



AUDIT & RISK MANAGEMENT COMMITTEE MEETING

Thursday 25 August 2022 10.30am

Clare and Gilbert Valleys Council Chamber 4 Gleeson St Clare

Join Zoom Meeting

<https://us02web.zoom.us/j/87963393056>

Meeting ID: 879 6339 3056

Passcode: 399650

Notice is hereby given that the next Audit & Risk Management Committee meeting of the Legatus Group will be held on Thursday 25 August 2022 commencing at 10.30am

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1) MEETING ATTENDANCE AND APOLOGIES

1.1 Meeting Attendance

Present - Committee

Mayor Kathie Bowman	District Council of Orroroo-Carrieton
Mayor Rodney Reid	Wakefield Regional Council
Mr Peter Ackland CEO	Port Pirie Regional Council
Mr Stephen Rufus CEO	District Council of Peterborough
Mr Ian McDonald	Independent

In Attendance

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

1.2 Membership – appointment of Chair

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation: That _____ is appointed Chair of the Legatus Group Audit & Risk Management Committee.

Mayor Rodney Reid and CEO Peter Ackland terms expires in June 2023 and Ian McDonald in June 2024.

Following the 11 March 2022 Legatus Group meeting expressions of interest were called for the vacancies of a Legatus Group Board Member and a Professionally Qualified Officer selected from Council staff. At the 10 June 2022 Legatus Group meeting the Legatus Group appointed Stephen Rufus CEO District Council of Peterborough and Mayor Kathie Bowman District Council of Orroroo Carrieton as members of the Legatus Group Audit and Risk Management Committee. As such their terms expire in June 2024.

The Legatus Group Charter is silent on the appointment of the Chair for the Audit and Risk Management Committee but traditionally it has been one of the two Legatus Group Board Members (Mayors).

2) MINUTES OF PREVIOUS MEETING

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

- 1. That the minutes of the Legatus Group Audit & Risk Management Committee Meeting held on 24 May 2022 be taken as read and confirmed.**

Background

The minutes of the meeting 24 May 2022 were distributed to all members and also to the 10 June 2022 Legatus Group Meeting. The Legatus Group received and noted the minutes.

Unconfirmed Minutes of Audit and Risk Management Committee Meeting 24 May 2022 held at Northern Areas Council Chambers and via zoom

The meeting was opened at 10.05am.

1. Attendance

Committee: 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.

Apologies: Chair Mayor Kathie Bowman.

Mayor Rodney Reid welcomed everyone and Chaired the meeting.

2. Confirmation of Previous Minutes

Motion: That the minutes of the Legatus Group Audit and Risk Management Committee meeting held on 1 March 2022 be taken as read and confirmed.

Moved: Ian McDonald Seconded: Peter Ackland

CARRIED

10.10am the meeting was interrupted due to connectivity issues until 10.16am

3. Business Arising Not Otherwise on the Agenda

3.1 Committee positions

The Legatus Group CEO provided a report with the agenda.

Motion: The committee notes the report.

Moved: Ian McDonald Seconded: Colin Byles

CARRIED

3.2 Charter and Strategic Plan

The Legatus Group CEO provided a report with the agenda.

Motion: The committee notes the report.

Moved: Peter Ackland Seconded: Mayor Rodney Reid

CARRIED

3.3 Policies

The Legatus Group CEO provided a report with the agenda.

Motion: The committee notes the report.

Moved: Peter Ackland Seconded: Mayor Rodney Reid

CARRIED

4. Financial Reports

4.1 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 30 April 2022.

Motion: That the committee notes the report.

Moved: Ian McDonald Seconded: Colin Byles

CARRIED

4.2 2021/2022 Budget Review 3

The Legatus Group CEO and Finance Officer provided re report which contained the 2021/2022 Budget Review 3 as of 3 May 2022. The meeting noted the allocation of \$5,000 towards the Wellbeing Report will be an agenda item for 10 June 2022 Legatus Group meeting.

Motion. 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.

Moved: Ian McDonald Seconded: Peter Ackland

CARRIED

5. 2022/2023 Business Plan and Budget

The Legatus Group CEO provided a report which included the 2022/2023 Draft Business Plan and Budget. Discussion included the use of reserve funds and Mayor Rodney Reid advised he will speak to this matter at the 10 June 2022 Legatus Group meeting.

Motion:

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 the approach to support the use of reserves funds and the committee recommends the Legatus Group gives due consideration to the long term sustainability of the Legatus Group by continuing its practice of using reserve funds.

Moved: Peter Ackland Seconded: Ian McDonald

CARRIED

6. Work Plan

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

Motion: That the committee notes the work plan is up to date.

Moved: Colin Byles Seconded: Mayor Rodney Reid

CARRIED

7. Other Business

7.1 Long Term Financial Plan

General discussions held that this will be further developed in alignment with the Strategic Plan and the need for high level guidance on the financials with consideration given on the support for administration, advocacy, forums / conferences and current strategies. Noting the comments around the current use of reserves in item 5 of these minutes.

7.2 Acknowledgement of contributions to the Committee

The meeting noted that the terms of Mayor Bowman and Mr Colin Byles expire on 5 June 2022.

Motion: That the committee recommends the Legatus Group acknowledges the contribution Mayor Kathie Bowman and Mr Colin Byles have made to the Audit and Risk Management Committee.

8. Next meeting

Date in to be confirmed

9. Meeting closed 11.00am

3) BUSINESS ARISING NOT OTHERWISE ON THE AGENDA

Nil

4 FINANCIAL REPORTS

4.1 21/22 Financial Report

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation that the committee:

- 1. Endorses the Legatus Group annual financial statement for the year ending 30 June 2021 as presenting a fair view of the state of the financial affairs of the Legatus Group and recommends that the board certifies the annual financial statement.**
- 2. Recommends that the Legatus Group retain Dean Newberry and Partners as the Legatus Group Independent Auditors.**

Background

The Legatus Group Auditor Dean Newberry and Partners advised that they have completed the 21/22 Financial Report (Attachment A). This is the 3rd year that Dean Newberry and Partners have undertaken the Legatus Group Audit.

At the time of preparing the agenda the Legatus Group CEO is arranging for the certification of the auditor's independence to be signed by all 15 CEOs and Chair of the Audit and Risk Management Committee and Legatus Group Chair.

The financial report provides the following comparison to the approved revised budget:

Description	Actual	Approved revised budget
Income	274,323	279,900
Expenses	575,775	582,650
Deficit	-301,453	-302,750
Total Assets	673,757	684,038

The financial year 21/22 deficit has positioned the Legatus Group in the financial position it had intended to be and has expended the following grants:

- LGA Regional Capacity Building Allocation carry over funds and the 2021/2022 funds
- Dept of Human Services Storytelling Brighter Futures Capacity Building Grant carry over funds
- 21/22 LGA CWMS Grant

Carry over funds of \$7,500 from Volunteering SA/NT for use in a 2022/2023 Volunteering Project.

4.2 22/23 Financial Report

Reports for Discussion

From: Colin Davies Finance Officer

Recommendation: That the committee notes the report.

Background

The Legatus Group Finance Officer has prepared the attached Legatus Group Management Report (Attachment B) and the Profit and Loss Statement (Attachment C) for the 2022/2023 Financial Year until 31 July 2022.

4.3 2022/2023 Budget Review I

Reports for Discussion

From: Colin Davies Finance Officer and Simon Millcock Legatus Group CEO

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 the 2022/2023 budget review with the variance report comparison including actual to original budget. This has resulted in a revised increased deficit of \$7,200. The original budget was adopted by the Board at their 10 June 2022 meeting where they also approved:

1. The Legatus Group pays the SA Coastal Council Alliance membership fees of \$11,300 and makes an appropriate variation to its 2022/23 budget.
2. 3% pay rise to the Legatus Group CEO.

Since the budget was adopted the Legatus Group have been approved funding of \$28,000 from the LGA for the continuation of the CWMS Joint Arrangements which has resulted in the continued employment of Project Manager Paul Chapman.

There is a carry over \$7,500 from the Volunteering SA NT grant which was received in June 2022.

The budget allowed for the purchase of a new Motor Vehicle and following the receipt of required quotes and in compliance with the Legatus Group Policy and Delegated authorities the Chair and Deputy Chairs authorised the purchase of a Toyota Hybrid Sedan with the associated costs updated in the revised budget. Noting that this may be 12 -18 months before the vehicle is available.

The revised budget does not seek to have any additional financial contribution from Constituent Councils.

5 STRATEGIC PLAN AND LONG TERM FINACIAL PLAN

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

- 1. That the committee notes the report and that:**
 - a. The Legatus Group distributed the Strategic Plan and the Long Term Financial Plan in accordance with the Charter.**
 - b. That the Legatus Group is unable to adopt the Legatus Group Strategic Plan as not all councils have approved.**
 - c. The Legatus Group have recognised the need to give due consideration to the long-term sustainability by continuing its practice of using reserve funds.**
 - d. The revised Charter will require the Legatus Group to prepare and implement a 4 year Strategic Management Plan and removes the need to prepare and submit to the Constituent Councils for their approval a Long Term Financial Plan covering a period of at least ten years.**
- 2. The committee recommends that the Legatus Group requests the Legatus Group CEO to develop a report on options associated with the financial viability of the Legatus Group and that they subsequently undertake a workshop following the November 2022 Local Government Elections before providing recommendations to member councils for further consideration.**
- 3. That the Legatus Group CEO provides a report to the Legatus Group on the request from the District Council of Mount Remarkable re their request for a quarterly report to their Council from the Legatus Group against the Strategic Plan and actions to date for each strategic priority.**

Background: The Legatus Group 10 June 2022 meeting received and noted the Legatus Group CEOs report and minutes of the Legatus Group Audit and Risk Managamnet Committee on the draft Strategic Plan and Long Term Financial Plan which included:

- That the Legatus Group CEO distributes the Draft Legatus Group Strategic Plan for the period 2022 – 2032 and its associated Long-Term Financial Plan and 3 year Action Plan to Constituent Councils for their endorsement.
- That the Legatus Group gives due consideration to the long-term sustainability of the Legatus Group by continuing its practice of using reserve funds.

Note that this report is to be read in conjunction with agenda item 6 Legatus Group Charter due to the variation of item 6 Strategic Plan which says The Legatus Group shall prepare and implement a 4 year Strategic Management Plan and a 2 year Action Plan

The following responses have been received:

Barossa

Council has been presented with documentation that indicates Legatus by any measure is not financially sustainable. Council, and in Councils opinion no Council or the Board, can exercise an ethically or fiscally responsible decision that puts the organisation in this position. Therefore, whilst Council is supportive of the thrust of the Strategic Plan The Barossa Council simply cannot support a plan which results in the organisation running out of funds, especially as we are a guarantor (1 of 15) to the debts and deficits of Legatus. Legatus will run out of funds within the period of the financial plan in the year 2025/2026 as presented. Legatus is forecasting operating deficits for the 10 years of the plan totalling over \$1.7M with an average revenue base per annum of \$263,345.

Therefore, Council cannot support the plans and has resolved as follows.

That Council having approved the 2022/2023 Annual Budget and Business Plan for Legatus to allow continuation of services given sufficient cash reserves recommend that Legatus defer adoption of the Strategic Plan and Long-Term Financial Plans presented in Attachments 1 & 2 until the sustainability of Legatus is addressed by;

1. *A reduction in services.*
2. *Sourcing ongoing third-party revenues.*
3. *Engage with Council about impact on contributions that Council would need to make to support the proposed strategic settings and the guarantee provided by constituent Councils under the Local Government Act 1999.*

An analysis of the information provided by the Board indicates that with no other intervention the funding required to support the current direction of the strategic plan will require at least an increase in contributions over the forward estimates of 53.6% per annum and rising, if we were to equate that to a Council setting that is clearly an unsustainable policy position. It is even debatable if this increase truly addresses the long term operating deficit. The following analysis is drawn to your attention from the information provided.

Indicator	Year											Total
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Existing Settings												
Operating Result: - Deficit / Surplus	-210,850	-128,100	-136,800	-141,700	-146,300	-151,000	-156,200	-161,400	-167,000	-172,800	-178,600	-1,750,750
Total Rev	233,550	223,700	225,300	229,400	234,100	238,900	243,700	248,600	253,600	258,700	263,900	2,653,450
Op Result %	-90.3%	-57.3%	-60.7%	-61.8%	-62.5%	-63.2%	-64.1%	-64.9%	-65.9%	-66.8%	-67.7%	-66.0%
Council Contributions - Base	173,850	177,800	180,800	184,400	188,100	191,900	195,700	199,600	203,600	207,700	211,900	2,114,850
Increase / Reductions Needed %	121.3%	72.3%	75.7%	76.8%	77.8%	78.7%	79.8%	80.9%	82.0%	83.2%	84.3%	82.8%
Projections												
Per Council - Now	11,590	11,820	12,053	12,293	12,540	12,793	13,047	13,307	13,573	13,847	14,127	140,990
Per Council - Additional	0	0	0	0	9,753	10,067	10,413	10,760	11,133	11,520	11,907	75,553
Per Council - Revised	11,590	11,820	12,053	12,293	22,293	22,860	23,460	24,067	24,707	25,367	26,033	216,543
Cash Position Without Change: - Shortage / Surplus	490,150	370,150	218,450	84,950	-52,950	-216,250	-363,550	-515,850	-694,450	-857,550	-1,026,150	-1,026,150
Cash Position With Change: - Shortage / Surplus	490,150	370,150	218,450	84,950	93,350	81,050	89,950	99,050	87,450	97,150	107,150	107,150
Operating Result Without Change: - Deficit / Surplus	-210,850	-128,100	-136,800	-141,700	-146,300	-151,000	-156,200	-161,400	-167,000	-172,800	-178,600	-1,750,750
Operating Result With Change: - Deficit / Surplus	-210,850	-128,100	-136,800	-141,700	0	0	0	0	0	0	0	-617,450

A decision to endorse the plans as proposed is sought to be deferred until the sustainability and value proposition in the Legatus investment implicitly outlined in the documents are determined by Constituent Councils and that there is unanimous support to increase contributions, reduce services and or source other revenues to ensure a sustainable position. It is Councils opinion to do otherwise would be contrary to sound administrative law decision making and clauses 3.3.1.7 and 3.4.3 of the Charter along with the risks associated with adverse comment by the Audit Committee and independent auditors and potentially oversight bodies.
 If there is any further information sought, please do not hesitate to contact myself of Mayor Lange.
 Thank you for writing to Council in these matters we look forward to updates on the two matters requiring further consideration outlined above.

Barunga West

Just a quick note to advise that the Barunga West Council resolved to endorse the 2022-32 Draft Strategic Plan at its ordinary meeting last night. While it chose to endorse the strategic plan, my Council did not endorse the associated Long-Term-Financial-Plan due to the short and long term operating deficits it presents.
 The deficits and drawing down on reserves are really quite concerning.

	<p>I understand you have had similar feedback from other councils regarding the LTFF. We are more than happy to meet over zoom and discuss our detailed concerns. The Legatus Group CEO did attempt to meet with Barunga West Council in August which wasn't able to occur.</p>
Clare and Gilbert Valleys	<p>That as per the revised Charter Council approves the Strategic Plan and LTFF 2022-2032 as recommended by the Legatus Group Board.</p>
Copper Coast	<p>I wish to advise that at the Council meeting held on 6 July 2022 the Copper Coast Council endorsed the draft Strategic Plan 2022 – 2032.</p>
Flinders Ranges	<p>Endorses the Legatus Group Strategic Plan and Long-Term Financial Plan and the comments from Barossa regarding the LTFF and continuing deficits with a negative cash balance are noted but it is understood that this was addressed by the Legatus Audit and Risk Committee for rectification next year.</p>
Light Regional	<p>Support the proposed outcomes, strategies and 3-year actions contained within the Legatus Group Strategic Plan for the period 2022 to 2032. Support the proposed draft Legatus Group Long Term Financial Plan for the period 2022 2032, subject to a review of the Group's financial sustainability for the period being undertaken.</p>
Mt Remarkable	<p>I can confirm that the 21 June meeting of Council has resolved to adopt the Legatus Group Long Term Financial Plan and Strategic Plan as presented. In addition to this, Council did resolve; <i>That Council be provided with a quarterly report from the Legatus Group against the Strategic Plan and actions to date for each strategic priority.</i> The above is consistent with a practise of Council, whereby an updated corporate work plan that lists each strategic priority and current actions is provided as part of our quarterly Leadership Team reports to Council. Happy to share the template. This may be something other Council's wish to consider.</p>
Northern Areas	<p>That Council endorse the Legatus Group Draft Strategic Plan for the period 2022-2032 That Northern Areas Council has serious concerns of the long term viability of the Legatus Group based on the Long Term Financial Plan.</p>
Peterborough	<p>Endorses the Draft Strategic Plan 2022-2032- and 3-Year Action Plan for adoption with consideration of the following inclusion under 3. Manage a Robust & Financially Sustainable Organisation under Outcome 2 Financial: Develop and maintain a financial strategy that achieves long term financial sustainability with a targeted annual operating surplus Endorses the Draft LTFMP 2022-2032 for adoption noting the projected ongoing operating deficit and reduction in net assets held Formerly request the Board to ensure a comprehensive review of the LTFMP is undertaken prior to the drafting of the 2023-2024 Annual Business Plan and Budget, which provides a financial strategy that satisfies the key financial strategy of ensuring the operations of Legatus are robust and financially sustainable.</p>
Port Pirie	<p>I advise that Council considered the Legatus Strategic Plan 2022 – 2032 and associated Long Term Financial Plan at its meeting held 22 June 2022 I am pleased to advise that Council raises no issue with the revised Legatus Strategic Plan 2022 – 2032, however did note that the Legatus Board has identified the continuing use of reserve funds for operational expenses is unsustainable over the long term. Whilst acknowledging that the long term reliance on reserve funds is unsustainable, Council also resolved that it expects and looks forward to being provided with a revised financial model in the near future that shows a sustainable future.</p>
Yorke Peninsula	<p>Council considered and endorsed the draft Legatus Group Strategic Plan 2022-2032 and Long Term Financial Plan 2022-2032 at its meeting held on 13 July 2022</p>
Adelaide Plains	<p>1. Supports the proposed outcomes, strategies and 3-year actions contained within the Legatus Group Draft Strategic Plan for 2022-2032 and thereby endorses the Strategic Plan; and 2. Endorses the proposed draft Legatus Group Long Term Financial Plan for 2022-2032, subject to a review of the Group's financial sustainability for the period being undertaken.</p>
Goyder	<p>That Council endorses the DRAFT Legatus Group Strategic Plan 2022 – 2032 and the Legatus Group Long-Term Financial Plan 2022 – 2032.</p>
Orroroo Carrieton	<p>Agenda item for their 25 August meeting</p>
Wakefield	<p>Agenda item for their 24 August meeting</p>

6 CHARTER

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation:

1. That the committee notes the Legatus Group have complied with their requirements for gaining approval to vary the Charter and that the majority of Constituent Councils have approved the variation.
2. That the committee notes The Barossa Council request for the consideration by the Legatus Group of a variation to item 3.2 of the Charter by August 2023 and recommends that this matter is an agenda item for consideration by the Legatus Group following the November 2022 Local Government Elections.

Background:

Following a workshop and report to the Audit and Risk Management Committee the Legatus Group CEO provided a report and attachments to the 10 June 2022 Legatus Group meeting which included a revised Charter. The Legatus Group approved the revised draft charter at sections 3.2, 3.5, 6.1, 7.4 and 7.11 and the removal of section 5.3 and requested the Legatus Group CEO to distribute this to the Legatus Group Councils for their endorsement.

Note: The Charter may be amended by a resolution passed by a simple majority of the Constituent Councils but, before the Constituent Councils vote on a proposal to alter this Charter, they must take into account any recommendation of the Board.

As of 18 August 2022, the following 14 member councils have approved the variation: Adelaide Plains, Barossa, Barunga West, Clare & Gilbert Valleys, Copper Coast, Goyder, Goyder, Light, Mt Remarkable, Northern Areas, Flinders Ranges, Peterborough, Wakefield and Yorke Peninsula. As such this is a majority of the Constituent Councils.

This information will be provided to the Legatus Group for approval so that the requirements to advise the Minister and publish in the SA Government Gazette.

The Barossa Council advised a further change to be addressed by the Board within the next 12 months and their communication should be read as a notice of future business to update clause 3.2 to be reworded as outlined in the following resolution.

“That the next revision of the Charter, clause 3.2 be reworded to allow Council to choose who it shall have as its representative to the Legatus Board of Management.”

The rationale provided by The Barossa Council for amendment to Clause 3.2 is simply and based in sound governance principles that it is up to the funding and principal body who should determine who their representative is, not a subsidiary of the 15 Councils. The following extract provided further information:

“There remains one item which has not changed which should be addressed at some point being the membership of Legatus. Presently the membership is Council but only the Mayor (as Principal Member of the Council) can be the Board member, clause 3.2. It is incongruent to expect the subsidiary of a parent entity to continue to determine who the Member (being Council) should be their representative to the Board. It is agreed in most circumstances the nominee is likely to be the Principal Member however that should be a decision of the Member not the subsidiary.”

7 POLICIES

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation: That the Legatus Group CEO develops an Asset Accounting Policy for consideration by the Legatus Group.

Background

The Legatus Group has an Accounting Policy but doesn't currently have an Asset Accounting Policy. This will need to be consistent with Note I of the AFS which states:

All non-current assets purchased are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". All assets are recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Group for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are as follows:

Contents	\$2,000
Motor Vehicles	\$5,000

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Group, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually. Major depreciation periods for each class of asset are shown below.

Contents	1 to 5 years
Motor Vehicles	3 to 5 years

8 WORK PLAN

Reports for Discussion

From: Simon Millcock Chief Executive Officer

Recommendation: That the committee notes the work plan is up to date and endorses their annual report.

Legatus Group Work Plan				
Updated August 2022				
Activity	Timeframe	Status / Outcomes / Benefits Achieved	Date for review	Follow-up Action
CEO				
Review of CEO performance	April	Consideration for 2023 via internal review process	April 2023	Delegation to be agenda item as Sept AGM
CEO contract extension	6 months prior to June 2024 end of current contract	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	Key Performance Indicators approved 10 June 2022
Terms and conditions of the engagement reviewed annually	May	Within 1 month of completing the performance review	June 2023	For discussion at June 2023 Board meeting
Audit & Risk Committee				
Meetings at least twice in financial year	August / Feb / May	August – review annual financial report - February mid-year review of the budget and May budget for next financial year	May 23	Meetings held August 22
Membership	March	Review to be held	March 2023	Membership to be considered review of charter
Annual report	June/July	Annual report to the board summarising its activities during the previous year	August 2022	21/22 Annual report to be presented with agenda at the Sept AGM – Chairs report completed
Review of performance	August	Committee required to review its performance on an annual basis and this can	August 2022	To be held in conjunction with annual report for 2022 agenda item listed below.

		occur at August meeting and be contained in the annual report		
Strategic Plan / Budgets				
Strategic Plan and Long term financial plan	March 2022	Draft distributed to member councils	Sept 22	Legatus Group meeting 10 June 2022 approved distribution and council responses listed at agenda item 5 for the Audit and Risk Management Committee meeting 25 August 2022.
3-Year Action Plan review	March 2022	Draft distributed to member councils	Sept 22	Update in line with Strategic Plan
Annual Business Plan and Budget	April 2023	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 23	22/23 Business Plan adopted 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	Quotes received for new vehicle and approved for purchase July 22 but may take 12-18 months to secure.
Adopted Budget	June/July	Within 5 business days of the Legatus Group adopting the budget must provide to councils	June 22	Adopted June 2022 – reviewed quarterly with next review Sept 2022 refer agenda item 4.2 this agenda.
Reports / external Audit				
Quarterly financial reports	Oct/January/April/July	Prepare and present quarterly reports summarising the financial position with copies to constituent councils.	Oct 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	September	To be distributed to the councils in time to incorporate in their annual reports	Sept 2022	Annual Report to be distributed to all member councils after it is approved at AGM.
Annual financial statements / audit	September	Ensure that the financial statements are audited and that they are submitted to the board and councils by 30 September	Sept 2022	21/22 Audited Financial Report distributed to all member councils after it is approved at AGM.
Appointment of auditor	September	Legatus Group must appoint an Auditor in accordance with the Act	AGM 2022	Sept 22 AGM
Policies / procedures / charter				
Review of charter	Every 4 years	The charter has been reviewed in 2022 and recommendation approved by member councils	March 23	Report to Legatus Group Sept meeting refer agenda item 6.
Communications	Annual	Review of the Legatus Group website and ensure charter, strategic plan and reports are easily accessible.	Dec 2022	Website update completed. Bi-monthly CEOs report to Councils instigated in 2022.
Review of policies	Annual	This will be a 2-year review of the policies established in 2017	Feb 2023	For report to new board.
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	March 23	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	Nov 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 23	For inclusion in agenda Audit Committee
Meetings / membership				

Annual General meeting	August	To be held no later than 30 September and for 2020/2021 occurred on Friday 3 Sept 2021.	Sept 2022	Listed for 9 Sept 2022
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	March	CEO to prepare a report annually to the board on the status of all Legatus Group committees with recommendation on their terms of reference including their length of operation	June 2023	Expressions of Interest for extension of CWMS and Roads Transport Infrastructure and the formation of new committee Waste Management approved June 2022 for 2 years.

The Legatus Group Audit and Risk Committee summary of activities undertaken, and recommendations made during 2021-2022 for inclusion in the Legatus Group Annual Report.

The committee met on 5 occasions which is accordance with the Charter with the following attendance.

Date	No of Members Attending
24 August 2021	4
30 August 2021	3
22 November 2021	4
1 March 2022	5
24 May 2022	4

Committee Member	No of Meetings Attended
Chairman Mayor Kathie Bowman	2
Mayor Rodney Reid	5
Peter Ackland	3
Colin Byles	5
Ian McDonald	5

The following table sets out the principal issues addressed by the Committee for 2021-2022 year.

Principal Issues Examined	Recommendations to Board
Financial Report	No issues, unqualified audit, adopted for the 21/22 financial year.
Review of budget against actuals	Noted no issues and supported the allocation of the expenditure identified of carry over reserves and accumulated surplus for business plan and budgets.
Review of work plan, internal controls	<ol style="list-style-type: none"> 1. Work planned maintained and adoption of recommendations by Auditor re policies. 2. Recommended and supported workshop on strategic plans and long term financial plan with appropriate recommendations to the board. 3. Assisted with and provided recommendations re the provision of Financial Management Services.
Charter	Recommended the Legatus Group adopt a variation to the Legatus Group Charter and supported the development of workshop to review the updated charter and its subsequent recommendation to distribute the revised charter to the board for their consideration.
Business, Budget and Strategic Plan	<ol style="list-style-type: none"> 1. Noted the development of the 2021-2022 business plan and budget and its quarterly updates. 2. Noted and supported the development of a workshop for updating the Legatus Group Strategic Plan and provided input to the review.
Membership	Recommendations to Board re membership of Audit Committee
Equity / reserves	Recommendations to Board on the levels to be held

Mayor Kathy Bowman
Chairman Legatus Group Audit and Risk Management Committee

9 OTHER BUSINESS

10 NEXT MEETING

Subject to the approval of meeting dates by the Legatus Group following their AGM