



## **Minutes of Audit & Risk Management Committee Meeting held:**

**1 February 2018**

### **Council Chamber District Council of Mount Remarkable 3-5 Stuart St Melrose**

The meeting was declared open by the Chair at 9:30 am on 1 February 2018 at the Council Chamber, District Council of Mount Remarkable.

#### **1. Meeting Attendance**

**Present:** Mayor Ray Agnew (Chair), Chairman Kathie Bowman, Mayor Colin Nottle and Mr Colin Davies.

**In Attendance:** Mr Simon Millcock

**Apologies:** Dr Andrew Johnson

#### **2. Confirmation of Previous Minutes**

Motion: That the minutes of the previous Audit & Risk Management Committee Meeting held on 10 August 2017 be taken as read and confirmed

Moved: Colin Davies Seconded: Mayor Colin Nottle

**CARRIED**

#### **3. Business Arising Not Otherwise on the Agenda**

The meeting noted that the Legatus Group Annual Financial Statement budget comparison for the year ending 30 June 2017 which was presented to the meeting had not been previously provided. The Balance Sheet, Profit and Loss Statement and Actual v Budget Comparison for 2017/2018 to 31 December 2017 prepared by Regional Council of Goyder Finance Manager Mr Griff Campbell had been distributed prior to the meeting.

Motion: That the Legatus Group Audit and Risk Committee recommends the Legatus Group receives and endorses the 2016/2017 Statement of Comprehensive Income, Statement of Financial Position and Reserves Balance showing actual against the budget.

Moved: Chairman Kathy Bowman Seconded: Mayor Ray Agnew

**CARRIED**

The meeting noted that their recommendation to the Legatus Group to undertake a strategic review had been accepted and CEO Simon Millcock provided an update of the progress.

#### **4. Financial Report 2017/2018 and Long Term Financial Management**

CEO Simon Millcock had distributed with the agenda prior to the meeting reports on:

##### **a. 2017/2018 Income and Expenditure**

This report indicates that there is an expected surplus of approximately \$50,000 as opposed to the projected deficit for the 2017/2018 financial year.

Motion: That the Legatus Group Audit and Risk Committee notes the half yearly financial report to 31 December 2017 and the update provided by the CEO with regards income and expenditure and agree that this presents a fair view of the state of the financial affairs of the Legatus Group for 2017/2018.

Moved: Chairman Kathy Bowman    Seconded: Mayor Ray Agnew    **CARRIED**

##### **b. Legatus Group Grants and reporting requirements update 15 January 2018**

The meeting noted the report on the current 8 grants and that all reporting requirements are being met.

##### **c. Carry over reserves and accumulated surplus as of 1/7/2017**

This report identified that the Climate Change and Roads and Transport projects were the active projects that required an allocation of their reserves funding. All other projects had been acquitted and discussion centred on the need to keep the reserves for the Regional Capacity Building (Rubble Royalties) whilst the amounts from the General, Special Projects, Waste Management, Outreach and LG Reform could be moved into accumulated surplus.

Discussion held on the opportunity for the Legatus Group to considering using reserves from the Roads and Transport project (Special Local Road Project) and Regional Capacity Building for Phase 2 of the Legatus Group 2030 Regional Transport Plan.

Motion: That the Legatus Group Audit and Risk Committee notes the report on the carry over reserves and accumulated surplus available from 1 July 2017.

Moved: Chairman Kathy Bowman    Seconded: Mayor Ray Agnew    **CARRIED**

Motion: That the Legatus Group Audit and Risk Committee notes that if the Legatus Group approves undertaken Phase 2 which is the Road Deficiency Assessment and Roads Database of the Legatus Group 2030 Regional Transport Plan to an amount of \$75,000 then there are sufficient funds in the reserves and accumulated surplus.

Moved: Chairman Kathie Bowman    Seconded: Mayor Colin Nottle    **CARRIED**

##### **d. Long term financial plan**

This report included consideration of the current contractual requirements of Legatus for its administration and the approach taken by other SA Regional Organisations of Councils. The meeting noted:

- i. The review by the LGA of their Outreach and Regional Capacity Building funding will not be completed until May 2018.
- ii. Legatus Group does not have a policy in place which would have the purpose of being able to build and maintain a certain level of positive unrestricted net assets that can accommodate: (a) day to day fluctuations in normal cash flow requirements, and (b) unusual and or unforeseen emergency cash requirements.

Motion: That the Legatus Group Audit and Risk Committee supports for the development of the draft review of the Legatus Group Long Term Financial Plan that an allowance for the accumulated surplus be set as a minimum of \$480,000.

Moved: Chairman Kathie Bowman    Seconded: Mayor Colin Nottle    **CARRIED**

### **5. Tender Policy**

The CEO Simon Millcock provided a report and draft Procurement and Tender Policy and general discussion held with consensus that the appropriate procurement considerations be based on the following:

The appropriate method of procurement will be determined by reference to a number of factors, including that the funds have been allocated within the current budget;

<b>Value of Purchase (\$) ex GST</b>	<b>Possible Method of Procurement</b>
Less than \$20,000	Direct Sourcing - No quotations necessary
Between \$20,001 and \$50,000	Quotations (Quotations x2min)
Between \$50,001 and \$1000,000	SRFT (Select Request for Tender)
Over \$100,000	RFT (Request for Tender)
As Required	REOI (Request for Expression of Interest)

Motion: That the Legatus Group Audit and Risk Committee recommends the Legatus Group approves the draft Procurement Tender Policy with the inclusion of the above value of purchase and methods of procurement.

Moved: Mayor Colin Nottle    Seconded: Chairman Kathy Bowman    **CARRIED**

### **6. Other Business**

The Legatus Group Audit and Risk Committee discussed the development of a Audit Committee work plan and noted that whilst there is not the need for the level of activities which were provided as an example by the Flinders Ranges Council it would be good practice for the committee to develop a work plan. This would include those matters

required by the charter, terms of reference and legislation. The CEO is to develop a draft work plan for consideration by the committee.

### **7. Next Meeting**

The next meeting is set down for Friday 20 April 2018 at District Council of Orroroo Carrieton and that this meeting will discuss amongst other matters the draft 2018/2019 budget.

Chair Mayor Ray Agnew foreshadowed his apology for that meeting and Simon Millcock to follow up with Andrew Johnson his availability.

*Meeting Closed by the Chair at 10:40 am*

Signed as a true and correct record:

Chairman Mayor Ray Agnew \_\_\_\_\_ Dated        /        /

DRAFT