

AUDIT & RISK MANAGEMENT COMMITTEE MEETING

Friday 13 March 2020 10.00am

Location: Northern Areas Council Chambers Jamestown

Notice is hereby given that the next Audit & Risk Management Committee meeting of the Legatus Group will be held on Friday 13 March 2020, commencing at 10.00am in the Northern Areas Council Chambers Jamestown

Noted: Ian McDonald will attend via telephone

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# MEETING ATTENDANCE AND APOLOGIES

**Meeting Attendance**

**Present**

Chairman Kathie Bowman (Chairman) District Council of Orroroo-Carrieton

Mayor Denis Clark Northern Areas Council

Mr Peter Ackland CEO Port Pirie Regional Council

Mr Colin Byles CEO Northern Areas Council

Mr Ian McDonald Independent

**Apology**

Nil

**In Attendance**

Mr Simon Millcock CEO Legatus Group

1. **MINUTES OF PREVIOUS MEETING**

**Recommendation: That the minutes of the Legatus Group Audit & Risk Management Committee Meeting held on 1 November 2019 be taken as read and confirmed.**

Chairman Mayor Kathie Bowman provided a report with the agenda to the Legatus Group meeting on 29 November 2019 which contained the minutes (listed below) of the Audit and Risk Management Committee meeting 1 November 2019. The following motions were carried by the board: *That the Legatus Group* *seek approval from the Constituent Councils to amend the 2019/2020 budget.*

Minutes of Audit and Risk Management Committee Meeting 1 November 2019 Teleconference. The meeting was opened at 9.30am.

1. Meeting Attendance

Present: Via telephone Mayor Kathie Bowman (Chair), Mayor Denis Clark, Mr Peter Ackland and Mr Ian McDonald. (item 3.6.3 of the Legatus Group Charter allows for telecommunications to constitute a meeting).

In Attendance: Legatus Group CEO Mr Simon Millcock

Apologies: Mr Colin Byles

1. Confirmation of Previous Minutes

Motion: That the minutes of the previous Legatus Group Audit and Risk Management Committee meeting held on 22 August 2019 be taken as read and confirmed

Moved: Mayor Denis Clark Seconded: Ian McDonald CARRIED

1. Business Arising Not Otherwise on the Agenda

3.1 2019/2020 Budget review of Legatus Group finances

The meeting noted the report by the Legatus Group CEO and that a working group had been formed to undertake an initial assessment. The meeting noted that the agenda had been delayed in being distributed until the 31 October 2019 waiting on the revised draft budget to be provided and that this did not allow sufficient time for the detailed analysis by the committee. The meeting resolved that the Legatus Group CEO discuss with Flinders Ranges Council the ongoing delivery of financial services.

The meeting noted previous observations by the committee and the board relating to the need to consider utilising the funds available in the carry over reserves and accumulated surplus.

The meeting noted the current drought impacts facing a large percentage of the constituent councils.

Motions:

* 1. That the Legatus Group Audit and Risk Management Committee recommends to the Legatus Group they seek approval from the Constituent Councils to amend the 2019/2020 budget subject to the committee gaining further clarification on the revised budget review.
	2. That the Legatus Group Audit and Risk Management Committee recommends to the Legatus Group they note the level of carry over reserves and accumulated surplus and requests that the Legatus Management Group consider recommendations that will actively add value to the region by developing regional / sub regional projects for consideration by the Legatus Group prior to the 2020/2021 budget recommendations to Constituent Councils.

Moved: Ian McDonald Seconded: Peter Ackland CARRIED

3.2 CEO vehicle

The meeting noted the purchase of the new vehicle and supported the Legatus Group CEO to progress with a short new vehicle policy / position for consideration by the Legatus Group with reference to best financial return and budget implications.

1. Budget 2019/2020 update

The Legatus Group CEO provided the financial report for the period 1July 2019 – 30 September 2019.

Motion: That the Legatus Group Audit and Risk Management Committee notes the first quarter 2019/2020 financial reports were distributed to Legatus Group Mayors and CEOs.

Moved: Denis Clark Seconded: Ian Mc Donald CARRIED

1. Other Business
	1. Meetings

The meeting resolved that at least one meeting per year to be held as face to face and this to occur when reviewing the annual budget for consideration by board and constituent councils.

1. Next meeting

The next meeting to be held Friday 14 February 2020 subject to the need for clarification on the revised draft budget 2019/2020.

Meeting closed at 10.25am

# BUSINESS ARISING NOT OTHERWISE ON THE AGENDA

* 1. 2019/2020 budget and review of Legatus Group finances

Reports for Discussion

From: Simon Millcock Chief Executive Officer

**Recommendations:**

* 1. **That the committee notes that the Legatus Group revised budget 2019/2020 has been adopted.**

Background

Following the motion by the Legatus Group to seek approval from the Constituent Councils to amend the 2019/2020 budget the revised budget was provided to all councils who in turn advised of their approval. The Legatus Group meeting held in Clare on 28 February 2020 noted the acceptance of the 2019/2020 Budget Review by all constituent councils and as such adopted the revised budget.

1. **2019 / 2020 Financial Report**

**Reports for Discussion**

From: Simon Millcock Chief Executive Officer

**Recommendation:**

1. **That the Legatus Group Audit and Risk Management Committee notes the second quarter 2019/2020 financial reports were distributed to Legatus Group Mayors and CEOs.**
2. **That the Legatus Group Audit and Risk Management Committee notes the 2019/2020 budget update report provided by the Legatus CEO with regards income and expenditure.**

**Background**

The Legatus Group Charter requires that quarterly reports summarising the financial position and performance of the Legatus Group against the Budget are to be provided to all constituent councils. The Legatus Group CEO provided the half yearly report in January 2020 to all councils and to the Legatus Group meeting held on 28 February 2020.

That the Legatus Group agenda for the 28 February 2020 also provided the financial report for the period July 2019 – January 2020.

The attached financial reports from 1 July 2019 - 29 February 2020 are provided with this agenda which summarises the financial position and performance of the Legatus Group against the Budget.



Also attached is the reporting Worksheets - Budget Review & New Item Notes for the year ended 30 June 2020 for reference.



The Legatus Group CEO notes:

Income: On track with YTD actual at $653,000 and confirmed project funds still to come in from:

* LGA CWMS Project Officer $10,000 ($35,000 2020/2021)
* Event ticket sales approx. $6,000
	+ Climate Ready Conference approx. 30 x $90
	+ Adaptation Practitioners Network 40 x $50
	+ Ethical Living Network Event 30 x $40
* Yorke Mid North Forum approx. $8,000 contributions from RDA YMN and Northern and Yorke NRM
* Reimbursement PhD Intern Creative Industries Report $11,500
* Northern and Yorke NRM Coastal Management Action Plan $28,000

Other income likely to be received is the funding for the SA Regional Waste Management Strategy $30,000 LGA and Green Industries SA $10,000 (further $20,000 2020/2021)

As such it is anticipated that the income for 2019/2020 will be close to $756,000

Expenses: Anticipate that there will be approx. $120,000 - $150,000 less spent than is budgeted. This will come from projects that have yet to commence via consultant and contractor fees as some of these may not commence before the end of 30 June 2020 and some projects which will not require all the funds allocated e.g. roads and climate change.

Noted that at the Legatus Group approved:

* November 2019 meeting to support in partnership with the Councils of Orroroo Carrieton, Peterborough, Flinders Ranges, Northern Areas, Mount Remarkable, Port Pirie and Goyder the community wellbeing project for up to $100,000 per year for the term of the project with an annual report to be provided. At the February 2020 Legatus Group meeting it was noted that there is not a likelihood of these funds being required from the 2019/2020 budget although there could be some required from future budgets.
* February 2020 meeting support for an allocation of $6,000 to hold the SA Mainstreet Conference in the region and in-principal support for a Regional SA Water Liveability Program and for the Legatus Group CEO to continue dialogue with SA Water and Constituent Councils on a funding model for consideration in the 2020/2021 Legatus Group Business Plan.
1. **WORK PLAN**

**Reports for Discussion**

From: Simon Millcock

Chief Executive Officer

**Recommendation:**

1. **That the Legatus** **Group Audit and Risk Management Committee notes the current status of the work plan.**
2. **That the Legatus Group Audit and Risk Management Committee notes the terms expire for membership of Mayor Kathie Bowman and CEO Peter Ackland and that the Legatus Group CEO calls for nominations for these two positions.**

**Background**

Attached updated workplan.



1. **2020/2021 BUSINESS PLAN AND BUDGET**

**Reports for Discussion**

From: Simon Millcock Chief Executive Officer

**Recommendation:**

1. **That the Legatus Group Audit and Risk Management Committee notes the 2020/2021 Business Plan and Budget will require the expenditure of any carry over funds from the LGA Rubble Royalties and Capacity Building Grants.**

**Background**

The Charter requires that the Legatus Group must before the 30 April prepare and submit a draft annual business plan and budget to councils for the ensuing financial year.

The Legatus Group must adopt after 31 May and within 6 weeks of endorsement by councils.

The Board along with the Audit and Risk Management Committee, Legatus Management Group, Road Transport and Infrastructure Advisory Committee and Community Wastewater Management Committee are aware through previous recommendations and feedback from a working group with the need to expend some of the carry over reserves and accumulated surplus. This includes the requirement to expended all of the funds as per the agreements of the LGA for Rubble Royalties and Capacity Building Grants by June 202. These funds are required to be expended in the year received although they can be extended to one further year but need to be commenced in the second year. It has been noted previously that there is no funding from Rubble Royalties after 2019/2020.

The Legatus Group CEO has sought to meet with all Councils during April and May 2020 to provide them with and update and discuss questions on the 2020/2021 Business Plan.

1. **OTHER BUSINESS**

# NEXT MEETING

**Reports for Discussion**

From: Simon Millcock

Chief Executive Officer

**Recommendation:** The next meeting of the Audit & Risk Management Committee to be set down for Friday 22 May 2020.