



AUDIT & RISK MANAGEMENT COMMITTEE MEETING

Tuesday 24 May 2022 10am

Northern Areas Council Chamber Jamestown

Notice is hereby given that the next Audit & Risk Management Committee meeting of the Legatus Group will be held on Tuesday 24 May 2022, commencing at 10am

Join Zoom Meeting

<https://us02web.zoom.us/j/84455058547>

Meeting ID: 844 5505 8547

Passcode: 304804

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Attachments

A – Notes Legatus Group 11 March 2022 workshop Charter / Strategic Plan

B – Profit and Loss Report April 2022

C – Management Group Report April 2022
D - Bank Reconciliation April 2022
E – Budget Review 3 2021/2022
F- Draft Budget 2022/2023
G- Draft Business Plan 2022/2023

I. MEETING ATTENDANCE AND APOLOGIES

Meeting Attendance – to be confirmed

Present - Committee

Mayor Kathie Bowman (Chair)	District Council of Orroroo-Carrieton
Mayor Rodney Reid	Wakefield Regional Council
Mr Colin Byles CEO	Northern Areas Council
Mr Peter Ackland CEO	Port Pirie Regional Council
Mr Ian McDonald	Independent

In Attendance

Mr Simon Millcock CEO	Legatus Group
Mr Colin Davies	Legatus Group Financial Services

Apology

Nil

2. MINUTES OF PREVIOUS MEETING

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

- I. That the minutes of the Legatus Group Audit & Risk Management Committee Meeting held on 1 March 2022 be taken as read and confirmed.**

Background

Mayor Kathie Bowman provided these minutes to the 11 March 2022 Legatus Group meeting where they were received and noted. The unconfirmed minutes of the 1 March 2022 Legatus Group Audit & Risk Management Committee Meeting are held at Northern Areas Council Chambers and via zoom are:

The meeting was opened at 10.30am.

- I. Attendance

Committee: Chair Mayor Kathie Bowman, Mr Colin Byles and via zoom Mayor Rodney Reid, Mr Peter Ackland and Mr Ian McDonald.

In Attendance: Legatus Group CEO Mr Simon Millcock and via zoom Finance Officer Mr Colin Davies.

2. Welcome

Mayor Kathie Bowman welcomed everyone to the meeting.

3. Confirmation of Previous Minutes

Motion:

1. That the minutes of the Legatus Group Audit and Risk Management Committee meeting held on 22 November 2021 be taken as read and confirmed.
2. That the minutes of the Legatus Group Audit and Risk Management Committee Special meeting held on 30 November 2021 be taken as read and confirmed.

Moved: Mayor Rodney Reid Seconded: Ian McDonald

CARRIED

4. Business Arising Not Otherwise on the Agenda

4.1 Committee positions

The Legatus Group CEO provided a report with the agenda outlining the current expiry date of members Mayor Kathie Bowman and Colin Byles 5 June 2022.

Motion: That the Legatus Group CEO calls for expressions of interest for the position of a Board Member and 1 Professionally Qualified Officers selected from Council staff for the Legatus Group Audit and Risk Management Committee

Moved: Peter Ackland Seconded: Ian McDonald

CARRIED

4.2 Charter

The Legatus Group CEO provided a report with the agenda.

Motion: That the committee notes that the Legatus Group have complied with their requirements for advising the Minister of the changes to the Charter and that this has been published in the Government Gazette and placed on the Legatus Group website and that the updated Charter will be workshopped at the 11 March 2022 Legatus Group meeting.

Moved: Mayor Rodney Reid Seconded: Ian McDonald

CARRIED

5. Financial Reports

5.1 2021/2022 Financial Report

Colin Davies provided a report with the agenda which included the Management Report, Profit and Loss Report and Bank Reconciliation as of 1 July 2021 till 31 January 2022.

Motion: That the committee notes the report.

Moved: Colin Byles Seconded: Ian McDonald

CARRIED

5.2 2021/2022 Budget Review 2

The Legatus Group CEO and Finance Officer provided a report which contained the 2021/2022 Budget Review 2 as of 24 February 2022. The meeting acknowledged their support for the more detailed report and the format. General discussions and questions posed and the meeting agreed that those projects yet to commence which showed an income of \$30,000 from councils should be removed.

Motion. That the committee notes the report and recommends that the Legatus Group receives the revised budget with the \$30,000 reduction of income and advises that there is no need to submit the revised budget to member councils for their approval.

Moved: Mayor Rodney Reid Seconded: Peter Ackland CARRIED

6. Strategic Plan and Long-Term Financial Plan

The Legatus Group CEO provided a report on the progress of the Strategic Plan and the meeting discussed that the Long Term Financial Plan which will await the outcome of the 11 March 2022 workshop.

Motion: That the committee notes the report

Moved: Peter Ackland Seconded: Mayor Rodney Reid CARRIED

7. Policies

The Legatus Group CEO provided a report with the agenda.

Motion: That the committee notes the report and recommends the Legatus Group removes the Informal Gathering Policy.

Moved: Mayor Rodney Reid Seconded: Colin Byles CARRIED

8. Legatus Group Work Plan

The Legatus Group CEO provided a report with the agenda on the Legatus Group Work Plan.

Motion: That the committee notes the report.

Moved: Mayor Rodney Reid Seconded: Ian McDonald CARRIED

9. Other Business

Nil

10. Next meeting

Date in to be confirmed

3. BUSINESS ARISING

3.1 Committee membership

Report for noting

From: Simon Millcock Chief Executive Officer

Following the Legatus Group Audit Committee recommendation the Legatus Group at their 11 March 2022 meeting endorsed that the Legatus Group calls for expressions of interest for the position of a Board Member and 1 Professionally Qualified Officer selected from Council staff for the Legatus Group Audit and Risk Management Committee.

The Legatus Group CEO distributed emails to all Legatus Group Mayors and CEOs on 15 March 2022 and 16 May 2022 advising that at the Legatus Group meeting on 10 June 2022 the Legatus Group will need to fill vacancies for the Legatus Group Audit and Risk Management Committee.

It is noted that current members will be eligible for reappointment. Those interested were to provide their names to the Legatus Group CEO prior to 27 May 2022 so they can be included in the agenda. This matter was also discussed by the Regional Management Group.

3.2 Charter and Strategic Plan

Report for noting.

From: Simon Millcock Chief Executive Officer

The Legatus Group held a workshop on 11 March 2022 and the notes (Attachment A) were distributed to all Mayors and CEOs advising that both the Charter and Strategic Plan will be included as agenda items for the 10 June 2022 Legatus Group meeting. The Legatus Group CEO also advised that subject to the draft Charter and Strategic Plan being received and approved it will then be required to be distributed to Constituent Councils for consideration in time for final approval at the September 2022 Legatus Group meeting. As such there was no specific requirement for the notes to go to council meetings.

3.3 Policies

Report for noting.

From: Simon Millcock Chief Executive Officer

The Legatus Group meeting 11 March 2022 requested that the Legatus Group CEO develops policies for Risk Management, Member Induction, Freedom of Information Statement and Records Management for consideration by the Legatus Group and that the Legatus Group notes the Informal Gathering Policy is no longer required and that it is removed from the policies register.

The draft policies are an agenda item for the 10 June 2022 Legatus Group meeting and the Informal Gathering Policy has been removed.

4. FINANCIAL REPORTS

4.1 21/22 Financial Reports

Reports for Discussion

From: Colin Davies Finance Officer

Recommendation: That the committee notes the report.

Background

The Legatus Group Finance Officer has prepared the following reports:

1. Legatus Profit & Loss Jobs Report for April 2022 (Attachment B)
2. Legatus Management Report for April 2022 (Attachment C)

3. Bank reconciliation for April 2021 (Attachment D)

4.2 21/22 Budget Review 3

Reports for Discussion

From: Colin Davies Finance Officer and Simon Millcock

Recommendation: That the committee notes the report and recommends that the Legatus Group receives the revised budget and advises that there is no need to submit the revised budget to member councils.

Background:

This report includes (Attachment E) the 2021/2022 budget review 3 as of 3 May 2022 with the variance report comparison includes actual to original budget. The revised budget does not seek to have any additional financial contribution from Constituent Councils.

The budget had been adopted by the Board at their 11 June 2021 meeting and they had noted the budget review as of the 31 July 2021 at their 3 September 2021 meeting.

At the Legatus Group 10 December 2021 meeting they received a report and pursuant to Section 123(13) of the Local Government Act 1999 and Section 7 of the Local Government (Financial management) Regulations 2011 they noted the contents of the Statutory Finance Reports for the period ending 30 November 2021. At this meeting they supported the Audit and Risk Management Committee recommendation that there is no change to Budget Review 1 and that all considerations for any changes are provided in Budget Review 2 being the mid-year review and that this review will include written information provided in a management format.

At the 11 March 2022 Legatus Group they received and adopted the revised 2021/2022 Budget Review 2 and noted that there was no need to submit the revised budget to member councils for their approval.

Since the 11 March 2022 there are some changes which are reflected in budget review 3:

- Increase in income \$2,000 due to income from the Waste Forum (item 49000)
- Reduction of \$1,500 advertising (item 62002)
- Increase in vehicle maintenance by \$500 due to excess paid for damage from accident with a kangaroo (item 63011)
- Reduction in fuel cost \$1,000 (item 63002)
- Reduction of travel reimbursement \$1,000 (item 69006)
- Allocation of \$5,000 contractor for updated report on Wellbeing (item 62006)
- Allocation of \$1,000 consultants for CEO Performance Review (item 62005)

Charter – The Legatus Group Charter relevant sections are:

5.1.6 The Legatus Group must reconsider its Budget in accordance with the Act and in a manner consistent with the Act and may amend its Budget for a Financial Year at any time before the year ends.

5.1.7 The Legatus Group must submit to each Constituent Council for approval, any proposed amendment to the Budget that provides for an additional financial contribution by the Constituent Councils.

5 2022/2023 BUSINESS PLAN AND BUDGET

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

- 1. That the committee notes that the 2022/2023 Draft Business Plan and Budget were distributed in compliance with the Legatus Group Charter.**
- 2. That the committee notes the level of reserves identified in the 2022/2023 Draft Business Plan and Budget aligns with their previous recommendations.**

The 2022/2023 Budget Draft (Attachment F) was prepared in consultation with the Finance Manager, including the break down for each project and this was distributed to all constituent councils on 8 April 2022 along with the draft Business Plan 2022/2023 (Attachment G).

Key Assumptions

1. Membership 2% increase in fee
2. LGA regional capacity grant of \$42,000 confirmed
3. RDA YMN and Landscape Board contribution of \$5,000 each for the Annual Forum
4. No allocation of funding of projects included for the CWMS Joint Agreement with LGA this is subject to funding from the LGA which has been applied and will be included if funding provided.
5. No allocation for grant funding has been included and projects listed can seek to use allocated amounts for leverage from grant funding.
6. The equity as of 30 June 2023 will see approx. \$475,000 which is in line with previous recommendations by the Board.

Since these were distributed there has been a letter written to the LGA CWMS Management Committee seeking funding for the CWMS Joint Agreement and no response has been received as yet.

The Legatus Group CEO offered to meet with councils and this has been taken up by Adelaide Plains and Mount Remarkable.

Charter – The Legatus Group Charter relevant sections are:

5 Financials

5.1 Budget

5.1.1 The proposed Annual Business Plan and the Budget must be referred to the Constituent Councils at least eight (8) weeks prior to the date of the meeting at which the budget is to be adopted.

5.1.2 Constituent Councils may comment on the Annual Business Plan and the Budget in writing to the Chief Executive Officer at least ten (10) business days before the meeting at which the budget is to be adopted or through its Board Member at that meeting.

5.1.3 The Legatus Group must adopt the Annual Business Plan and Budget after 31 May and before 30 June for the ensuing Financial Year.

6.2 Annual Business Plan the Legatus Group shall:

6.2.1 prepare an Annual Business Plan linking the core activities of the Legatus Group to strategic, operational and organisational requirements with supporting financial projections setting out the estimates of revenue and expenditure as necessary for the period;

6.2.2 consult with the Constituent Councils prior to adopting or amending the Annual Business Plan; and

6.2.3 ensure contents of the Business Plan is in accordance with the Act.

7.2 Subscription

7.2.1 Every Constituent Council shall be liable to contribute monies to the Legatus Group each financial year.

7.2.2 The amount of each Constituent Council's subscription will be decided at the meeting where they adopt the Annual Business Plan and Budget and that subscriptions will be due and payable within one month of a written request from the Chief Executive Officer for payment.

Timelines

The Legatus Group are meeting on Friday 10 June 2022 to consider the 2022/2023 Legatus Group Business Plan and Budget as such this draft Business Plan and Budget is required to be distributed prior to the 15 April 2022.

6 WORK PLAN

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

- I. That the committee notes the work plan is up to date.

Background

Legatus Group Work Plan				
Updated May 2022				
Activity	Timeframe	Status / Outcomes / Benefits Achieved	Date for review	Follow-up Action
CEO				
Review of CEO performance	April	Consideration for 2022 via internal review process	April 2022	Completed and report to 10 June 2022 meeting

CEO contract extension	6 months prior to June 2024 end of current contract	Following 10 Dec meeting offer extended and accepted 2 year extension from 6 June 2022	Dec 2023	CEO required within 2 months of the date of any offer to provide response.
Set KPI's for next financial year	May	Agreed prior to the start of financial year	June 2022	Chair and four Legatus Group Mayors and an external consultant have met to review the Key Performance Indicators and set new and achievable Key Performance Indicators report to 10 June 2022 meeting
Terms and conditions of the engagement reviewed annually	May	Within 1 month of completing the performance review	June 2022	For discussion at June 2022 Board meeting
Audit & Risk Committee				
Meetings at least twice in financial year	August / February / June	February mid-year review of the budget and June draft budget for next financial year	May 22	Meetings held August & November 2021 & March and May 2022
Membership	March	Review to be held	March 2022	Membership to be updated at Legatus Group 10 June meeting
Annual report	June/July	Annual report to the board summarising its activities during the previous year	August 2022	20/21 Annual report adopted and distributed to member councils Sept 2021
Review of performance	August	Committee required to review its performance on an annual basis and this can occur at August meeting and be contained in the annual report	August 2022	Completed for 2021 and next review will be held in conjunction with annual report for 2022.
Strategic Plan / Budgets				
Strategic Plan and Long term financial plan	March 2022	Completed in April 2018. The strategic plan is required to have an operational period of 10 years and is reviewed at least every 4 years	June 22	Strategic plan review completed and draft plan and draft LTFP – agenda item September 2021 Legatus Group meeting. Was to be workshopped Dec 2021 Legatus Group meeting then held over till 11 March 22 and report to 10 June 2022 meeting.

3-Year Action Plan review	March 2022	3-year action plan approved 2018 and to be reviewed in line with review of the Strategic Plan	June 20 22	Update in line with Strategic Plan
Annual Business Plan and Budget	April 2022	Before 30 April prepare and submit a draft annual business plan and budget to councils for the ensuing financial year. Legatus Group must adopt after 31 May and within 6 weeks of endorsement by councils.	June 22	Distributed 8 April and agenda item 10 June 2022
Asset Management Plan		The only asset by Legatus Group is motor vehicle and this is managed through purchase based on board approvals.	Sept 22	The vehicle has completed 87,000 km as of April 2022 and budgeted for in 22/23 draft budget
Adopted Budget	June/July	Within 5 business days of the Legatus Group adopting the budget must provide to councils	June 22	
Reports / external Audit				
Quarterly financial reports	October/January/April/July	Prepare and present quarterly reports summarising the financial position with copies to constituent councils.	June 22	Monthly financial reports are completed and the reports are provided 4 times a year to the Audit committee and also the Legatus Group Board meeting. As such all council Mayors and CEOs are provided with financial reports every 3 months.
Annual report	July	To be distributed to the councils in time to incorporate in their annual reports	Sept 2022	Annual Report distributed to all member councils Sept 21 after it was approved at AGM.
Annual financial statements / audit	July	Ensure that the financial statements are audited and that they are	Sept 2022	20/21 Audited Financial Report distributed to all member councils after it was approved at AGM.

		submitted to the board and councils by 30 September		
Appointment of auditor	August	Legatus Group must appoint an Auditor in accordance with the Act	AGM 2022	Sept 21 AGM appointed Dean Newberry and Partners
Policies / procedures / charter				
Review of charter	Every 4 years	The charter will be reviewed by councils at least once every 4 years. The last review was undertaken in 2020 and adopted September 2020	June 2022	Workshop held 11 March 2022 and report for 10 June 2022 meeting
Communications	Annual	Review of the Legatus Group website and ensure charter, strategic plan and reports are easily accessible. Report to Audit and Risk Committee April meeting for website upgrades.	Dec 2021	Website update completed.
Review of policies	Annual	This will be a 2-year review of the policies established in 2017	June 2022	Report to 10 June 2022 meeting
Insurance / motor vehicle registrations / workers compensation	August	Annual review by the Audit and Risk Committee that all legal obligations are being met and provide value for money	June 2022	Current insurances are in place through LGA Mutual Liability Scheme and car is registered - Workers Comp advised of number of employees
Review and update of the effectiveness of internal controls operating	Annual	Initial review to be undertaken in consultation with Audit Committee	June 22	For consideration Legatus Group meeting following Auditor's report
Report on disaster recovery procedures	Bi-annual	Initial review to be undertaken in consultation with Audit Committee	June 22	For inclusion in agenda Audit Committee
Meetings / membership				
Annual General meeting	August	To be held no later than 30	Sept 2022	Listed for 9 Sept 2022

		September and for 2020/2021 occurred on Friday 3 Sept 2021.		
Confirm membership of the board	August	Confirm with constituent councils their Principal Member at AGM	Sept 2022	Confirmed
Appointment of Chair and Deputy Chairs	July	Call for nominations for the Chair and Deputy Chair positions for the Annual General Meeting has been made	Sept 2022	Request for nominations called for and decided AGM 9 September 2022
Committees				
Review of all committees and their terms of reference	October	CEO to prepare a report annually to the board on the status of all Legatus Group committees with recommendations on their terms of reference including their length of operation	June 2022	Expressions of Interest for extension of CWMS and Roads Transport Infrastructure and the formation of new committee Waste Management and report 10 June 2022 meeting

9 OTHER BUSINESS

10 NEXT MEETING