were provided to the Audit and Risk Management Committee as a confidential item at the meeting held 24 March 2023 with the following resolved:

Motion: ARMC0240
Moved: Claudia Goldsmith
Seconded: Vicki Tomlinson

The Audit and Risk Management Committee:

- *receive and note the report;*
- *request the Authority seek further clarification from the contractor to reconcile the asset register with the asset revaluation report and finalise the required work on the asset register for presentation to the next ARMC meeting; and*
- *recommend the release of this report and its resolution from confidence and retain all attachments to this report in confidence.*

Discussion

A further review of the revaluation data has been undertaken as well as an update of the Asset Register. Works were completed prior to the revaluation to assess the correct financial class for the assets and limit the scope of the revaluation of items classed as land and buildings. The transfers between financial classes are provided in the table below:

Financial Class	Current (as per 21/22 Financial Statements)			Transfer between Classes (Revaluation Pre-Work)			Current (Post Transfer between Classes)		
	Replacement Cost	Accumulated Depreciation	Written Down Value	Replacement Cost	Accumulated Depreciation	Written Down Value	Replacement Cost	Accumulated Depreciation	Written Down Value
Land	-	-	-	-	-	-	-	-	-
Buildings	12,407,742	1,930,085	10,477,657	8,156,715	1,443,944	6,712,771	20,564,457	3,374,029	17,190,428
Plant and Equipment	1,216,378	345,277	871,101	(956,246)	(261,668)	(694,578)	260,132	83,609	176,523
Furniture and Fittings	3,867,215	807,378	3,059,837	(3,505,868)	(669,487)	(2,836,381)	361,347	137,891	223,456
Infrastructure	3,694,601	512,789	3,181,812	(3,694,601)	(512,789)	(3,181,812)	-	-	-
Total IPPE	21,185,936	3,595,529	17,590,407	-	-	-	21,185,936	3,595,529	17,590,407

The revaluation of land and buildings identified found items with a total replacement cost of just over \$420,000. These items included seating, picnic shelters and playground equipment. Land has also now been included in the Asset Register.

A summary of the impact of the revaluations, which matches the Certificate of Value provided at Attachment 5.2b is provided below:

Financial Class	Current (Post Transfer between Classes)			Revaluation (APV Valuers)			Proposed (Revaluation as at 1 July 2022)		
	Replacement Cost	Accumulated Depreciation	Written Down Value	Gross	Accumulated Depreciation	Written Down Value	Gross	Accumulated Depreciation	Written Down Value
Land	-	-	-	5,605,000	-	5,605,000	5,605,000	-	5,605,000
Buildings	20,564,457	3,374,029	17,190,428	6,598,654	(41,764)	6,640,418	27,163,111	3,332,265	23,830,846
Total IPPE	20,564,457	3,374,029	17,190,428	12,203,654	(41,764)	12,245,418	32,768,111	3,332,265	29,435,846

Recommendation

The Audit & Risk Management Committee:

- *receive and note the report;*
- *recommend that the Authority Board adopt the proposed valuations of land and buildings as at 1 July 2022 as contained within the Certificate of Value at Attachment 5.2b.*

5.2a Asset Register

LAND

Asset Id	Asset Name	Asset Class	Financial Asset Class	Component	Replacement Cost	Accum Depreciation	Written Down Value
LND001	Land - 4 Ocean Road, Hayborough	Land	Land	Land	5,605,000.00	0.00	5,605,000.00
TOTAL					5,605,000.00	0.00	5,605,000.00

BUILDINGS

Asset Id	Asset Name	Asset Class	Financial Asset Class	Component	Replacement Cost	Accum Depreciation	Written Down Value
BLDG001	Aquatic Centre Building	Buildings	Buildings	01 Sub-Structure	1,708,141.70	62,808.40	1,645,333.30
BLDG001	Aquatic Centre Building	Buildings	Buildings	02 Structure	2,562,212.56	101,745.51	2,460,467.05
BLDG001	Aquatic Centre Building	Buildings	Buildings	03 Floor Coverings	597,849.60	59,784.96	538,064.64
BLDG001	Aquatic Centre Building	Buildings	Buildings	04 Fit-Out	2,733,026.73	221,867.15	2,511,159.58
BLDG001	Aquatic Centre Building	Buildings	Buildings	05 Roof	4,441,168.43	431,082.12	4,010,086.31
BLDG001	Aquatic Centre Building	Buildings	Buildings	61 Serv - Mechanical	2,135,177.13	195,468.82	1,939,708.31
BLDG001	Aquatic Centre Building	Buildings	Buildings	62 Serv - Fire	427,035.43	38,940.32	388,095.11
BLDG001	Aquatic Centre Building	Buildings	Buildings	63 Serv - Elect	1,622,734.62	109,778.02	1,512,956.60
BLDG001	Aquatic Centre Building	Buildings	Buildings	64 Serv - Hydr	683,256.68	41,801.65	641,455.03
BLDG001	Aquatic Centre Building	Buildings	Buildings	65 Serv - Security	170,814.17	8,540.71	162,273.46
OS001	External Landscaping & Infrastructure Works	Other Structures	Buildings	Edging	4,253,900.00	932,135.96	3,321,764.04
OS002	Timber wrap around as feature to external building	Other Structures	Buildings	Timber Post and Rail	47,586.00	4,758.60	42,827.40
OS003	Timber wrap around as feature to external building perimeter (Comprising of timber cladding including top-hats, studs etc.)	Other Structures	Buildings	Timber Post and Rail	91,546.40	18,309.28	73,237.12
OS004	Carpark lighting, 134w pole mounted 60 led floodlights	Other Structures	Buildings	Car Parks	24,720.00	3,940.99	20,779.01
OS005	Irrigation Pump & Controller	Other Structures	Buildings	Irrigation	245,140.00	53,716.31	191,423.69
OS006	Irrigation pipework	Other Structures	Buildings	Irrigation	0.00	0.00	0.00
OS007	Pool fences including footings (Waterplay Area)	Other Structures	Buildings	Pool Fencing	35,596.80	7,119.36	28,477.44
OS008	Artificial grass or the like to external Crèche play area	Other Structures	Buildings	Softfall	3,296.00	329.60	2,966.40
OS009	1800mm high louvred screen to external plant area	Other Structures	Buildings	Timber Paling	75,900.00	15,180.00	60,720.00
OS010	Rainwater Tank including associated connections	Other Structures	Buildings	Water Tanks	4,000.00	400.00	3,600.00
OS012	Keep Clear Linemarking (Truck & Ambulance Access)	Other Structures	Buildings	Art	1,030.00	515.00	515.00
OS013	External signage	Other Structures	Buildings	Signs	9,270.00	1,854.00	7,416.00
OS015	Site Main Switch Board	Other Structures	Buildings	High Voltage Power Supply	21,012.00	4,202.40	16,809.60
OS016	External CCTV, Q25 Dome Cameras	Other Structures	Buildings	Security Systems	9,012.50	949.02	8,063.48
OS017	Pool 25 x 18 - Shell	Other Structures	Buildings	25 Metre Swimming Pool	1,089,000.00	72,391.29	1,016,608.71
OS018	Pool 25 x 18 - Plant	Other Structures	Buildings	Pool Plant - Average Life	891,980.00	312,193.00	579,787.00
OS019	Hydrotherapy Pool - Shell	Other Structures	Buildings	25 Metre Swimming Pool	750,128.40	49,864.80	700,263.60
OS020	Hydrotherapy Pool - Plant	Other Structures	Buildings	Pool Plant - Average Life	610,275.00	213,596.25	396,678.75
OS021	Program/Splash Pool - Shell	Other Structures	Buildings	Wading / Domestic Pool	605,640.02	58,429.13	547,210.89
OS022	Program/Splash Pool - Plant	Other Structures	Buildings	Pool Plant - Average Life	494,915.00	173,220.25	321,694.75
OS023	External Water Play Area	Other Structures	Buildings	Pool Plant - Average Life	116,390.00	23,278.00	93,112.00
new103076419	Bin Enclosure	Other Structures	Buildings	Bins	3,090.00	618.00	2,472.00
new890342485	Bubbler	Other Structures	Buildings	Bubbler	181,280.00	18,128.00	163,152.00
new741190247	Bike racks	Other Structures	Buildings	Steel Post and Rail	20,600.00	985.60	19,614.40
new38700124	Bench Seats	Other Structures	Buildings	Bench Seats	24,500.00	2,450.00	22,050.00
new2133325180	Picnic Shelters	Other Structures	Buildings	Shelter	163,976.00	32,795.20	131,180.80
new1770470471	BBQ	Other Structures	Buildings	BBQ	24,720.00	2,472.00	22,248.00
new1672139480	Playground Equipment	Other Structures	Buildings	Playground Equipment	2,000.00	377.65	1,622.35
OS024	Other Pool Plant	Other Structures	Buildings	Pool Plant - Average Life	281,190.00	56,238.00	224,952.00
TOTALS					27,163,111.17	3,332,265.35	23,830,845.82

Plant and Equipment

UniqID	Location	Financial Class	Asset Description	Replacement Cost	Accumulated Depreciation	Written Down Value
00250	[GF03b] Café	Plant & Equipment	Refrigerated display	\$ 8,707	\$ 3,837	\$ 4,871
00251	[GF03b] Café	Plant & Equipment	Heated display	\$ 5,503	\$ 2,425	\$ 3,078
00252	[GF03b] Café	Plant & Equipment	Thermal spacer to go between the hot and cold display units	\$ 294	\$ 129	\$ 164
00253	[GF03b] Café	Plant & Equipment	600mm grill and 2 burners	\$ 5,235	\$ 1,845	\$ 3,389
00254	[GF03b] Café	Plant & Equipment	Deep fryer	\$ 7,201	\$ 2,538	\$ 4,662
00256	[GF03b] Café	Plant & Equipment	Salamander	\$ 5,886	\$ 2,075	\$ 3,811
00257	[GF03b] Café	Plant & Equipment	Prep Refrigerator with 2 doors	\$ 7,201	\$ 2,538	\$ 4,662
00258	[GF03b] Café	Plant & Equipment	Upright 2 door display refrigerator	\$ 4,711	\$ 1,661	\$ 3,050
00259	[GF03b] Café	Plant & Equipment	Microwave	\$ 1,315	\$ 579	\$ 736
00260	[GF03b] Café	Plant & Equipment	Coffee Machine	\$ 8,031	\$ 2,831	\$ 5,200
00261	[GF03b] Café	Plant & Equipment	Coolroom 3m x 2.8m with 3 display doors and an attached walk in freezer 2m x 2.8m	\$ 58,603	\$ 15,494	\$ 43,109
00324	[GF21a] Creche Internal Play	Plant & Equipment	Hearing Augmentation Loops system including cabling, etc.	\$ 5,060	\$ 669	\$ 4,391
00325	[GF21a] Creche Internal Play	Plant & Equipment	Voice Receiver / Microphone	\$ 955	\$ 337	\$ 618
00326	[GF21a] Creche Internal Play	Plant & Equipment	Speakers	\$ 1,588	\$ 466	\$ 1,121
00380	[GF21b] Multi Purpose room/Gym	Plant & Equipment	Hearing Augmentation Loops system including cabling, etc.	\$ 5,060	\$ 669	\$ 4,391
00381	[GF21b] Multi Purpose room/Gym	Plant & Equipment	Voice Receiver / Microphone	\$ 955	\$ 337	\$ 618
00382	[GF21b] Multi Purpose room/Gym	Plant & Equipment	Speakers	\$ 1,588	\$ 466	\$ 1,121
00468	[GF32] Main Plant Area	Plant & Equipment	Pump to Rainwater Tank including associated connections	\$ 663	\$ 292	\$ 371
00608	[GF18] Male Amenities/Changerooms	Plant & Equipment	Hand-dryer Units	\$ 1,698	\$ 599	\$ 1,099
00655	[GF14] Female Amenities/Changerooms	Plant & Equipment	Hand-dryer Units	\$ 3,396	\$ 1,197	\$ 2,199
00696	[GF15, GF19, GF28, GF29] Access Amenities	Plant & Equipment	Hand-dryer Units	\$ 6,792	\$ 2,394	\$ 4,398
00728	[GF08] Staff Amenities	Plant & Equipment	Hand-dryer Units	\$ 1,698	\$ 599	\$ 1,099
00859	[GF02a] Entry Foyer	Plant & Equipment	Hearing Augmentation Loops system including cabling, etc.	\$ 8,855	\$ 1,171	\$ 7,685
00860	[GF02a] Entry Foyer	Plant & Equipment	Voice Receiver / Microphone	\$ 1,910	\$ 673	\$ 1,237
00861	[GF02a] Entry Foyer	Plant & Equipment	Speakers	\$ 3,175	\$ 933	\$ 2,242
01073	[GF21c] Meeting Room	Plant & Equipment	Hearing Augmentation Loops system including cabling, etc.	\$ 5,060	\$ 669	\$ 4,391
01074	[GF21c] Meeting Room	Plant & Equipment	Voice Receiver / Microphone	\$ 955	\$ 337	\$ 618
01075	[GF21c] Meeting Room	Plant & Equipment	Speakers	\$ 1,588	\$ 466	\$ 1,121
01104	[GF10] Function room	Plant & Equipment	Hearing Augmentation Loops system including cabling, etc.	\$ 5,060	\$ 669	\$ 4,391
01105	[GF10] Function room	Plant & Equipment	Voice Receiver / Microphone	\$ 955	\$ 337	\$ 618
01106	[GF10] Function room	Plant & Equipment	Speakers	\$ 1,588	\$ 466	\$ 1,121
01238	External Works	Plant & Equipment	Emergency shutdown system equipment to GAS Bullet tank	\$ 19,418	\$ 4,107	\$ 15,311
01318		Plant & Equipment	Salti Float Class Pack (12 kits)	\$ 10,454	\$ 6,272	\$ 4,182
01319		Plant & Equipment	Lenovo Notebook ThinkPad E590 x 2	\$ 1,116	\$ 478	\$ 638
01320		Plant & Equipment	Water Park and High Pressure Blower	\$ 25,855	\$ 15,513	\$ 10,342
01321		Plant & Equipment	Venture Volleyball	\$ 2,172	\$ 825	\$ 1,347
01322		Plant & Equipment	Communication System	\$ 1,650	\$ 626	\$ 1,024
01323		Plant & Equipment	Aqua Step	\$ 2,975	\$ 1,086	\$ 1,889
01324		Plant & Equipment	Office equipment	\$ 1,800	\$ 688	\$ 1,112
01325		Plant & Equipment	Office equipment	\$ 2,918	\$ 1,116	\$ 1,802
01327		Plant & Equipment	Dishwasher	\$ 7,235	\$ 724	\$ 6,512
01328		Plant & Equipment	Body Scanner	\$ 11,758	\$ 2,352	\$ 9,406
01335		Plant & Equipment	Techniflo mixing pump	\$ 1,496	\$ 125	\$ 1,371
TOTALS				\$ 260,132	\$ 83,609	\$ 176,523

Furniture and Fittings

UniqID	Location	Financial Class	Asset Description	Replacement Cost	Accumulated Depreciation	Written Down Value
00238	[GF12] Surrounding Concourse	Furniture & Fittings	General works for services	\$ 22,771	\$ 3,010	\$ 19,761
00281	[GF23] Creche Check-in	Furniture & Fittings	Whiteboards/Pinboards to Staff [FFE Items? TBC]	\$ 651	\$ 86	\$ 565
00283	[GF23] Creche Check-in	Furniture & Fittings	PC Sum allowance for Appliances to Crèche (TBC)	\$ 3,256	\$ 1,148	\$ 2,108
00327	[GF21a] Creche Internal Play	Furniture & Fittings	General works for services	\$ 633	\$ 84	\$ 549
00337	[TERRACE] Creche external Play	Furniture & Fittings	General works for services	\$ 248	\$ 33	\$ 215
00469	First Aid/Life Guard	Furniture & Fittings	Whiteboards/Pinboards to First Aid [FFE item ?! TBC]	\$ 651	\$ 86	\$ 565
00471	First Aid/Life Guard	Furniture & Fittings	PC Sum allowance for Appliances to First Aid (TBC)	\$ 1,302	\$ 459	\$ 843
00609	[GF18] Male Amenities/Changerooms	Furniture & Fittings	Benchseating to change rooms and change area (Interloc timber benches)	\$ 8,533	\$ 1,504	\$ 7,029
00610	[GF18] Male Amenities/Changerooms	Furniture & Fittings	Locker with bench seat. (Bench seat separately)	\$ 20,939	\$ 3,691	\$ 17,248
00656	[GF14] Female Amenities/Changerooms	Furniture & Fittings	Benchseating to change rooms and change area (Interloc timber benches)	\$ 10,404	\$ 1,834	\$ 8,570
00657	[GF14] Female Amenities/Changerooms	Furniture & Fittings	Locker with bench seat. (Bench seat separately)	\$ 14,657	\$ 2,583	\$ 12,074
01019	[GF13] Change Village area	Furniture & Fittings	Benchseating to change rooms and change area (Interloc timber benches)	\$ 6,087	\$ 1,073	\$ 5,014
01134	[GF03a] Reception area	Furniture & Fittings	TV	\$ 5,235	\$ 2,307	\$ 2,928
01148	[GF07] Staff room	Furniture & Fittings	Workstations	\$ 8,706	\$ 3,069	\$ 5,637
01149	[GF07] Staff room	Furniture & Fittings	Mobile Pedestals	\$ 1,994	\$ 703	\$ 1,291
01150	[GF07] Staff room	Furniture & Fittings	Chairs	\$ 3,016	\$ 1,329	\$ 1,687
01252	Others	Furniture & Fittings	Sony Handycam & Accessories	\$ 2,043	\$ 1,543	\$ 500
01253	Others	Furniture & Fittings	UHF Uniden UH850S-2TP Handheld Radios	\$ 1,994	\$ 1,054	\$ 940
01254	Others	Furniture & Fittings	Essentials Cupboard Tambour 1200w x 198h	\$ 1,593	\$ 562	\$ 1,031
01255	Others	Furniture & Fittings	Maya Moulded Plastic Café Chair	\$ 2,675	\$ 943	\$ 1,732
01256	Others	Furniture & Fittings	Café Table Air White Gentas 800mm	\$ 2,614	\$ 922	\$ 1,693
01258	Others	Furniture & Fittings	Toddler Swim Island 1220mm x 1200mm	\$ 1,094	\$ 482	\$ 612
01259	Others	Furniture & Fittings	Toddler Swim Island 1820mm x 1200mm	\$ 1,325	\$ 584	\$ 741
01260	Others	Furniture & Fittings	Anti Starting Platform Cover - Blue	\$ 2,237	\$ 789	\$ 1,449
01261	Others	Furniture & Fittings	REA Storage Shelving - 3 Tiers	\$ 2,870	\$ 1,012	\$ 1,858
01262	Others	Furniture & Fittings	Aquastep	\$ 1,763	\$ 622	\$ 1,142
01263	Others	Furniture & Fittings	Café Style White Round Top Folding Table Base	\$ 1,751	\$ 617	\$ 1,134
01264	Others	Furniture & Fittings	Café Style White Square Top Folding Table Base	\$ 1,751	\$ 617	\$ 1,134
01265	Others	Furniture & Fittings	Maya Moulded Plastic Café Chair	\$ 6,420	\$ 2,263	\$ 4,157
01267	Others	Furniture & Fittings	POS Workstations	\$ 6,274	\$ 2,765	\$ 3,510
01268	Others	Furniture & Fittings	Workstations	\$ 9,728	\$ 3,429	\$ 6,298
01269	Others	Furniture & Fittings	Dolphin Wave 200XL	\$ 19,090	\$ 6,730	\$ 12,361
01270	Others	Furniture & Fittings	Dolphin Wave 100	\$ 7,429	\$ 2,619	\$ 4,810
01271	Others	Furniture & Fittings	Rotowash Floor Scrubber	\$ 7,442	\$ 2,623	\$ 4,818
01273	Others	Furniture & Fittings	Optima Series Leg Press	\$ 4,839	\$ 2,132	\$ 2,707
01274	Others	Furniture & Fittings	Optima Low Row / Lat Pulldown	\$ 3,490	\$ 1,538	\$ 1,952
01275	Others	Furniture & Fittings	Optima Multipress	\$ 3,453	\$ 1,522	\$ 1,932
01276	Others	Furniture & Fittings	Cable Motion Duel Adjustable Pulley	\$ 9,436	\$ 1,996	\$ 7,440
01277	Others	Furniture & Fittings	Signature B & R Flat Bench	\$ 924	\$ 489	\$ 435

UniqID	Location	Financial Class	Asset Description	Replacement Cost	Accumulated Depreciation	Written Down Value
01278	Others	Furniture & Fittings	Signature B & R Multi Adj Bench	\$ 3,016	\$ 1,595	\$ 1,421
01279	Others	Furniture & Fittings	Signarure Series Smith Machine	\$ 7,624	\$ 4,031	\$ 3,593
01280	Others	Furniture & Fittings	Circuit Bicep Curl	\$ 4,304	\$ 1,897	\$ 2,408
01281	Others	Furniture & Fittings	Circuit Chest Press	\$ 4,304	\$ 1,897	\$ 2,408
01282	Others	Furniture & Fittings	Circuit Leg Curl	\$ 4,304	\$ 1,897	\$ 2,408
01283	Others	Furniture & Fittings	Ciruict Leg Extension	\$ 4,304	\$ 1,897	\$ 2,408
01284	Others	Furniture & Fittings	Circuit Should Press	\$ 4,304	\$ 1,897	\$ 2,408
01285	Others	Furniture & Fittings	Circuit Squat Lunge	\$ 4,304	\$ 1,897	\$ 2,408
01286	Others	Furniture & Fittings	Circuit Row	\$ 4,304	\$ 1,897	\$ 2,408
01287	Others	Furniture & Fittings	Circuit Pulldown	\$ 4,304	\$ 1,897	\$ 2,408
01288	Others	Furniture & Fittings	Circuit Tricep	\$ 4,304	\$ 1,897	\$ 2,408
01289	Others	Furniture & Fittings	1-10kg Hammer Urethane Dumbbell Set & Rack	\$ 2,772	\$ 366	\$ 2,406
01290	Others	Furniture & Fittings	12-20kg Rubber Dumbbell Set	\$ 1,605	\$ 1,212	\$ 393
01291	Others	Furniture & Fittings	22-30kg Rubber Dumbbell Set	\$ 2,286	\$ 1,727	\$ 559
01292	Others	Furniture & Fittings	1-5kg Medicine Balls & Rack	\$ 705	\$ 705	\$ 0
01293	Others	Furniture & Fittings	Escape 10 pair Upright Oval Dumbell	\$ 1,727	\$ 1,304	\$ 422
01296	Others	Furniture & Fittings	Medical Examination Beds	\$ 1,459	\$ 514	\$ 945
01297	Others	Furniture & Fittings	Lane Ropes 110mm x 25m	\$ 5,192	\$ 3,922	\$ 1,270
01298	Others	Furniture & Fittings	Anti Mini 65 Lan Rope x 10m with S hooks	\$ 1,508	\$ 1,139	\$ 369
01299	Others	Furniture & Fittings	Lane Rope Reel	\$ 3,915	\$ 2,958	\$ 958
01300	Others	Furniture & Fittings	Mobile Aquatic Wheelchair - 136kg	\$ 4,110	\$ 3,105	\$ 1,005
01301	Others	Furniture & Fittings	Foldable Storage Bin	\$ 1,167	\$ 411	\$ 756
01302	Others	Furniture & Fittings	Storage Trolleys (3 Tier wih castors & brakes)	\$ 4,086	\$ 2,160	\$ 1,925
01303	Others	Furniture & Fittings	Multi Purpose Trolley 1390 x 510 x 1520	\$ 2,043	\$ 1,543	\$ 500
01304	Others	Furniture & Fittings	Bariatric Submersible Plastic Wheelchair	\$ 3,101	\$ 2,342	\$ 758
01308	Others	Furniture & Fittings	Portable PA System	\$ 2,906	\$ 1,537	\$ 1,369
01309	Others	Furniture & Fittings	Links Modular RFID Readers	\$ 5,338	\$ 2,352	\$ 2,986
01310	Others	Furniture & Fittings	Heavy Duty Rubber Floor Mat 100 x 100x15mm	\$ 13,570	\$ 10,251	\$ 3,319
01311	Others	Furniture & Fittings	Xspeed Godzilla Aerobic Step	\$ 1,459	\$ 1,102	\$ 357
01312		Furniture & Fittings	Equipment to facilitate Les Mills group fitness classes	\$ 3,786	\$ 3,029	\$ 757
01313		Furniture & Fittings	Sound system for gym	\$ 6,469	\$ 5,012	\$ 1,457
01314		Furniture & Fittings	Additional swipe card security point – entry to gym	\$ 4,250	\$ 2,429	\$ 1,821
01316		Furniture & Fittings	Digital clock improvement - poolside	\$ 1,765	\$ 676	\$ 1,089
01317		Furniture & Fittings	Portable PA System (Parallell Helix 208 200W)	\$ 2,610	\$ 1,566	\$ 1,044
01326		Furniture & Fittings	Office Equipment	\$ 2,821	\$ 986	\$ 1,835
01330		Furniture & Fittings	Life Guard Chair	\$ 6,389	\$ 426	\$ 5,963
01331		Furniture & Fittings	Aluminium door 4 (men)	\$ 2,125	\$ 142	\$ 1,983
01332		Furniture & Fittings	Aluminium door 4 (women)	\$ 6,500	\$ 433	\$ 6,067
01333		Furniture & Fittings	Aquatic wheel chair	\$ 2,025	\$ 405	\$ 1,620
01334		Furniture & Fittings	Life jackets	\$ 2,960	\$ 592	\$ 2,368
TOTAL				\$ 361,347	\$ 137,891	\$ 223,456

Certificate of Value

LOCATION:	Fleurieu Regional Aquatic Centre
ASSET DESCRIPTION:	Land, Buildings, Swimming Pool Infrastructure, Major Plant and Equipment Assets
DATE OF INSPECTION:	January 2023
DATE OF VALUATION:	01 July 2022

VALUATION:

In our opinion the respective fair values of the assets covered by this valuation report are assessed as follows:

Asset	Level of Valuation Input	Valuation Technique	Gross (RC or MV)	Accumulated Depreciation	Fair Value	Depreciation Expense
Land						
Market Value	2	Market	\$5,605,000		\$5,605,000	
Total			\$5,605,000		\$5,605,000	
Buildings (Cost approach)						
Specialised Buildings	3	Cost	\$17,081,417	\$1,271,818	\$15,809,599	\$236,053
Total			\$17,081,417	\$1,271,818	\$15,809,599	\$236,053
Other Structures						
Other Structures	3	Cost	\$10,081,694	\$2,060,448	\$8,021,246	\$247,052
Total			\$10,081,694	\$2,060,448	\$8,021,246	\$247,052
TOTAL			\$32,768,111	\$3,332,265	\$29,435,846	\$483,104

These may be apportioned in accordance with the attached schedule of values.

Signed for and on behalf of
APV Valuers & Asset Management

24 February 2023



Simon Bossie
 B. Bus Property and Real Estate
 Registered Valuer No. 5141
 RICS Certified Valuer, AssocRICS
 No. 6977506

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 5.3 Policy Review – Disposal of Land and Assets
Date: 21 April 2023
References: Nil
Consultation: Nil
Attachments: 5.3a Disposal of Land and Assets Policy v2.0

Purpose

The purpose of this report is to provide the Disposal of Land and Assets Policy to the Committee for review and recommendation to the Authority Board.

Background

The Disposal of Land and Assets Policy was first created in December 2016.

This Policy seeks to:

- define the methods by which Land and Assets are disposed of;
- demonstrate accountability and responsibility of the Authority to its Constituent Councils and ratepayers;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Authority.

The review Policy was presented on to the Audit and Risk Management Committee on 24 March 2023 with the following resolved:

7.2. Policy Review – Disposal of Land and Assets

Motion: ARMC0233
Moved: Claudia Goldsmith
Seconded: Vicki Tomlinson

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.

Discussion

A further review of the Policy has been undertaken with the following proposed amendments:

- Updated definitions in line with the changes to asset classes from the Asset Register and Revaluation (page 2)
- Addition of delegations and approval requirements in regard to disposal of land (page 4)
- Addition of delegations, approval requirements and value determination in regard to the disposal of buildings, plant and equipment, furniture and fittings.

Recommendation

The Audit & Risk Management Committee recommend that the Authority Board endorse the Disposal of Land and Assets Policy v2.0 as reviewed and amended by the Committee on 21 April 2023.



Disposal of Land and Assets Policy

Creation Date & Authority Resolution		16 December 2016 / FRACA00046	
Version	3.0	Review Frequency	Biennial
Review Date	31 March 2023	Next Review Due	March 2026
Related Documents	Procurement Policy Internal Financial Controls Policy Risk Management Policy <u>Public Consultation Policy</u>		
Applicable Legislation	Local Government Act 1999 (s49) Real Property Act 1886 (SA) Land and Business (Sale and Conveyancing) Act 1994 (SA) <u>Planning Development and Infrastructure Act 2016 (SA)</u> Retail and Commercial Leases Act 1995 (SA) Residential Tenancies Act 1995 (SA) Strata Titles Act 1998 (SA) Crown Land Management Act 2009 (SA) Community Titles Act 1996 (SA) Road (Opening and Closing) Act 1991 (SA) Land Acquisition Act 1969 (SA)		

Deleted: (to be developed)

Deleted: Development Act 1993 (SA)

1. Introduction

In compliance with Section 49 of the Local Government Act 1999 (Act), the Fleurieu Regional Aquatic Centre Authority (Authority) should refer to this policy (Policy) when disposing of Land and Assets.

2. Purpose

This Policy seeks to:

- define the methods by which Land and Assets are disposed of;
- demonstrate accountability and responsibility of the Authority to its Constituent Councils and ratepayers;
- be fair and equitable to all parties involved;
- enable all processes to be monitored and recorded; and
- ensure that the best possible outcome is achieved for the Authority.

Section 49 of the Act requires the Authority to develop and maintain policies, practices and procedures that ensure ethical and fair treatment of participants in the sale of land and assets, ensuring probity, accountability and transparency. The policies, practices and procedures must include identifying the circumstances where the Authority will offer for sale land or other assets.

Deleted: Furthermore, Section 49 (a1) of the Act requires the Authority to develop and maintain policies, practices and procedures directed towards:

3. Definitions

Asset includes any physical item that the Authority owns and that has at any time been treated pursuant to the Australian Accounting Standards as an 'asset' and includes Major Plant and Equipment and Minor Plant and Equipment. It does not include financial investments or finance related activities, trees or Land.

Land includes community land, vacant land, operational land, road reserves, any legal interest in land, and any other land-related assets, including all buildings (community and operational) on Land.

Buildings includes built components of the facility, surrounding structures and major plant necessary for the functionality of the aquatic centre.

Plant and Equipment includes minor plant, appliances, communication and office equipment.

Furniture and Fittings includes pool and café furniture, health, fitness, play and minor pool items.

Constituent Councils refers to Alexandrina Council and the City of Victor Harbor.

4. Policy Principles

The Authority must have regard to the following principles in its disposal of Land and Assets:

- *Encouragement of open and effective competition*
- *Obtaining value for money*
 - This is not restricted to price alone.
 - An assessment of value for money must include consideration of (where applicable):
 - the contribution to the Authority's long term financial plan and strategic management plans;
 - any relevant direct and indirect benefits to the Authority, both tangible and intangible;
 - efficiency and effectiveness;
 - the costs of various disposal methods;
 - internal administration costs;
 - risk exposure; and
 - the value of any associated environmental benefits.

- *Ethical Behaviour and Fair Dealing*

The Authority is to behave with impartiality, fairness, independence, openness and integrity in all discussion and negotiations.

- *Probity, Accountability, Transparency and Reporting*

- *Ensuring compliance with all relevant legislation*

Relevant legislation includes the following:

[Local Government Act 1999](#) (SA)

[Real Property Act 1886](#) (SA)

Deleted: <#>obtaining value in the expenditure of public money; and¶ providing for ethical and fair treatment of participants; and¶ ensuring probity, accountability, and transparency in all disposal processes.¶

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Deleted: Major Plant and Equipment includes all major plant and equipment owned by the Authority. It includes all operating machinery and major plant items. It does not include Minor Plant and Equipment.¶

Minor Plant and Equipment includes all minor plant and equipment owned by the Authority. It includes items such as loose tools, store items, furniture, minor pool equipment, and health and fitness equipment and appliances.

[Land and Business \(Sale and Conveyancing\) Act 1994](#) (SA)
[Planning Development and Infrastructure Act 2016](#) (SA)
[Retail and Commercial Leases Act 1995](#) (SA)
[Residential Tenancies Act 1995](#) (SA)
[Strata Titles Act 1988](#) (SA)
[Crown Land Management Act 2009](#) (SA)
[Community Titles Act 1996](#) (SA)
[Roads \(Opening and Closing\) Act 1991](#) (SA)
[Land Acquisition Act 1969](#) (SA).

Deleted: [Development Act 1993](#) (

5. Considerations prior to disposal of land and assets

Any decision to dispose of Land and Assets will be made after considering (where applicable):

- the usefulness of the Land or Asset;
- the current market value of the Land or Asset;
- the annual cost of maintenance;
- any alternative future use of the Land or Asset;
- any duplication of the Land or Asset or the service provided by the Land or Asset;
- any impact the disposal of the Land or Asset may have on the community;
- any cultural or historical significance of the Land or Asset;
- the positive and negative impacts the disposal of the Land or Asset may have on the operations of the Authority;
- the long-term plans and strategic direction of the Authority;
- the remaining useful life, particularly of an Asset;
- a benefit and risk analysis of the proposed disposal;
- the results of any community consultation process;
- any restrictions on the proposed disposal (including the Authority Charter and the classification of the land (community / operational); and recognition and consideration of the original gifting of the land to the Authority);
- the content of any community land management plan; and
- any other relevant policies of the Authority, including its Internal Financial Controls Policy.

6. Disposal Methods

Land Disposal

The Authority may resolve to dispose of Land [subject to approval from both Constituent Councils](#),

[Joint approval from the Constituent Councils must be obtained prior to undertaking any of the steps below.](#)

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Where Land is classified as community land, the Authority must:

- undertake public consultation in accordance with the Act and the Authority Public Consultation Policy; and
- ensure that the process for the revocation of the classification of Land as community land has been concluded prior to its disposal; and

- comply with all other requirements under the Act in respect of the disposal of community land.

Where the Authority proposes to dispose of Land through the grant of a leasehold interest, the Authority must have complied with its obligations under the Act, including its public consultation obligations under Section 202 of the Act.

The Authority will, where appropriate, dispose of Land through one of the following methods:

<i>open market sale</i>	advertisement for disposal of the Land through the local paper and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer (following compliance with the Authority's Procurement Policy);
<i>expressions of interest</i>	seeking expressions of interest for the Land;
<i>select tender</i>	seeking tenders from a selected group of persons or companies;
<i>open tender</i>	openly seeking bids through tenders, including public auction;
<i>by negotiation</i>	with owners of land adjoining the Land or others with a pre-existing interest in the Land, or where the Land is to be used by a purchaser whose purpose for the Land is consistent with the Authority's strategic objectives for the Land.

Selection of a suitable disposal method will include consideration of (where appropriate):

- the number of known potential purchasers of the Land;
- the original intention for the use of the Land;
- the current and possible preferred future use of the Land;
- the opportunity to promote local economic growth and development;
- delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal;
- the total estimated value of the disposal; and
- compliance with statutory and other obligations.

The Authority will not dispose of Land to any Authority Board Member, [Committee member](#), [Contractor engaged by the Authority](#), or employee of the Authority who has been involved in any process related to a decision to dispose of the Land and/or the establishment of a reserve price.

If Land is to be auctioned or placed on the open market or disposed of by an expression of interest, then (unless the Authority resolves otherwise) one independent valuation must be obtained to establish the reserve price for the Land. The independent valuation [must be carried out by a Certified Practising Valuer. The independent valuation](#) must be made no more than 6 months prior to the proposed disposal.

If Land is to be disposed of via a select tender or direct sale, then (unless the Authority resolves otherwise) a minimum of two independent valuations must be obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more than 6 months prior to the proposed disposal.

The Authority will seek to dispose of Land at or above current market valuation by whichever method is likely to provide the Authority with a maximum return, unless there are reasons for the Authority to accept a lesser return which is consistent with the Authority's overall strategic direction. These reasons must be documented in writing.

If the disposal is not to be on the open market, the disposal should be at or above the current market valuation (with due regard to all associated costs to achieve the transaction or such other amount as the Authority resolves).

Asset Disposal

The disposal of Building Assets will be the responsibility of the Executive Officer in consultation with the Board.

The disposal of Plant and Equipment and Furniture and Fittings will be the responsibility of the Executive Officer.

The value of the capitalised assets will be determined with reference to the Asset Register (written down value of the asset) and market value unless being disposed to the highest bid in an open competitive process.

The Authority will, where appropriate, dispose of Assets through one of the following methods:

<i>trade-in</i>	trading in equipment to suppliers;
<i>expressions of interest</i>	seeking expressions of interest from buyers;
<i>select tender</i>	seeking tenders from a selected group of persons or companies;
<i>open tender</i>	openly seeking bids through tenders;
<i>public auction</i>	advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Authority's Procurement Policy).

Selection of a suitable method will include consideration of (where appropriate):

- the public demand and interest in the Asset;
- the method most likely to return the highest revenue;
- the value of the Asset and whether it is Major Plant and Equipment or Minor Plant and Equipment;
- the costs of the disposal method compared to the expected returns; and
- compliance with statutory and other obligations.

- Deleted:** sale
- Deleted:** (both Major Plant and Equipment and Minor Plant and Equipment)
- Deleted:** relevant Authority Officer
- Deleted:** who is responsible for those Assets.

Preference will be given to community groups for Minor Plant and Equipment.

An Authority Board Member, Committee Member, Contractor engaged by the Authority, or employee, of the Authority will not be permitted to purchase an Asset unless the purchase is via an open tender process or a public auction, and the tender submitted, or bid made is the highest.

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A purchaser of an Asset must be required to agree in writing that before purchasing any Asset that no warranty is given by the Authority in respect of the suitability and condition of the Asset for the purchaser, that the purchaser has completed satisfactory investigations in relation to the transaction, and that the Authority will not be responsible for the Asset in any respect following the sale.

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7. Consultation

The Authority must undertake public consultation in respect of its proposed disposals in accordance with the Act and its public consultation policies at all times.

8. Delegations

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

9. Records

The Authority must record reasons for utilising a specific disposal method and where it uses a disposal method other than a tendering process.

10. Exemptions from this Policy

This Policy contains general guidelines to be followed by the Authority in its disposal activities. There may be emergencies, or disposals in which a tender process will not necessarily deliver best outcome for the Authority, and other market approaches may be more appropriate. In certain circumstances, the Authority may, after approval from its Board Members, waive application of this Policy and pursue a method which will bring the best outcome for the Authority. The Authority must record its reasons in writing for waiving application of this Policy.

11. Availability of this Policy

This Policy will be available on the [Fleurieu Aquatic Centre Website](#).

12. Review

This Policy shall be reviewed by the Authority triennially.

Document History

Version	Document	Action	Date
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1.0	Approved version	FRAC Authority endorsement	16 December 2016
2.0	Revised version	FRAC Authority endorsement	31 March 2023

To: Audit and Risk Management Committee

From: Kellie Knight-Stacey – Acting Executive Officer

Subject: 7.1 Risk Management Framework

Date: 21 April 2023

References: Nil

Consultation: Nil

Attachments: 7.1a Scope of Works
7.1b Risk Management Appetite Statement – Draft
7.1c Risk Management Framework

Purpose

The purpose of this report is to provide the Committee with the first version of the Authority's Risk Management Framework for review and recommendation to the Board for their review and adoption in advance of scheduled training in May 2023 and a risk identification workshop in June 2023.

Background

The Authority has engaged the services of the Local Government Risk Services (LGRS) to assist with Risk Management.

The Scope of Works detailing the assistance to be provided by LGRS is provided as Attachment 7.1a to this report.

In order to progress this work and assist the Acting Executive Officer, Committee members Vicki Tomlinson and Claudia Goldsmith together with the Administration Officer have prepared the first version of the Risk Management Framework for review by the Committee and recommendation to the Board.

The draft Risk Management Appetite Statement is provided to Committee members for information as Attachment 7.1b to this report.

The first version of the Risk Management Framework is Attachment 7.1c to this report.

At the Committee meeting held on 24 March 2023, a draft of the Risk Management Framework and draft Risk Appetite Statement were presented with the following resolved:

The Audit and Risk Management Committee:

- *receive and note the report;*
- *acknowledge progress made on the Risk Management Framework document as presented at attachment 7.5a and 7.5b of this report;*
- *note the option for Risk Management training as proposed by LGRS, recommending to the Authority Board that training is scheduled prior to the Risk Management Workshop;*
- *request the Authority Board schedule the Risk Management Workshop with the LGRS for Committee and Board members considering a framework finalisation date of 30 June 2023; and*
- *request an update be provided to LGRS to secure dates as indicated in this resolution.*

At the Board meeting held 31 March 2023, the draft Risk Management Framework and draft Risk Appetite Statement were presented, including the Committee's recommendation, with the following resolved:

The Authority Board:

- *receive and note the report;*
- *acknowledge the progress made on the Risk Management Framework document as presented at attachment 7.2a and 7.2b of this report;*
- *request the Executive Officer secure training and workshop dates out of session and make the necessary arrangements to facilitate sessions as required; and*
- *request the Executive Officer provide confirmation to LGRS and Audit and Risk Management Committee of the dates selected.*

Discussion

Following the Board resolution, in consultation with the LGRS, Committee and Board members, the facilitated training is now scheduled for Thursday 11 May 2023, and the risk identification workshop is now scheduled for Thursday 8 June 2023. Further details for these sessions will be sent direct to participants as arrangements are finalised.

Once reviewed by the Committee and recommended to the Board, the Board will review the Risk Management Framework with a view to adopting the first version. The adopted first version of the Risk Management Framework will be used by LGRS to develop the training session.

The Risk Management Appetite Statement is provided for reference to assist in understanding the Risk Management Framework. It is not necessary to review the Risk Management Appetite Statement at this time as it contains examples to be updated following the risk identification workshop.

The Risk Management Framework references supplementary documents such as the Legislative Framework and an Implementation Plan. These are working documents that have been created and are being maintained alongside the Risk Management Framework.

It is likely that the training and the risk identification workshop will give rise to changes to the Risk Management Framework. These can be achieved by creating a second version, which can also incorporate reference to documents requested from YMCA.

With the securing of the facilitated training and workshop dates, the second version of the Risk Management Framework is on track to be completed by 1 July 2023 as intended.

Recommendation

The Audit and Risk Management Committee:

- *Receive and note the report;*
- *Note the scope of work for services to be provided by Local Government Risk Services as presented at attachment 7.1a of this report;*
- *Note the facilitated risk management training is scheduled for 11 May 2023 and the risk identification workshop is scheduled for 8 June 2023 for attendance by all Committee and Board members;*
- *Note the draft Risk Management Appetite Statement as presented at attachment 7.1b of this report; and*
- *Recommend to the Authority Board the adoption of the first version of the Risk Management Framework as reviewed by the Committee on 21 April 2023.*

7.1a Scope of Works

 <p>Mutual Liability Scheme Workers Compensation Scheme Local Government Association of South Australia</p>	<p>Scope – Strategic Risk Services</p>	<p>Council/ PB: Fleurieu Regional Aquatic Centre Authority</p>
		<p>Date: V1: 19/11/2018; V2: 12/01/2022; 2.1: 04/04/2022; V2.2: 20/12/2022</p>
		<p>Key Contact: Andrew Baker, Executive Officer</p>

Scope: Strategic Risk Service Program

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



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

Scope – Strategic Risk Services

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

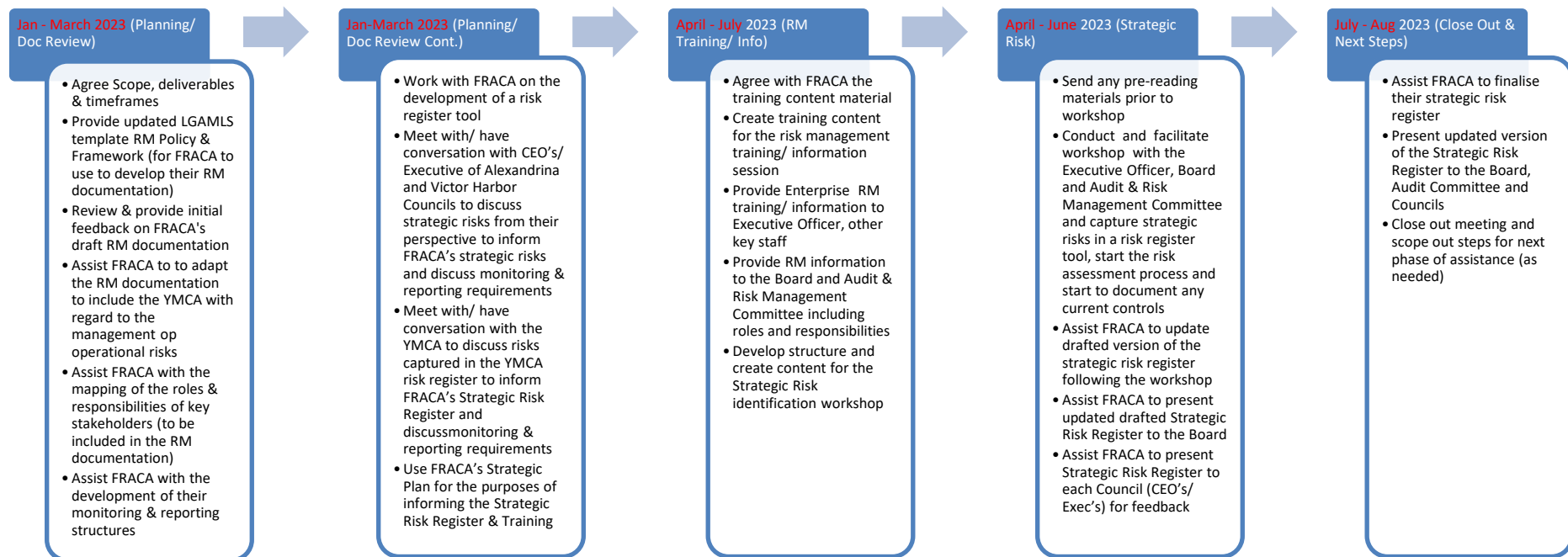
Timelines:	The project will be delivered in phases from January 2023 – August 2023 . Key dates will be agreed with FRACA with the commencement of the project.
Sponsor:	Andrew Baker , Executive Officer



Scope – Strategic Risk Services

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

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





Scope – Strategic Risk Services

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

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7.1b Risk Management Appetite Statement

RISK APPETITE STATEMENT

Review history

Risk appetite owner	Fleurieu Regional Aquatic Centre Authority
Responsible officer	Executive Officer
This document version	1.0
First issued / approved	Date
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Review period	Six months
Next review due	Date

Version history

Version	Date	Description
1.0	March 2023	Initial document for review

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1. Introduction

The Fleurieu Regional Aquatic Centre Authority is referred to as FRACA throughout this document. FRACA is a regional subsidiary established by the Alexandrina Council and City of Victor Harbor in accordance with section 43 of the *Local Government Act 1999 (SA)*.

FRACA enables joint ownership and management of the Fleurieu Regional Aquatic Centre.

FRACA is led by a Board of Management, referred to as the Board throughout this document. The Board reports to the Constituent Councils.

FRACA is committed to an integrated approach to risk management to assist in setting appropriate strategies, achieving objectives and making informed decisions, in the best interests of our Constituent Councils and the community.

2. Purpose

A formal document articulating FRACA's risk appetite guides decision making by empowering decision makers to informed choices about risk acceptance.

With a background understanding of FRACA's risk appetite decision makers can more effectively consider risk as part of their decision making.

While risk identification and assessment enables FRACA to understand its risk exposure, it is risk appetite and tolerance that defines how much risk it will accept.

Risk tolerance defines what is acceptable or unacceptable for each category of risk. This understanding determines whether a risk should be escalated, to whom and with what degree of urgency.

3. What is risk appetite?

Risk appetite is the amount of risk that an organisation is willing to accept or retain in order to achieve its strategic objectives. A risk appetite statement contains high level qualitative statements about the organisation's appetite for risk taking.

The risk statements take the form of qualitative risk tolerance indicators for each of the categories of risk – people, financial, service delivery, environment, information technology, and legal and reputation.

4. Risk management

FRACA's risk management framework defines risks by type and category and defines the roles and responsibilities for risk management.

Risk management is an iterative process. FRACA's risk management framework takes into consideration the scope and context of FRACA as a local government entity.

The risk management process involves:

- Identifying and recording the risk by type and category
- Together with stakeholders, analysing the risk by consequence and likelihood
- Evaluating the risk and allocating a risk rating
- Taking into account risk appetite, determining whether the risk is acceptable
- Implementing additional treatment in order to effectively control the risk
- Where the control is not effective, escalating the risk
- Monitoring, reviewing and reporting on the risk and its management.

5. Risk tolerance

Levels of risk tolerance may be expressed as: avoid risk, cautious risk taking, minimal risk taking, open to risk and seeking risk. Examples of the risk appetite levels are provided below.

Avoid: The organisation will avoid any risk which has the potential to compromise people safety.

Cautious: The organisation is cautious about the risk of lack of resources to effectively deliver projects which will achieve its objectives.

Minimal: The organisation has minimal risk tolerance for activities that may negatively affect the reputation of the organisation.

Open: The organisation is open to risk which has the potential to reduce costs over the long term.

Seek: The organisation will tolerate seeking a financial risk where this is required to mitigate risk or achieve strategic objectives.

6. FRACA's risk appetite

The Board is committed to effective risk management as part of its strategic decision making; in the facility's operational management; and in project management.

The goal is not to eliminate all risks, but rather to manage the risks involved in delivering FRACA's functions and services, and to create and protect value for Constituent Councils and the community.

The Board is responsible for defining FRACA's risk appetite. In arriving at its risk appetite, the Board has given consideration to:

- The degree to which decision makers are permitted to expose FRACA to the consequences of an event or situation
- Aggregated and interlinked risks to determine whether the cumulative level of risk is acceptable

- Allowing for flexibility for FRACA to adapt to managing new risks in a changing environment
- Whether decisions are made with full consideration of potential risk and reward.

The Board will review its risk appetite statement every six months.

Risk category	Level	Risk tolerance
People	Avoid	Work health and safety related risks
	Minimal	Risks that impact disability access and inclusion
	Cautious	Employment related risks
Financial	Open	Borrowing to mitigate risk or achieve objectives
	Minimal	Increased expenditure over budget
Service delivery	Open	Innovation in service delivery
	Minimal	Changes that negatively impact customers
Environment	Cautious	Incidents at a level they are reportable to the EPA
Information technology	Cautious	Cyber security, data integrity
	Open	Innovation in technology solutions
Legal and reputation	Cautious	Legislative compliance
	Minimal	Threats of legal action
	Cautious	Damage to public image and reputation

7. Quantitative indicators

Key risk indicators are set for each category of risk. Risk tolerance is expressed quantitatively by depicting acceptable variation to each indicator.

Risk category	Metric	Risk tolerance
People	Every employee, contractor and volunteer completed a work health and safety induction relevant to the level of risk	Not more than XX% failure to complete induction during the annual reporting period
Financial	Unmodified financial statements with no material misstatements	Not more than one material misstatement per annual audit
Service delivery	Aquatic centre open for business every day it is scheduled to be open	Aquatic centre closed for risk mitigation not more than half a day during the annual reporting period
Environment	No incidents at a level reportable to the Environment Protection Authority	No incidents reportable to the EPA during the annual reporting period
Information technology	Proactive management of cyber security incidents with no unscheduled enterprise wide shut down of technology	One unscheduled risk mitigation shut down during the annual reporting period

Risk category	Metric	Risk tolerance
Legal and reputation	No complaints to external authorities about legislative non-compliance	No complaints with adverse findings during the annual reporting period

7.1c Risk Management Framework

RISK MANAGEMENT FRAMEWORK

Review history

Framework owner	Fleurieu Regional Aquatic Centre Authority
Responsible officer	Executive Officer
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Related documents

Document	Status
Legislative framework	Working document
Risk appetite statement	Pending approval
Risk management policy	Pending approval
Strategic plan	Pending approval
Strategic risk register	Pending workshop
Work health safety and return to work policy	Pending approval
Risk management implementation plan	Working document

Version history

Version	Date	Description
1.0	April 2023	Initial document for review

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1. Introduction

The Fleurieu Regional Aquatic Centre Authority is referred to as FRACA throughout this document. FRACA is a regional subsidiary established by the Alexandrina Council and City of Victor Harbor in accordance with section 43 of the *Local Government Act 1999* (SA).

FRACA enables joint ownership and management of the Fleurieu Regional Aquatic Centre referred to as the Aquatic Centre throughout this document.

FRACA is committed to an integrated approach to risk management to assist in setting appropriate strategies, achieving objectives and making informed decisions, in the best interests of our Constituent Councils and the community.

FRACA recognises that managing risk is part of governance and leadership, is fundamental to how the organisation is managed and contributes to continuous improvement of its management systems.

FRACA's Strategic Plan has the following Vision and Mission:

Vision: A vibrant, contemporary, and inclusive aquatic centre, embraced by our communities.

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

The risk management process is not an isolated function and is applied to all activities, including decision making. Effective identification, analysis, evaluation and treatment of risks is critical to FRACA achieving its objectives and meeting Constituent Councils' and the community's expectations.

2. Purpose

This framework:

- Aligns with the Risk Management Policy
- Establishes roles and responsibilities for managing risk
- Documents a standardised, formal and structured process for assessment, evaluation, treatment and monitoring of identified risks
- Encourages innovation by integrating risk management into the strategic and operational processes throughout the organisation
- Assists FRACA in maximising its opportunities, while minimising negative impacts identified during the risk management process
- Establishes the process for all risks outside the defined risk appetite to be escalated to the appropriate level and for additional treatment options to be implemented
- Sets out reporting protocols for relevant risk information to be provided to Constituent Councils, the Board, the Audit Committee, and the Executive Officer
- Supports the development of continuous improvement.

3. Risk sharing

As a local government entity, FRACA shares certain insurable risks with a number of self-managed schemes managed by Local Government Risk Services, via payment of an annual contribution. The schemes are:

- Local Government Association Mutual Liability Scheme for the purposes of Civil Liability coverage and claims management
- Local Government Association Workers Compensation Scheme for the purposes of workers compensation coverage and claims management
- Local Government Association Asset Mutual Fund for the purposes of asset and fleet coverage and claims management.

As a member of the above schemes, FRACA must ensure that it has developed, endorsed and implemented work health and safety, asset, and risk management protocols.

FRACA uses the services of the Constituent Councils to manage the risk of cyber-attack, ransom attack, malicious intent, and/or unauthorised release of information.

FRACA uses the services of the Constituent Councils to manage the release of information in accordance with the Freedom of Information Act 1991 (SA).

FRACA uses the services of the Contractor to manage the Aquatic Centre's operational risks.

4. Risk management principles

The Australian standard for Risk Management Guidelines (AS ISO 31000:2018) describes risk as:

...the effect of uncertainty (either positive, negative or both) on objectives...

AS ISO 31000:2018 underpin this framework and guides how risk is managed.

The goal is not to eliminate all risks, but rather to manage risks involved in delivering FRACA's functions and services and to create and protect value for Constituent Councils and the community.

A set of components in the form of a Risk Management Framework provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management.

5. Risk management framework

5.1. Structure

FRACA is led by a Board of Management, referred to as the Board throughout this document. The Board reports to the Constituent Councils.

The Board is supported by the Audit and Risk Management Committee, referred to as the Audit Committee throughout this document.

Responsibility for operational management of the subsidiary is vested in the Executive Officer, who is supported by an Administration Officer. Together, the Executive Officer and the Administration Officer are referred to as the Executive Team throughout this document.

Responsibility for operational management of the Aquatic Centre is vested in the Contractor, engaged via a contract for services.

5.2. Leadership and commitment

FRACA demonstrates a clear commitment to managing risks by:

- Developing and implementing a risk management policy, framework and supporting tools and processes
- Allocating appropriate resources to implement, monitor and improve the effectiveness of risk management
- Ensuring that employees, contractors and volunteers have the appropriate skills and knowledge to deal with risk
- Allocating and upholding accountability with respect to risk management and ensuring it is understood
- Ensuring compliance with legislative and contractual obligations and policy requirements
- Including risk management in the Contractor's contract for services.

5.3. Integration

This framework provides the methods and processes FRACA use to identify opportunities and manage risks.

Governance guides the direction of the organisation and provides the rules, processes and practices necessary to achieve objectives. Management structures that define risk management accountability and oversight roles are critical to achieving sustainable performance and long-term viability.

Enterprise risk management

Enterprise risk management is the process that is applied in strategy setting and decision making throughout the organisation to identify, evaluate and manage potential risks that are likely to impact on achievement of objectives, set risk appetite and tolerance, and manage risk.

Enterprise risk management encompasses strategic, operational and project risk management.

Strategic risks are identified by reference to both the external environment and strategic objectives. Strategic risks are monitored by the Board, Audit Committee, and Executive Officer. Strategic risks are captured in the strategic risk register by the Executive Officer.

The subsidiary's operational risks are monitored by the Executive Officer, and may be escalated and reported to the Audit Committee and/or the Board.

The Aquatic Centre's operational risks are monitored by the Contractor and are escalated and reported in accordance with the contract for service.

Project risks are the uncertain events or conditions that have potential to impact either positively or negatively on project objectives. Project risks are monitored by the Executive Team, through the Project Manager (if applicable). Where the project is of strategic significance, project risks are reported to the Audit Committee and/or the Board.

Strategic planning and decision making

Strategic and business planning, including long-term financial planning and annual budgeting, must consider the risks inherent in setting and pursuing objectives and the effectiveness of systems that are in place to manage those risks.

Risk management is integrated into governance structures, including decision making.

Where there is a potential impact on the achievement of strategic objectives, Constituent Councils, or the community, risk analysis is incorporated into Audit Committee and Board reports.

Legislative compliance

As a regional subsidiary, the *Local Government Act 1999* (SA) applies to the functions of the FRACA. In addition, FRACA has established a Legislative Framework detailing the relevant Acts, Regulations, Codes of Practice and Standards applicable.

FRACA has implemented a work health and safety management system to manage risks and hazards, in accordance with the *Work Health and Safety Act 2012* (SA) 2012 and *Return to Work Act 2014* (SA).

Service delivery

FRACA's planning processes address both the risks associated with provision of functions, facilities and services, such as capacity and resources; and risks arising from their delivery, such as public safety and community reaction.

Internal controls audit

FRACA engages an independent auditor to undertake an audit of internal controls as required by Section 125 of the *Local Government Act 1999* (SA) and Part 6, Regulation 19 of the Local Government (Financial Management) Regulations 2011.

Emergency management

The Board ensures the Contractor has adequate plans in place to prevent, prepare, respond to and recover from any Aquatic Centre related emergency affecting employees, volunteers, customers and/or visitors.

Business continuity

The Board ensures the Contractor has adequate plans in place to minimise the impact on the Aquatic Centre of a disruption and enable the resumption of services following a disruption.

Information technology disaster recovery

The Board ensures the Contractor has adequate plans in place to protect and recover the Aquatic Centre's information technology infrastructure and data in the case of a disruption.

The Executive Team maintain the required confidentiality and adequate security for FRACA's information, which is held on the Constituent Councils' information technology infrastructure.

Information management

FRACA captures, manages, stores and disposes of information in accordance with the *State Record Act 1997* (SA).

FRACA manages the confidentiality of information in accordance with the *Local Government Act 1999* (SA).

The Board ensures the Contractor complies with the *Privacy Act 1988* (Cth) in relation to the capture, management, storage and disposal of personal information held by the Aquatic Centre.

FRACA uses the services of the Constituent Councils to manage the risk of cyber-attack, ransom attack, malicious intent, and/or unauthorised release of information.

FRACA uses the services of the Constituent Councils to manage the release of information in accordance with the *Freedom of Information Act 1991* (SA).

Performance management

The performance of FRACA's risk management program will be measured as follows:

- Compliance with the risk management policy and related documentation, to be reviewed annually
- Foreseeable risks are identified and controlled within risk appetite, to be reviewed every six months
- Improved risk evaluation outcomes and risk maturity, to be reviewed every six months.

5.4. Design

Context

Establishing the context requires those involved in risk management and decision making processes to understand factors internal and external to the organisation that may influence FRACA's ability to achieve its objectives.

The organisation’s risk management culture; and its structure, strategy and objectives are examples of factors that define internal context.

The external environment may include a range of factors such as:

- Scarcity of human resources in a regional location
- Escalating costs of utilities
- The need for funding from Constituent Councils
- Community expectations.

Roles and responsibilities

The following roles and responsibilities ensure a transparent approach to managing risk within FRACA.

Specific risk reporting requirements are outlined in Section 7.2

Role	Responsibilities
Board	<ul style="list-style-type: none"> • Review and endorse the Risk Management Framework and Risk Management Policy • Set the organisation’s risk appetite and policy for managing risk • Give adequate consideration to risks when setting objectives and making decisions • Foster a culture that is consistent with the organisation’s appetite/tolerance for risk • Ensure the organisation has the structures and processes in place to support decision making and management of risk • Set an appropriate governance structure for risk and risk management including an Audit Committee and delegations • Require the Executive Officer to demonstrate that the framework for managing risk is effective and appropriate • Require the Executive Officer to provide information to allow the Board to understand the risks that may have material impacts on achievement of the organisation’s objectives • Consider recommendations from the Audit Committee relating to strategic risks or any other risk matter
Audit Committee	<ul style="list-style-type: none"> • Review and endorse the criteria contained within the Risk Management Framework and Risk Management Policy • Review reports from the Executive Officer and auditors to ascertain the adequacy of controls that have been implemented • Monitor strategic risks every six months • Review reports from the Executive Officer regarding emerging risks
Executive Officer	<ul style="list-style-type: none"> • Promote a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk • Develop and implement a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility and accountability at appropriate levels within the organisation

Role	Responsibilities
	<ul style="list-style-type: none"> • Allocate and uphold accountability for managing risk • Ensure Executive Team has the necessary knowledge and skills to effectively fulfil its risk management responsibilities • Regularly review strategic and operational risks and maintain an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls • Ensure project planning includes risk analysis and management of risks is an integral part of managing and delivering projects • Provide reliable information about risks, controls and their effectiveness to the Audit Committee and the Board • Escalate all strategic risks that exceed the organisation's risk appetite to the Audit Committee and/or Board, as applicable • Participate in performance management arrangements that support the desired approach to managing risk • Ensure compliance with legislative requirements, policy framework and contractual obligations
Executive Team	<ul style="list-style-type: none"> • Commitment to, and promotion of, the Risk Management Framework and Risk Management Policy • Monitor the organisation's risk profile and mitigation strategies • Ensure that risk management is embedded into all functions and activities, including decision making • Promote a proactive risk culture in accordance with business management initiatives • Ensure that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register • Escalate risks to the Executive Officer for the attention of the Audit Committee and/or Board where appropriate • Monitor reporting timeframes in the risk register, follow up risks with overdue treatment and close risks where appropriate • Collectively review strategic risks and consider emerging risks, prior to Audit Committee • Incorporate risk treatments into strategic, operational and project plans • Maintain the Risk Management Policy and Framework to ensure its currency and relevance • Ensure that employees, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk • Participate in performance management arrangements that support the desired approach to managing risk • Ensure compliance with legislative requirements, policy framework and contractual obligations
Employees, contractors and volunteers	<ul style="list-style-type: none"> • Understand the risk management processes that apply to the area of work • Identify, evaluate, and report risks relating to daily activities and projects • Where appropriate manage risks or escalate them to the Executive Team • Participate in performance management arrangements that support the desired approach to managing risk • Ensure compliance with legislative requirements, policy framework and contractual obligations

Implementation

The risk management framework is supported by an implementation plan that includes timeframes and resource requirements and processes for engagement with, and provision of information to, relevant stakeholders.

5.5. Evaluation

FRACA will review the risk management framework and the risk management implementation plan every six months to evaluate their effectiveness and determine whether they remain suitable in supporting the achievement of strategic and operational objectives.

5.6. Improvement

To maintain and improve the value of risk management to the organisation, FRACA will monitor and adapt the risk management framework, with a view to continually improve the suitability, adequacy and effectiveness of its risk management process.

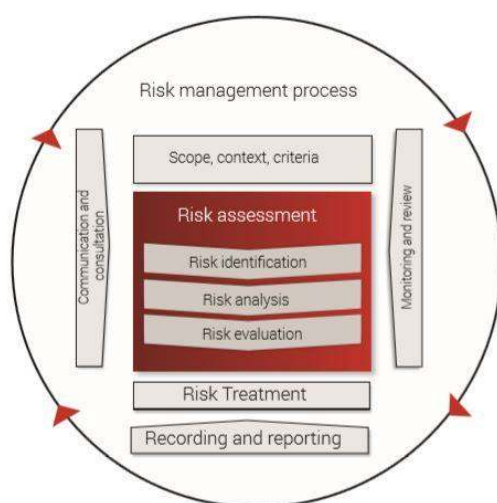
6. Risk management process

6.1. Iterative process

Having sound risk management practices in place provides FRACA with assurance that measures are in place to maximise the benefits and minimise the negative effect of uncertainties in pursuit of its strategic objectives.

Risk management involves both the management of potentially adverse effects as well as the fulfilment of potential opportunities. The risk management process is an integral part of management and decision making and is integrated into the organisation’s structure, operations and processes.

Risk management is an iterative process, as illustrated below.¹



¹ Diagram sourced from AS ISO 31000 2018 Risk management – guidelines, copied by JLT Risk Solutions Pty Ltd with permission under licence 1811-c079.

6.2. Communication and consultation

FRACA will engage with stakeholders throughout the risk management process to:

- Correctly identify risks and understand context
- Gain a better understanding of the views and interests of stakeholders and how their expectations may be managed
- Capitalise on the diversity of knowledge, opinions and experience to enhance identification and management of risks and opportunities
- Build a sense of inclusiveness and ownership amongst stakeholders.

6.3. Scope

In defining the scope of its risk management activities, FRACA will take into consideration the following:

- Goals and objectives of risk management, proposed outcomes and timing
- Responsibilities and accountabilities for the risk management process
- Risk management methodologies
- Availability of resources to manage risk, and the opportunity cost
- Strategic and business plan objectives, and the derived project deliverables
- How effectiveness and value of risk management will be measured, monitored and reported.

6.4. Risk assessment

Risk identification

FRACA identifies risks in order to develop an inclusive list of reasonably foreseeable events that may occur, and if they do, are likely to have an impact on achievement of its objectives.

FRACA identifies, assesses and treats risk in the following three risk types:

Strategic risk: Risks associated with strategic objectives, such as those are articulated in the Strategic Plan and/or Business Plan. Strategic risks can originate from within the organisation or externally.

Operational risk: Risks associated with functions and daily operations to deliver core services. Examples include cost overruns, supply chain or logistic issues, employee issues, work health and safety incidents, or non-compliance with operational policies.

Project risk: Risks associated with projects that will affect milestones, deliverables or outcomes of the project.

Risk identification is a process of formally documenting the effects of uncertainty on objectives. Upon approval of the first risk management framework, FRACA will invest in a facilitated workshop to assist with identifying its strategic risks.

Each report to the Audit Committee and/or Board will include analysis of strategic risks, and will take into account political, economic, social, technological, environment and legal factors.

During the identification process, there are a number of questions that need to be asked, including:

- What might happen/ what could go wrong?
- What is the cause?
- How does this affect the objective?

Risk categorisation

After a risk is identified, it may be categorised and captured in the risk register in accordance with the following categories:

People: Risks relating to employees, contractors, volunteers, customers and/or visitors including work health and safety risks.

Financial: Risks relating to funding, liabilities and financial sustainability. Risks associated with asset and infrastructure management.

Service delivery: Risks impacting the ability of FRACA to provide consistent reliable quality services to the community.

Environmental: Risks causing contamination or damage to cultural heritage or the natural environment. Risks impacting the health or wellbeing of people or groups in the community.

Information technology: Risks associated with technology infrastructure and information, including the risks associated with cyber security breaches and/or privacy breaches.

Legal and reputation: Risks associated with failing to comply with the law, governing legislation, regulatory frameworks and/or standards. Risks associated with court action or the threat of court action, including the resultant damage to reputation.

Risk analysis

Risk analysis provides an input into risk evaluation, which assists in determining whether a risk needs to be treated, and if so, the most appropriate means of risk treatment.

FRACA uses reference tables for different categories of risk to determine the consequence of a particular risk. Where more than one category of risk is applicable, the risk is assessed against all consequence categories, and the highest consequence rating is used.

FRACA uses a reference table to determine the likelihood of a particular risk occurring.

With the measures of consequence and likelihood assessed, FRACA uses a matrix to determine the level of risk or risk rating.

Current risk: The level of risk with the controls that are currently in place.

Forecast risk: The level of risk remaining after risk treatment. The level of risk once additional control has been identified and implemented to reduce the consequence and/or the likelihood.

Risk appetite

Risk appetite is the amount of risk an organisation is prepared to accept in pursuit of its objectives.

The Board is responsible for defining FRACA's risk appetite statement.

FRACA's risk appetite statement comprises four elements as follows:

1. A definition of what risk appetite is and how it is to be used
2. A clear statement of endorsement for effective risk management, reinforcing the importance of informed risk taking
3. A series of risk tolerance statements aligned to risk categories (people, financial, service delivery, environmental, information technology, and legal and reputation)
4. A series of risk metrics and tolerance variations aligned to risk categories.

Risk appetite takes into consideration the nature and extent of the risks the organisation is willing to accept or retain in order to achieve its strategic objectives.

In arriving at its risk appetite, the Board has given consideration to:

- The degree to which decision makers are permitted to expose FRACA to the consequences of an event or situation
- Aggregated and interlinked risks to determine whether the cumulative level of risk is acceptable
- Allowing for flexibility for FRACA to adapt to managing new risks in a changing environment
- Whether decisions are made with full consideration of potential risk and reward.

FRACA's risk appetite is included in regular monitoring and review of strategic risks and will be reviewed every six months.

Risk evaluation

Risk evaluation is the process of establishing a risk rating, such as extreme, high, moderate or low. The risk rating assists in determining which risks need treatment and the priority for implementing controls.

The following table provides guidance on the action to be taken for each risk rating level.

Risk rating	Recommended actions
Extreme	<ul style="list-style-type: none"> • Add risk to Risk Register • Escalate risk issue immediately to Executive Officer, Audit Committee or Board as appropriate • Consider cessation/suspension of the activity giving rise to the risk until such time as Executive Officer authorises its continuation and/or while other risk treatment strategies are being developed/implemented • Executive Officer, Audit Committee or Board to: <ul style="list-style-type: none"> Identify and develop treatment strategies for immediate action Monitor and review actions/strategies Provide direction and information to relevant stakeholders Inform the next meeting of the Audit Committee and/or Board of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) • For work health and safety related risks, the following applies: <ul style="list-style-type: none"> An extreme risk is an unacceptable level of risk and the activity shall not be allowed to continue until the risk level has been reduced Treatment may include both short and long term control measures
High	<ul style="list-style-type: none"> • Add risk to Risk Register • Escalate risk issue to Executive Officer, Audit Committee or Board as appropriate • Executive Officer, Audit Committee or Board to: <ul style="list-style-type: none"> Identify and develop treatment strategies with appropriate timeframes Monitor and review actions/strategies to manage risk to an acceptable level Provide direction and information to relevant stakeholders Inform the next meeting of the Audit Committee and/or Board of the risk issue, the actions taken to mitigate the risk and the outcome (or current status) • For work health and safety related risks, the following applies: <ul style="list-style-type: none"> Reduce the risk rating so far as is reasonably practicable A high risk should only be an acceptable level of risk for Major or Catastrophic consequences
Moderate	<ul style="list-style-type: none"> • Add risk to Risk Register • Escalate risk to Executive Officer • Executive Officer to: <ul style="list-style-type: none"> Identify and develop treatment strategies with appropriate timeframes Monitor and review actions/strategies to manage risk to an acceptable level • For work health and safety related risks, the following applies: <ul style="list-style-type: none"> Reduce the risk rating so far as is reasonably practicable. A moderate risk may be an acceptable level of risk
Low	<ul style="list-style-type: none"> • Add to Risk Register • Undertake localised risk management and actions (if required) • Review within routine procedures • For work health and safety related risks, the following applies: <ul style="list-style-type: none"> Reduce the risk rating so far as is reasonably practicable. A low risk may be an acceptable level of risk

6.5. Risk treatment

Risk treatment involves selecting and implementing one or more actions to modify the likelihood and/or consequence of risks. Once implemented, treatments provide or modify the controls in order to increase positive risks or decrease negative risks.

Justification for risk treatment is broader than solely economic considerations and should take into account all of FRACA's obligations, commitments and stakeholder expectations.

Appropriate risk treatment options should have regard to the organisation's objectives, risk appetite, and available resources.

Except in circumstances where there is an immediate or foreseeable risk to the health or safety of any person, FRACA's risk treatment priorities are as follows:

First: Strategic risks that exceed risk appetite

Second: Strategic risks that exceed risk tolerance

Third: Operational risks that exceed risk appetite

Fourth: Operational risks that are rated Extreme or High

Risk treatment options

The following examples assist in developing risk treatments.

Eliminate: Remove an asset or discontinue an activity or service completely so as to eliminate the risk altogether.

Share: Allocate a risk to a third party such as through a collaborative shared services agreement and/or an appropriate contract for services and effective contactor management.²

Purchase insurance and/or participate in a mutual insurance scheme to protect against a specified risk of loss or damage.

Mitigate: Implement a type of control to reduce the risk, such as substitution of an asset or activity, isolation of an area or plant, or implementation of a policy or process.

Accept: Accept a level or risk which is below the risk appetite or risk tolerance where no extra treatments are available, or where the cost of risk treatment significantly outweighs the potential risk exposure.

FRACA may decide to implement a strategy that capitalises on the likelihood of a particular risk eventuating, by ensuring the organisation is able to respond quickly to the opportunities as they arise. Such a strategic opportunity may be enhanced by influencing the factors that will improve the likelihood of the opportunity arising. Alternatively, FRACA may decide to maintain the status quo by informed decision.

² The *Work Health and Safety Act 2012(SA)* section 272 voids any agreement or contract that purports to transfer any duty owed under the Act.

Risk treatment implementation

Risk treatment need to be designed in a manner to ensure they are sufficient to mitigate the risk. In order for a risk treatment to be effective it should be documented and monitored. Where possible, controls should be integrated and automated so they operate consistently. A control should not be reliant on a particular person or set of circumstances.

If a manual control requires training, that training should be provided at induction and periodically to all people who are required to implement the control. There must be clear responsibility and accountability for implementing a manual control.

It may be necessary to seek independent skills, experience or advice in relation to implementing an effective risk management control.

A risk treatment plan specifies how the risk management controls will be implemented. The risk treatment plan is documented within the risk register or project management plan. The risk treatment plan outlines the rationale for selection of treatment options and sets out clear responsibilities and accountabilities for approving and implementing the plan, including proposed actions and timeframes.

Where appropriate the risk treatment plan should record resourcing requirements, constraints and contingencies. The risk register or project management plan must be monitored and the effectiveness of risk treatment reported.

6.6. Monitoring and review

A monitoring and review process involves periodic surveillance of the risk management process and will:

- Ensure that implemented controls are effective and adequate
- Provide further information to improve risk assessment and treatment plans
- Allow for the identification of emerging risks
- Identify any new factors that may influence established strategies to mitigate risks.

It is essential to monitor all activities and processes in order to capture new or emerging risks arising from the changing internal and external environment, and the activities undertaken by FRACA's Board members, Audit Committee members, employees, contractors and volunteers.

In relation to project management, risks may change over the project lifecycle, triggering the need for reassessment. The monitoring and scheduled review process allows for both validation of risks to ensure that they remain relevant and adaptation of project plans as necessary.

7. Recording and reporting

The risk management process and its outcomes are documented and reported, in order to:

- Communicate risk management activities and outcomes
- Provide information for decision making
- Provide opportunities for continuous improvement
- Assist interaction with stakeholders, including those with responsibility and accountability for risk management activities.

Official records will be managed and retained in accordance with State Records General Disposal Schedule 40 for Local Government.

7.1. Recording risks

The risk register enables FRACA to document, manage, monitor and review strategic and operational risks in order to build a risk profile and provide direction on how to improve risk management processes.

Strategic risks are identified as part of an annual review of the Strategic Plan and Business Plan.

Operational risks relating to the Executive Team's specific business processes and daily operations will be identified:

- Through a program of self-education, peer networking and continuous improvement
- By receiving formal and informal feedback from Audit Committee and Board members
- By receiving the results of audits and audit reports, including those carried out by Local Government Risk Services
- As part of the employee's performance review.

The Contractor's operational level risks are identified as part of the quarterly reporting regime set out in the Contractor's contract for services.

Project risks are identified, recorded and managed through appropriate project management plans and methodologies.

7.2. Reporting risks

Risk based reports draw data from the risk register, quarterly performance reports and project management plans in order to provide monitoring and profile information to the Board, via the Audit Committee and Executive Team to assist with:

- Understanding FRACA's risk exposure
- Identifying risks that require increased attention and action
- Providing relevant information about risks likely to impact upon achievement of strategic objectives.

Risk reporting will include:

Report content	Reported to	Frequency
Committee and Board reports include discussion of potential risks, based on completed risk assessment and treatments ³	Committee Board	Each Committee meeting Each Board meeting
Review and update of risk register	Executive Team	Following each Board meeting
Review and update of project management plan	Executive Team Project manager (if applicable)	Following each Board meeting
Report to the Committee and Board as appropriate any extreme or high risk to the health or safety of any person, including actions taken, outcomes and current status	Executive Team Contractor	Each Committee meeting Each Board meeting
Report to Committee and/or Board as appropriate any emerging strategic risks that exceed risk appetite and/or risk tolerance	Executive Team	Quarterly
Report to the Committee and/or Board as appropriate any operational risks that exceed risk appetite	Executive Team Contractor	Quarterly
Report to the Board the outcome of a review of the risk register, considering whether the risks are effectively controlled within risk appetite and risk tolerance	Audit Committee	Every six months
Report to the Board the outcome of a review of risk management, considering whether FRACA is compliant with its framework and policy	Audit Committee	Every twelve months
Board consideration of its risk appetite and tolerance and subsequent amendment of its appetite statement if required	Board	Every two years
Board consideration of its risk management framework	Board	First review after six months Thereafter every three years

³ Routine administrative matters do not require risk assessment, treatment plans or reporting.

8. Training

The approved Risk Management Framework and approved Risk Management Policy are published on FRACA's website.

Audit Committee members must have an understanding of their roles and responsibilities as outlined in FRACA's Risk Management Framework and Risk Management Policy.

Board members are key strategic decision makers and it is therefore imperative that they have an understanding of FRACA's Risk Management Framework and Risk Management Policy and their role in informed planning and decision making, based on sound risk management principles.

In order to build the level of competency required, each Audit Committee member, Board member, and Executive Team member is required to undertake training based on FRACA's structure and risk management governance.

9. Appendices

9.1. Risk consequence table

9.2. Risk likelihood table

9.3. Risk matrix

9.4. Risk consequence table for project risks

9.5. Risk likelihood table for project risks

	People	Financial	Service delivery	Environmental	Information technology	Legal and reputation
Insignificant	No injury Minor injury not requiring first aid treatment Minor illness not requiring time away from work	Low financial loss <\$10,000 impact on operating result	Insignificant interruption to service No impact to customers	Minor instance of environmental damage Damage can be remediated immediately Minimal disruption to cultural heritage	Low level threat to system with no loss of integrity No impact on system functionality No breach of privacy	No noticeable statutory or regulatory impact No fine No impact on reputation, little community interest, low profile, no media items
Minor	Minor injury requiring first aid treatment. Minor illness requiring time away from work	Medium financial loss >\$10,000 and <\$25,000 impact on operating result	Minor failure that cannot be rectified immediately Minor inconvenience to customers	Minor impact to environment that can be immediately contained Damage can be remediated in the short term Minor disruption to cultural heritage	Minor loss of integrity Unauthorised changes detected, isolated and rectified immediately No impact on system functionality No breach of privacy	Minor/temporary non-compliance Fines <\$10,000 Low impact on reputation, some passing interest, low media profile
Moderate	Medical attention required Time away from work Loss of member of Executive Team Loss of Audit Committee Chair Loss of Board Chair	High financial loss >\$25,000 and <\$100,000 impact on operating result	Significant failure of infrastructure requiring work-arounds Moderate inconvenience to customers up to 48 hours Partial Business Continuity Plan implementation required	Moderate impact to environment Localised damage or chemical release with potential to spread but can be contained with intensive efforts or outside assistance Noticeable disruption to cultural heritage	Loss of system and/or data integrity due to unauthorised changes that take up to two days to rectify Some impact on system functionality resulting in system being unavailable Possible breach of privacy	Short-term non-compliance Fines <\$500,000 Moderate impact on reputation, moderate public interest, public embarrassment, moderate media profile
Major	Extensive injuries Serious long term illness Temporary disability Loss of members of Executive Team / Audit Committee / Board causing significant impact on morale	Major financial loss >\$100,000 and <\$500,000 impact on operating result	Major interruption to service delivery Significant inconvenience to customers more than seven days Component of Business Continuity Plan action required	Chemical release, severe loss of environmental amenity or danger of continuing environmental damage Significant disruption to cultural heritage	Confirmed loss of system and data integrity taking between two days and two weeks to rectify with system unavailable for two weeks Confirmed breach of privacy requiring communication with affected people	Significant non-compliance with essential statutory requirements Fines <\$1,500,000 Sustained public interest, high negative media profile, Ministerial involvement, third party action
Catastrophic	Death Loss of members of Executive Team / Audit Committee / Board causing long term impact on morale	Huge financial loss/exposure >\$500,000 impact on operating result	Major interruption to delivery of all or most services for more than two weeks Full Business Continuity Plan action required	Toxic chemical release with detrimental effect, major loss of environmental amenity or irrecoverable environmental damage Irreversible disruption to cultural heritage		Long term non-compliance with essential statutory requirements, possible criminal charges Fines >\$1,500,000 Widespread public agitation, Government censure, high multiple impacts, widespread negative media profile

	Explanation	Probability
Almost Certain	It is expected to occur in most circumstances Immediately or within a short period, at least once a year	Expected to occur in most circumstances
Likely	Will probably occur in most circumstances Around 1 to 5 years	Probably will occur
Possible	Might occur at some time Within a 5 to 10 year period	Moderate probability of an incident
Unlikely	Could occur at some time In a 10 to 20 year time frame.	Low probability of an incident
Rare	May occur only in exceptional circumstances Could be incurred in a greater than 20 year timeframe	Extremely low probability Will only occur in exceptional circumstances

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Medium	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	High

	People	Financial	Schedule	Performance	Reputation
Insignificant	No injury Minor injury not requiring first aid treatment Minor illness not requiring time away from work	<2.5% of total project budget	<2.5% of total project schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there may be some qualification to the level to which it would perform non-critical elements of the mission or task. Few such qualifications would exist.	No impact on reputation, little community interest, low profile, no media items
Minor	Minor injury requiring first aid treatment. Minor illness requiring time away from work	2.5% to <10% of total project budget	2.5% to 10% of total project schedule	Would cause the delivered capability to be functionally fit for all desired missions or tasks, but there would be some qualification to the level to which it would perform non-critical elements of the mission or task. Several such qualifications would exist.	Low impact on reputation, some passing interest, low media profile
Moderate	Medical attention required Time away from work	10% to <15% of total project budget	10% to <15% of total project schedule	Would cause the delivered capability to be partly functionally fit for purpose (i.e. degraded ability to perform all desired missions or tasks; however, there are known workarounds). There would be some qualification to the level to which it would perform (e.g. due to issues of relationships, concurrency, etc.). Several such qualifications would exist.	Moderate impact on reputation, moderate public interest, public embarrassment, moderate media profile
Major	Extensive injuries Serious long term illness Temporary disability	15% to <20% of total project budget	15% to <20% of total project schedule	Would cause the delivered capability to be only partly functionally fit for purpose (i.e. degraded ability to perform some core missions or essential tasks or unable to perform non-core missions or tasks, and there are no known workarounds).	Sustained public interest, high negative media profile, Ministerial involvement, third party action
Catastrophic	Death	>20% of total project budget	>20% of total project schedule	Would cause the delivered capability to be functionally unfit for its intended purpose (i.e. unable to perform core missions or essential tasks).	Fines >\$1,500,000 Widespread public agitation, Government censure, high multiple impacts, widespread negative media profile

	Explanation	Probability
Almost Certain	Could be expected to occur more than once during the study or project delivery	Expected to occur in most circumstances
Likely	Could easily be incurred and has generally occurred in similar studies or projects	Probably will occur
Possible	Incurred in a minority of similar studies or projects	Moderate probability of an incident
Unlikely	Known to happen, but only rarely	Low probability of an incident
Rare	Has not occurred in similar studies or projects Conceivable but in extreme circumstances	Extremely low probability Will only occur in exceptional circumstances

To: Audit and Risk Management Committee

From: Kellie Knight-Stacey - Acting Executive Officer

Subject: 7.2 Policy Review – Code of Conduct Board and Committee Members

Date: 21 April 2023

References: Nil

Consultation: Nil

Attachments: 7.2a Code of Conduct Board and Committee Members v3.0

Purpose

The purpose of this report is to provide the Code of Conduct Board Members and Committee Members Policy to the Committee for review and recommendation to the Authority Board.

Background

The Code of Conduct Board and Committee Members Policy outlines the expected conduct of Authority Board and Committee members, as well as the process to manage any breaches in relation to conduct.

Discussion

The Policy has been reviewed with the following amendments presented for consideration via tracked changes in attachment 7.2a, noting that immaterial changes such as layout have not been presented or recorded in the document:

- Updated the document to include reference to Audit and Risk Management Committee Members.
- Expanded on 'Relationship with Authority Management staff' to reflect the changes to Authority resourcing (page 2)
- Additional clauses in regard to misconduct (page 3)

The review frequency of this policy has been amended from biennial to triennial in accordance with the previous direction of the Committee and Board, with additional immaterial proposed amendments to the policy identified through the track changes function in the policy document.

Recommendation

The Audit and Risk Management Committee recommend that the Authority Board endorse of the Code of Conduct Board and Committee Members Policy v3.0 as reviewed and amended by the Committee on 21 April 2023.



Code of Conduct Board and Committee Members Policy

Creation Date <u>and</u> Authority Resolution	29 April 2016 / FRACA00003		
Version	<u>3.0</u>	Review Frequency	<u>Triennial</u>
Review Date	28 April 2023	Next Review Due	April 2026
Related Documents	Nil		
Applicable Legislation	ICAC Act 2012 Work Health and Safety Act 2012		

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1. Purpose

Section 62 of the *Local Government Act 1999* and this Code of Conduct are to be observed by all Fleurieu Regional Aquatic Centre (FRAC) Authority (the 'Authority') Board Members and Audit and Risk Management Committee Members.

Authority Board and Committee Members must comply with the provisions of the Act and this Code in the performance of public office. It is the personal responsibility of Board Members, as public officers, to ensure that they are familiar with, and comply with, the standards in this Code of Conduct at all times.

2. Principles

Authority Board and Committee Members will:

- Commit to serve the best interests of the Authority and to discharge their duties conscientiously, to the best of their abilities
- Work together constructively and uphold the values of honesty, integrity, accountability and transparency
- Make every endeavour to ensure that they have current knowledge of statutory, legislative and governance requirements of their role, and abide by this code of conduct.

Part 1 - Behavioural Code

General Behaviour

- Show commitment, respect for others and discharge of duties conscientiously
- Act in a reasonable, just, respectful and non-discriminatory way when dealing with people
- Robust debate, conducted in a respectful manner, is not breach of the Behavioural Code.

Responsibilities as an Authority Board and Committee Member

- Comply with all FRAC policies, codes and resolutions
- Deal with information received in their capacity as Board Members and Committee Members in a responsible manner.

Relationships with fellow Authority Board and Committee Members

- Endeavour to establish and maintain a respectful relationship with all Board and Committee Members, regardless of differences of views and opinions

- Not bully or harass other Board Members.

Relationship with Authority Management staff

- Not bully or harass Authority Management staff
- Direct all requests for information to the Executive Officer, unless otherwise directed by the Executive Officer
- Direct all requests for work or actions to the Executive Officer, unless otherwise directed by the Executive Officer

Complaints

- Any person may make a complaint about a Board Member under the Behavioural Code
- Complaints about alleged breaches to the Behavioural Code should be brought to the attention of the constituent councils
- A complaint may be investigated and resolved in any manner the Board deems appropriate to this code. This can include, but is not limited to:
 - a mediator or conciliator
 - with the assistance of officer/s of the constituent councils
 - an independent investigator.
- Some complaints may be considered to be trivial, vexatious or frivolous, and accordingly, may not be investigated
- A failure of a Board or Committee Member to cooperate with the process for handling alleged breaches of this Part may be referred for investigation under Part 2 of this Policy
- A failure of a Board or Committee Member to comply with a finding of an investigation under this Part, may be referred for investigation under Part 2 of this Policy
- Repeated or sustained breaches of this Part by the same Board or Committee Member may be referred, by resolution of the Authority, to the relevant authority as a breach of Part 2 of this Policy
- A breach of the Behavioural Code must be the subject of a report to a meeting of the Authority.

Findings

If, following investigation under the complaints handling process, a breach of the Behavioural Code by a Board or Committee Member is found, the Authority may, by resolution:

- Take no action, or
- Pass a censure motion in respect to the Board or Committee Member, and/or
- Request the Board or Committee Member to attend training on the specific topic found to have been breached, and/or
- Resolve to recommend to the constituent councils to remove or suspend the Board or Committee Member from a position within Authority (clause 3.7.5 of the Charter).

Part 2 - Misconduct

Failure by a Board or Committee Member to comply with this Part constitutes misconduct. The provisions within this Part may refer to statutory matters under the *Local Government Act 1999*. Any breach of these provisions will be investigated under that legislation.

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- Any person may report an alleged breach of this Part to the Constituent Councils, the Ombudsman, or the Office for Public Integrity. Alleged breaches of this Part made to the Constituent Councils or to the Office for Public Integrity may be referred to the Ombudsman for investigation under Section 263 of the

- Projects are either inaccurately recorded or not recorded at all

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Appropriate approvals are not received for the establishment and changes in project scope or costs, by the Constituent Councils or the Independent Commissioner Against Corruption.

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A report from the Ombudsman that finds a Board or Committee member has breached this Part (Misconduct) of the Code of Conduct must be provided to a public meeting of the Constituent Councils. The Council must pass resolution that gives effect to any recommendations received from the Ombudsman, following the receipt of these recommendations.

An investigation under Part 3 of this Code does not preclude an investigation being launched as a potential breach of the criminal matters listed in the Appendix to this document.

Member Duties

Board and Committee Members must act with reasonable care, diligence and honesty at all times in the performance and discharge of their official duties.

Gifts and Benefits

Board and Committee Members must not:

- Seek gifts or benefits of any kind
- Accept any gift or benefit from any person who is in, or who seeks to be in, any contractual relationship with the Authority.

Board and Committee Members may, however, accept hospitality provided in the context of performing their duties, including:

- Free or subsidised meals, beverages or refreshments of reasonable value provided in conjunction with:
 - Authority related events such as training sessions, workshops and conferences
 - Authority functions or events.

Conflict of Interest

Board and Committee Members must be committed to making decisions without bias and in the best interests of the Authority, the constituent councils and the community, and must declare any conflict of interest (financial, material or perceived) prior to any Meeting of the Authority.

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Misuse of Resources

Board and Committee Members must use available resources effectively and prudently, and must not use resources, including services of Authority staff, for private purposes, unless legally or properly authorised to do so, and payments are made where appropriate. Board and Committee Members must not use public funds or resources in a manner that is irregular or unauthorised.

3. Delegations

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

4. Availability of Policy

This Code of Conduct Board Members Policy will be available on the Fleurieu Aquatic Centre website.

5. Review

This policy shall be reviewed by the Authority triennially.

Document History

VERSION	DOCUMENT	ACTION	DATE
1.0	Approved version	FRAC Authority endorsement	29 April 2016
2.0	Revised version	FRAC Authority endorsement	18 May 2018
3.0	Revised version	FRAC Authority endorsement	28 April 2023

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey - Acting Executive Officer
Subject: 7.3 Policy Review – Code of Practice Meeting Procedures
Date: 21 April 2023
References: Nil
Consultation: Nil
Attachments: 7.3a Code of Practice Meeting Procedures v3.0

Purpose

The purpose of this report is to provide the Code of Practice Meeting Procedures Policy to the Committee for review and recommendation to the Authority Board.

Background

The Code of Practice Meeting Procedures Policy defines the conduct and decision-making processes of the Board and Audit and Risk Management Committee meetings of the Authority in alignment with the Local Government Act 1999 (SA) and Authority Charter.

Discussion

The Policy has been reviewed with the following amendments presented for consideration via tracked changes in attachment 8.3a, noting that immaterial changes such as layout have not been presented or recorded in the document:

- Additional commentary to clause 15 – Order of Business. This provides the Chairperson with the ability to alter the order of business in certain circumstances.
- Update to clause 27 – Recording of Meetings to protect the privacy of members of the public and unauthorised editing of recordings.
- Adjusted Order of Business Attachment A to move confidential items to the end of the agenda.

The review frequency of this policy has been amended from biennial to triennial in accordance with the previous direction of the Committee and Board, with additional immaterial proposed amendments to the policy identified through the track changes function in the policy document.

Recommendation

The Audit & Risk Management Committee recommend to the Authority Board the adoption of the policy Code of Practice Meeting Procedures v3.0 as reviewed and amended by the Committee on 21 April 2023.



Code of Practice for Meeting Procedures

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Creation Date & Authority Resolution	29 April 2016 / FRACA00004		
Version	2.0	Review Frequency	Biennial
Review Date	28 April 2023	Next Review Due	April 2026
Related Documents	Nil		
Applicable Legislation	ICAC Act 2012 Work Health and Safety Act 2012		

1. Introduction

The provision for the conduct of the Fleurieu Regional Aquatic Centre (FRAC) Authority and the decision-making processes at those meetings are prescribed by the *Local Government Act 1999* Schedule 2, Section 21 and Clause 3.12 of the (FRAC) Authority Charter.

The Code of Practice to be adopted by the Authority pursuant to Clause 3.12.27 must be adopted within twelve (12) months of the establishment of the Authority.

2. Code of Practice for Meeting Procedures

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- The Board should, at least once in every two years, review the operation of a code of practice under this regulation.
- The Board may at any time, by resolution supported by at least two-thirds of the members of the Board, alter a code of practice, or substitute or revoke a code of practice.
- A person is entitled to inspect (without charge) the code of practice of the Board at the principal office of the constituent Councils during ordinary office hours.
- A person is entitled, on payment of a fee fixed by the Board, to a copy of the code of practice.

3. Definition

'the Authority' means the Fleurieu Regional Aquatic Centre Authority;

'the Board' means the Board of Management of the Authority set out at Clause 3 of the Charter;

'Board Member' includes a Constituent Council Board Member, an Independent Board Member and a Deputy Board Member;

'Chairperson' means the member of the Board appointed pursuant to Clause 3.11 of the Charter

'Clear days' means (in relation to giving notice before a meeting):

The calculation of clear days—

(a) the day on which the notice is given, and the day on which the meeting occurs, will not be taken into account; and

(b) Saturdays, Sundays and public holidays will be taken into account.

'Leave of the meeting' means with the consent of the majority of members present at the meeting by a show of hands;

'Member' means a Board member and includes a Constituent Council Board Member, an Independent Board Member and a Deputy Board Member;

'Presentation' means a person or group of persons who wish to appear personally before the Board to present information on a particular matter;

'Written notice' includes a notice given in a manner or form determined by the Board.

4. Chairperson

The Chairperson is appointed by the Constituent Councils on the appointment of Independent Board Members.

The Chairperson must preside at all meetings of the Board and, in the event the Chairperson is absent from a meeting, the Deputy Chairperson shall preside and in the event of both the Chairperson and the Deputy Chairperson being absent from a meeting, the Board must appoint one of the Board Members present to preside at that meeting only.

Chairpersons and Deputy Chairpersons of Sub-Committees may be appointed by either the Board or the subcommittee.

5. Board Meetings

Ordinary meetings of the Board will be held at such times and places as determined by the Board except that there must be at least one ordinary meeting of the Board every three months.

An ordinary meeting of the Board will constitute an ordinary meeting of the Authority. The Board shall administer the business of the Authority at the ordinary meeting.

For the purpose of Clause 3.12 of the Charter, the contemporary linking together by telephone, audio-visual or other instantaneous means ('telecommunications meeting') of the Board Members provided that at least a quorum is present, is deemed to constitute a meeting of the Board. Each of the Board Members taking part in the telecommunications meeting, must at all times during the telecommunications meeting be able to hear and be heard by each of the other Board Members present. At the commencement of the meeting, each Board Member must announce his/her presence to all other Board Members taking part in the meeting. A Board Member must not leave a telecommunications meeting by disconnecting his/her telephone, audio-visual or other communication equipment, unless that Board Member has previously notified the Chair of the meeting.

A proposed resolution in writing and given to all Board Members in accordance with procedures determined by the Board will be a valid decision of the Board and will constitute a valid decision of the Authority where a majority of Board Members vote in

favour of the resolution by signing and returning the resolution to the Executive Officer or otherwise giving written notice of their consent and setting out the terms of the resolution to the Executive Officer. The resolution will be deemed a resolution of the Board and will be as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

Meetings of the Board will be open to the public and [Section 90 and 90A](#) of the [Local Government Act 1999](#) extends to the Authority as if the Authority were a council and the Board Members were members of the council.

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The Executive Officer must within one calendar month following a local government periodic election, call an ordinary meeting of the Board at which meeting the time, date and place of ordinary meetings of the Board will be determined.

6. Conduct of Meetings

In general, meeting procedures are flexible however the Chairperson should ensure that:

- The business of the meeting is conducted in a proper and orderly manner.
- The views of the meeting on the business before it are determined (in accordance with the Board Charter and this document).
- All members who wish to contribute to the debate have an opportunity to do so.
- All motions are legal, clear and able to be implemented.
- The discussions are kept to the subject being discussed and irrelevant and repetitious discussions are prevented.

If a member needs to leave the room, he or she should indicate this to the Chairperson. This will provide the minute taker the opportunity to record who leaves the meeting including for the purpose of Declaration of Conflict of Interests.

7. Quorum

A meeting of the Board must not commence until a quorum of Board Members is present and a meeting must not continue if there is not a quorum of Board Members present. A quorum of Board Members will comprise one half of the Board Members in office, ignoring any fraction, plus one.

8. Commencement of Meetings

- A meeting will commence as soon after the time specified in the notice of meeting as a quorum is present.
- If the number of apologies received by the Executive officer indicates that a quorum will not be present at a meeting, the Executive Officer may adjourn the meeting to a specified day and time.
- If at the expiration of 30 minutes from the time specified in the notice of meeting as the time of commencement a quorum is not present, the Chairperson will, adjourn the meeting, to a specified day and time.

- If a meeting is adjourned for want of a quorum, the Executive Officer will record in the minutes the reason for the adjournment, the names of any members present, and the date and time to which the meeting is adjourned.
- If a meeting is adjourned to another day, the Executive Officer must—
 - give notice of the adjourned meeting to each member setting out the date, time and place of the meeting; and
 - give notice of the adjourned meeting to the public by causing a notice setting out the date, time and place of the meeting to be placed on display at the principal office of the Authority.

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9. Apologies

Apologies for a Board meeting should be provided to the Executive Officer prior to the Board meeting commencing and will be recorded in the Minutes.

10. Public Access to Board Meetings

All meetings must be held in public except in special circumstances set out in Section 90 of the *Local Government Act 1999* (the Act).

The Executive Officer may indicate on a document or report provided to Board Members under Clause 3.12.12 of the Charter any information or matter contained in or arising from a document or report that may, if the Board determines, be considered in confidence in accordance with Clause 3.12.5 of the Charter provided that the Executive Officer at the same time specifies the basis on which an order could be made pursuant to the provisions of Chapter 6 Part 3 of the Act.

11. Notice of Ordinary or Special Board Meetings

Subject to Clause 3.12.11 of the Charter, notice of an ordinary meeting of the Board will be given by the Executive Officer to each Board Member not less than three (3) clear days prior to the holding of the meeting.

The Executive Officer must, in relation to a notice of meeting of the Board for the purpose of considering the making of a recommendation to the Constituent Councils to wind up the Authority, provide the notice to all Board Members at least four (4) months before the date of the meeting.

Notice of a meeting of the Board must:

- be in writing; and
- set out the date, time and place of the meeting; and
- be signed by the Executive Officer; and
- contain, or be accompanied by, the agenda for the meeting.

Any Constituent Council, the Chairperson or three (3) Board Members may by delivering a written request to the Executive Officer require a special meeting of the Board to be held and any such special meeting shall constitute a special meeting of

the Authority. The written request must be accompanied by the agenda for the special meeting and if an agenda is not provided the request has no effect.

On receipt of a written request pursuant to Clause 3.12.10, the Executive Officer and Chairperson must determine the date and time of the special meeting and the Executive Officer must give notice to all Board Members at least four (4) hours prior to the commencement of the special meeting.

12. Notice of a meeting to Board Members

Notice of a meeting to Board Members may be given:

- personally; or
- by email to an email address authorised by the Board Member in writing; or
- by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member; or
- in the case of a Constituent Council Board Member by leaving the notice for the Board Member at an appropriate place at the principal office of the Constituent Council which appointed the Board Member; or
- by a means authorised in writing by the Board Member as being an available means of giving notice.

A notice that is not given in accordance with Clause 3.12.13 of the Charter is taken to have been validly given if the Executive Officer considers it impracticable to give the notice in accordance with that Clause and takes action the Executive Officer considers reasonably practicable in the circumstances to bring the notice to the attention of the Board Member.

The Executive Officer must sign all Authority 'Notices of Meetings' and approve the agenda (including reports) prior to distribution.

The Executive Officer must ensure that an official record of all 'notices of meetings' including the agenda and minutes are maintained.

All Board Members must authorise in writing where the Executive Officer should deliver their notice of meeting and agenda.

13. Notice of a meeting to the public

The Executive Officer must give notice to the public of the times and places of meetings of the Board at least three (3) clear days prior to the holding of the meeting by causing a copy of the notice and agenda for the meeting to be placed on public display at the principal office of the Constituent Councils and on the Fleurieu Aquatic Centre website.

14. Agenda

Subject to Clause 3.12.18, the Executive Officer must also ensure that a reasonable number of copies of any document or report supplied to Board Members for consideration at a meeting of the Board are available for inspection by members of the public:

- at the principal offices of the Constituent Councils as soon as practicable after the time when the document or report is supplied to Board Members; or
- in the case of a document or report supplied to Board Members at the Board Meeting, at the meeting as soon as practicable after the time when the document or report is supplied to Board Members.

Procedures

The Notice of meeting and the agenda which includes copies of any documents or reports that are to be considered at the meeting will be provided to Board Members in either hard copy or electronic/digital format and provided on the Fleurieu Aquatic Centre website as soon as practicable after providing to Board Members.

Note: it may be necessary to send supplementary agenda items to Members should urgent business items be required, this may be via Notice of Motion.

The Executive Officer must maintain a record of all notices of Board meetings given under Clause 3.12.9 of the Charter to Board Members.

15. Order of Business

The order of business for a meeting of the Board will generally be in accordance with the agenda format as provided at Attachment A.

However, the Chairperson may at their own discretion or at the request of a Member of Board bring forward items for debate where:

- A large contingent of interested parties is present in the gallery;
- Contractors or consultants are present to make presentations; or
- It may otherwise be considered expedient or appropriate.

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16. Majority Decision Making and Voting

- (1) All matters for decision at a meeting of the Board will be decided by simple majority of the Board Members present and entitled to vote on the matter.
- (2) All Board Members including the Chairperson present and entitled to vote on a matter are required to vote.
- (3) Where the votes are equal the Chairperson or other Board Member presiding at the meeting does not have a second or casting vote.

Procedures

A person who is not at the meeting may be permitted to vote either through a telecommunications meeting or by signing a written document containing the resolution and returning to the Executive Officer.

Tied votes – In the event that a vote is tied the matter may be adjourned for further consideration at a future meeting, or be referred to the parent body for deliberation i.e. the constituent Councils can consider the matter.

17. Confidentiality

All Board Members must at all times keep confidential all documents and reports provided to them for their consideration prior to a meeting of the Board that is subject to the operation of Clause 3.12.17 of the Charter or that relates to a matter dealt with by the Board on a confidential basis in accordance with Clause 3.12.15 of the Charter and Chapter 6, Part 3 of the Act.

18. Duration of Board Meeting

After 4 hours the Chairperson will take a vote on whether to continue with the meeting or adjourn the remaining business.

19. Minutes

The Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board and ensure that the minutes are presented to the next ordinary meeting of the Board for confirmation. Where the Executive Officer is absent or excluded from attendance at a meeting of the Board pursuant to Clause 3.12.5 of the Charter, the person presiding at the meeting shall cause the minutes to be kept.

The Executive Officer must, within five (5) days after a meeting of the Board provide to each Board Member a copy of the minutes of the meeting of the Board.

Subject to Clause 3.12.26, a copy of the minutes of a meeting of the Board must be placed on public display at the principal offices of the Constituent Councils and the Authority on the Fleurieu Aquatic Centre website within five (5) days after the meeting and kept on public display for a period of one (1) month.

Clause 3.12.25 does not apply to the minutes of a meeting of the Board that relates to a matter dealt with by the Board on a confidential basis in accordance with Clause 3.12.5 and Chapter 6 Part 3 of the Act.

Procedures

- (1) On the confirmation of the minutes, the presiding member will—
 - (a) initial each page of the minutes, which pages are to be consecutively numbered; and
 - (b) place his or her signature and the date of confirmation at the foot of the last page of the minutes.
- (2) The minutes of the proceedings of a meeting must include—
 - (a) the names of the members present at the meeting and any apologies; and
 - (b) in relation to each member present—
 - (i) the time at which the person entered or left the meeting; and
 - (ii) unless the person is present for the whole meeting, the point in the proceedings at which the person entered or left the meeting; and

- (c) each motion/resolution; and
- (d) whether a motion is carried or lost; and
- (e) any disclosure of interest made by a member; and
- (f) details of the making of an order under Section 90 of the Act; and
- (g) a note of the making of an order under [Section 91\(7\)](#), of the Act.
- (h) details of any adjournment of business; and
- (i) a record of any request for documents to be tabled at the meeting; and
- (j) a record of any documents tabled at the meeting; and
- (k) a brief description of any oral briefing given to the meeting on a matter of Board business; and
- (l) any other matter required to be included in the minutes by or under the Act or the Charter.

Deleted: subsection (7) of section 91

The Minutes will also be available on the Authority website as soon as practicable after the minutes are given to members of the Board

20. Presentations

Presentations may be made as an opportunity for an organisation, Council officer(s) or member of the public to provide the Board with information relevant to a matter currently under consideration or relevant to the Board purpose (refer Charter). The duration is up to 10 minutes and generally is limited to one presentation per meeting.

Procedures

If notes or other documents are to be distributed for the presentation copies are to be provided to the Minute Secretary prior to the commencement of the meeting for distribution.

- A person or persons wishing to make a presentation at a meeting must deliver the request in writing to the Executive Officer.
- The Executive Officer will consult with the Chairperson prior to placing on the agenda.
- The Chairperson with the consent of the majority of Board Members may refuse to allow a presentation.

21. Motions without Notice

A member may also bring forward any business by way of a resolution without notice.

The Chairperson may refuse to accept a motion without notice if, he or she considers that the motion should be dealt with by way of a written notice of motion.

Examples:

To maintain an open and transparent approach to governance these motions should be restricted to matters closely related to agenda items, house-keeping issues or matters of urgency.

When in the opinion of the Chairperson, the motion will require action involving the expenditure of unbudgeted resources a Motion on Notice may be requested.

22. Matters of Urgency

A member may raise a matter of urgency.

The standard agenda item provides for Members to raise 'matters of urgency'.

It is recommended that the Executive Officer and other Board Members are notified prior to the meeting via email of matters that are intended to be raised through this item.

23. Tabling of Information

- A member may require the Executive officer to table any documents of the Board relating to a resolution that is before a meeting (and the Executive officer must then table the documents within a reasonable time, or at a time determined by the Chairperson after taking into account the wishes of the meeting, and if the member who has required the tabling indicates that he or she is unwilling to vote on the resolution until the documents are tabled, then the matter must not be put to the vote until the documents are tabled).
- The Executive officer may, in tabling a document, indicate that in his or her opinion consideration should be given to dealing with the document on a confidential basis under section 90 or 91 of the Act.

24. Adjourned Business

A Member may resolve to adjourn an item of business, with leave of the meeting, to a later hour of the same day, to another day, or to another place.

25. Late Correspondence

Correspondence received after the preparation of the agenda will not be considered at the meeting to which the agenda refers, unless the Executive Officer in consultation with the Chairperson considers that the correspondence is sufficiently urgent to warrant consideration. Urgent matters will be pursued through 'Matters of Urgency' on the agenda.

Procedures

When a regular meeting date and time has been established by the Board dates for the year should be publicised on the FRAC website.

26. Attendance at Board Meetings

The Chief Executive Officers of each Constituent Council may attend any meeting of any Board or nominate a Senior Officer of the Councils to act in his/her place for any particular occasion or purpose. The Chief Executive Officer or his/her nominee shall not have voting rights.

Deputy Board members are encouraged to attend all meetings, however, will not be counted as part of the quorum or vote unless their Council's Member is absent.

27. Recording of Meetings

[Recording \(including filming, photography and audio\) from the public gallery is allowed, provided that it does not disturb the meeting or prevent those taking part in the meeting from performing their functions.](#)

[To protect the privacy of individuals attending meetings the Authority requests that third parties not film, record or photograph the public gallery.](#)

[Third party recording must not be edited in a way that could lead to the misinterpretation of the proceedings.](#)

[Members of the public and/or Board Members are not permitted to record confidential items of the Board meeting.](#)

28. Delegations

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

29. Availability of Policy

This Code of Conduct Board Members Policy will be available on the Fleurieu Aquatic Centre website.

30. Review

This policy shall be reviewed by the Authority [every three years in accordance with Clause 3.12.28 of the Charter.](#)

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Document History

VERSION	DOCUMENT	ACTION	DATE
1.0	Approved version	FRAC Authority endorsement	29 April 2016
2.0	Revised version	FRAC Authority endorsement	18 May 2018
3.0	Revised version	FRAC Authority endorsement	28 April 2023



Agenda

Audit & Risk Management Committee

Date & Time: Day XX Month YEAR, TIME

Location:

- 1. Attendance**
- 2. Apologies**
- 3. Conflict of Interest**
- 4. Minutes of Previous Meeting**
- 5. Business Arising**
- 6. Verbal Report**
- 7. Reports**
- 8. Confidential Reports**
- 9. Next Meeting: XX MONTH YYY**
- 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.

To: Audit and Risk Management Committee
From: Kellie Knight-Stacey – Acting Executive Officer
Subject: 7.4 Policy Review – Asset Accounting
Date: 21 April 2023
References: Nil
Consultation: Nil
Attachments: 7.4a Asset Accounting Policy V2.0

Purpose

The purpose of this report is to provide the Asset Accounting Policy to the Committee for review and recommendation to the Authority Board.

Background

The Asset Accounting Policy was first created in July 2017

This Policy seeks to provide guidance for the recognition, depreciation and revaluation of assets with an aim to ensure compliance with legislation, accurate financial reporting and informed decision making.

Discussion

The Policy has been reviewed and includes updated useful life data as per the recent revaluation of Land and Buildings. As part of the building revaluation, assets were provided with short and long useful life estimates.

The main building structure has been broken into five components and useful lives for services, the main swimming pool and other surrounding structures have also been updated.

Recommendation

The Audit & Risk Management Committee recommend that the Authority Board endorse the Asset Accounting Policy v2.0 as reviewed and amended by the Committee on 21 April 2023.

7.4a Asset Accounting Policy



Asset Accounting Policy

Creation Date & Authority Resolution	28 July 2017 / FRACA000085		
Version	2.0	Review Frequency	Triennial
Review Date	28 April 2023	Next Review Due	April 2026
Related Documents	Procurement Policy; Disposal of Land & Assets Policy		
Applicable Legislation	Local Government Act 1999; Australian Accounting Standards & Regulations; Local Government (Financial Management) Regulations 2011		

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1. Overview

The Fleurieu Regional Aquatic Centre Authority (~~the Authority~~) assets shall be recognised, capitalised, and revalued in accordance with Accounting Standards and this ~~policy~~.

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The Authority will develop a 10-year Asset Management Plan to assist in meeting its asset management objectives. The Authority's Long Term Financial Plan and Annual Business Plan and Budget will incorporate the ~~management activities~~ identified in the Asset Management Plan.

Deleted: The Authority will ensure that assets are managed and maintained efficiently and that decisions regarding the acquisition of new assets and the sale of existing assets are undertaken in an open, accountable, and transparent fashion.

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2. Purpose

This policy provides guidance ~~to ensure compliance~~ with legislation which requires the Authority to account for and report on assets in its financial statements.

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The guidance aims to ~~facilitate~~ better understanding of the value and cost of ~~the assets the Authority uses~~ to provide services; ~~enabling~~ better planning and decision-making regarding asset acquisition, management, and disposal.

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3. Scope

The accounting policies of the Authority must comply with requirements of the Australian Accounting Standards (including interpretations, as made by the Australian Accounting Standards Board AASB).

Asset accounting involves developing a detailed register of all assets and the setting of appropriate recognition thresholds. It involves decision-making on how to:

- ~~Categorise~~ assets.
- ~~Determine~~ asset life and depreciation ~~amounts~~, which should reflect the levels of service provided by the asset.
- ~~Value~~ and revalue assets.
- ~~Treat~~ asset impairment, asset disposals and write offs.

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4. Definitions

Asset	A resource controlled by an entity as a result of past events and from which future economic benefits are expected to flow to the entity.
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	<p>For the purposes of this policy, assets include Infrastructure, Property, Plant and Equipment i.e. non-current assets and excludes current assets such as stock / inventory.</p> <p>This includes physical assets that meet a pre-determined threshold and that are used in the course of business over more than one accounting period. Examples are buildings, equipment, land, storm and waste water systems.</p>
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost-effective manner.
Capital Expansion	Expenditure which creates a new asset providing a new service/output that did not exist beforehand or expenditure that extends the capacity of an existing asset to a new group of users.
Capital Expenditure	Relatively large (material) expenditure, which has benefits expected to last more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade, the total project cost needs to be allocated accordingly.
Capital Renewal	Expenditure on an existing asset or on replacing an existing asset, which returns the service potential or the life of the asset up to that which it had originally.
Capital Upgrade	Expenditure which enhances an existing asset to provide a higher level of service or increases the life of the asset beyond which it had originally.
Carrying Amount	The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.
Depreciation	The systematic allocation of the depreciable amount of an asset over its useful life.
Depreciable Amount	The cost of an asset or other amount substituted for cost, less its residual value.
Fair Value	Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Impairment	The decline in the future economic benefits or service potential of an asset, over and above the use reflected through depreciation.
Maintenance	All actions necessary for retaining an asset as near as practicable to its original condition, including regular ongoing day-to-day work necessary to keep assets operating.
Replacement Cost	The current cost to replace an item of property, plant and equipment on a like for like basis.
Residual Value	The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.
Useful Life	The period for which an asset is expected to be available for use by an entity.

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5. Policy Principles

5.1. Recognition of an Asset

An asset is recognised in the balance sheet when it is probable that future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

An asset that qualifies for recognition as an asset will be recognised at cost as at the date of acquisition, including costs directly attributable to bringing the asset to the location and in the required condition for operation by the Authority. Where an asset is acquired at ~~nil~~ or nominal cost, it will be recognised at its Fair Value as at the date of acquisition.

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Assets should have a useful life of greater than one year to enable capitalisation of the expenditure and should also meet a materiality test. Materiality levels are set so as not to misstate Financial Statements and to provide a guide whether it is practical from an administrative perspective that expenditure is capitalised. No capitalisation threshold is applied to the acquisition of land or interests in land.

Materiality levels for capitalisation are:

- ~~\$1,000 for furniture and fittings.~~
- ~~\$1,000 for plant and equipment.~~
- \$5,000 for buildings including major plant and other structures.

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Expenditure can still be capitalised on items that fall below the materiality thresholds individually, but operate together as a cohesive whole to form a significant total value.

Software capitalisation involves the recognition of purchased or internally-developed software as an asset.

5.2. Measurement at 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.

5.3. 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, ~~furniture and fittings~~; and plant and equipment assets have been estimated based on industry standards and consultancy

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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.

Asset Classes

Buildings:

Asset Component	Estimated Useful Life
01 Sub-Structure	98 to 150 years
02 Structure	98 to 150 years
03 Floor Coverings	33 to 36 years
04 Fitout	48 to 100 years
05 Roof	64 to 100 years
Services	19 to 150 years
25m Swimming Pool	58 to 120 years
Other Structures	14 to 135 years

Furniture and Fittings:

Asset sub-category	Estimated Useful Life
Furniture and Fittings	5 to 35 years

Plant & Equipment:

Asset sub-category	Estimated Useful Life
Plant and Equipment	5 to 35 years

5.4. Revaluation of Non-Current Assets

Non-current assets are revalued with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at reporting date in accordance with Australian Accounting Standards and Regulations under the Local Government Act 1999.

The following asset classes will remain at cost and will not be revalued:

- Plant and Equipment
- Furniture and Fittings

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Asset sub-category ... [1]

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Determining the frequency of valuations depends on striking a balance between having relevant, timely information and the cost of obtaining such information. Therefore, it is appropriate to provide for periodic comprehensive revaluations with interim revaluations based on specific indices. Non-current assets that are subject to revaluation will be subject to a desktop review and potential application of a suitable price escalator after two years; with a more rigorous review of asset valuations (conducted on a 'fair value' accounting basis) occurring at an interval of no more than 5 years.

5.5. Residual Values of Non-Current Assets

The residual value of buildings, plant and furniture and fittings that are traded at the end of their useful life, can be calculated via AASB13 Fair Value Measurement. The residual value of the asset is what is expected to be obtained at trade in. The residual values of buildings, plant, equipment and furniture and fitting assets are based on market evidence and advice provided by independent valuations of these assets.

Residual values are not recognised for infrastructure assets.

5.6. Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually 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.

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 1031 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.

5.7. Disposal or Sale of Assets

The disposal or sale of assets must be made in accordance with the Authority's Disposal of Land and Assets Policy.

5.8. Asset Management

The goal of asset management is to provide a required level of service, in the most cost-effective manner, through the management of assets for present and future customers.

To ensure long-term sustainability, the Authority has a responsibility for planning, developing and maintaining its assets for the benefit of the community.

When developing its Asset Management Plan, the following four steps will be taken into consideration by the Authority:

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- 1) Know what assets the Authority owns and the service standards target for those assets. Then estimate the cost to maintain the assets to meet the level of standard of service.
- 2) Consider any increased demand and costs for services from development growth or the impact of a declining population or other changes in population.
- 3) Prepare a life cycle management plan for all of the Authority's assets. This will diminish the risk of unexpected expenditure when assets start failing.
- 4) Undertake risk and financial projections to determine which assets are most important to the community, its needs and safety.

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5.9. Asset Register

The asset register for Infrastructure, Property and Plant will maintain details of Fair/Replacement/Historical Value, Accumulated Depreciation and Carrying Amount for each asset and asset class, along with historical information relating to revaluation and impairment.

Depreciation will be calculated and applied monthly and reconciled with the asset records where applicable at 30 June each year.

Asset additions and disposals will be recorded and reconciled at least quarterly.

Asset registers will be used to ensure that the Authority has adequate security arrangements and insurance cover to ensure fixed assets are protected from destruction, deterioration, theft; or fraudulent or illegal use. A register will also be kept for minor items which may be more likely to be subject to loss.

5.10. Asset Investment Appraisal Process

Recognising that the resources of the Authority are limited, all asset investment decision making shall be considered in relation to the community need and a long-term outlook. All projects will go through an Authority Board appraisal process including undertaking due diligence processes as appropriate.

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Projects should only be approved once the impact on the long-term financial plan has been determined and agreed by the Authority.

6. Responsibilities

The Authority Executive Officer has overall responsibility for ensuring that the acquisition and capitalisation of all assets is conducted in accordance with legislation, Accounting Standard and Authority policies.

7. Delegations

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

8. Availability of Policy

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

9. Review

This policy shall be reviewed by the Authority triennially.

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Document History

VERSION	DOCUMENT	ACTION	DATE
1.0	Approved version	FRAC Authority endorsement	28 July 2017
2.0		FRAC Authority endorsement	28 April 2023

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