



**AUDIT & RISK MANAGEMENT COMMITTEE MEETING**

Friday 10 November 2023 10.30am

Via Microsoft Teams

Meeting ID: 445 292 134 114

Passcode: SMVcM4

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Notice is hereby given that the next Audit & Risk Management Committee meeting of the Legatus Group will be held on Friday 10 November 2023 commencing at 10.30am

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### Attachments:

- A - Balance Date Management Letter Legatus Group Financial Year 30 June 2023
- B - Legatus Group Audited Statements 2022-2023
- C - Legatus Group Management Report 31 October 2023
- D - Bank Reconciliation Report 31 October 2023
- E – 2023/2024 Budget Review 2

## **I) MEETING ATTENDANCE AND APOLOGIES**

### **I.1 Opening of meeting Attendance**

#### **Present - Committee**

Mayor Rodney Reid	Wakefield Regional Council
Mayor Stephen McCarthy	District Council of Mount Remarkable
Mr Peter Ackland CEO	Port Pirie Regional Council
Mr Stephen Rufus Director Corporate and Community Services	Port Pirie Regional Council (Chairman)
Mr Ian McDonald	Independent

#### **In Attendance**

Mr Simon Millcock CEO	Legatus Group
Ms Tracey Rains	Legatus Group

#### **Apology** Colin Davies

## **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 14 August 2023 be taken as read and confirmed.**

Background

The minutes of the meeting 14 August 2023 were distributed to all members and provided to the 25 August 2023 Legatus Group Meeting. The Legatus Group received and noted the minutes which can be found at: <https://legatus.sa.gov.au/wp-content/uploads/2023/08/Draft-Minutes-140823.pdf>

## **3 BUSINESS ARISING NOT OTHERWISE ON THE AGENDA**

### **3.1 Membership**

Reports for Discussion

From: Simon Millcock Chief Executive Officer

### **Recommendation:**

- 1. That the committee notes the report and thanks Peter Ackland for his commitment and input to the committee.**
- 2. Recommends a call for expression of interest for the vacant professionally qualified officer position.**

Background

The Legatus Group Charter at item 6.5.2 sets out the membership of the Audit and Risk Management Committee and says that it must include two (2) professionally qualified officers, one of each from the staff of the Constituent Councils.

Mayor Rodney Reid and CEO Peter Ackland appointments expired at the 2023 AGM and Mayor Kathie Bowman term expired upon her resignation from Council. Independent member Ian McDonald and Stephen Rufus (who was at the time of the Legatus Group AGM CEO District Council of Peterborough) terms expire in June 2024.

At the 25 August 2023 Legatus Group AGM the Legatus Group appointed Mayor Stephen McCarthy, Mayor Rodney Reid and CEO Peter Ackland to the Audit and Risk Management Committee.

Since the AGM Stephen Rufus has resigned from the District Council of Peterborough and commenced work at the Port Pirie Regional Council. This is the same council as Peter Ackland and the Legatus Group CEO contacted Peter Ackland and Stephen Rufus re having 2 professionally qualified officers from the same council. They have advised that Stephen Rufus will continue and that Peter Ackland will step aside.

## **4 FINANCIAL REPORTS**

### **4.1 22/23 Annual Reports**

#### **Reports for Discussion**

From: Simon Millcock Chief Executive Officer

**Recommendation: That the committee notes the report and:**

- 1. That the preparation of the statements has been made under the Financial Management Regulations and the Charter.**
- 2. Satisfied with the preparation of statements and the auditor independence.**
- 3. Receives and notes the auditor management letter.**
- 4. Recommends that the board certifies the annual financial statement.**

#### Background

Following the Audit Committees recommendations at their 14 August 2023 meeting the Legatus Group:

- Endorsed the annual financial statement for the year ending 30 June 2023 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 subject to receiving the final Auditors report.
- Noted the Budget Variation Regulation 10 Report for 2022-23 as being compliant.
- Retained Dean Newbery as the Legatus Group Independent Auditors.
- Received the 2022-2023 Annual Report.

The Legatus Group CEO in compliance with the Charter distributed the annual report which included the financial statements to all member councils.

On 20 September 2023 Jim Keogh Director at Dean Newbery issued the (Attachment A) Balance Date Management Letter Legatus Group Financial Year 30 June 2023 and (Attachment B) the Legatus Group Audited Statements 2022-2023.

### **4.2 23/24 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 C) and the Bank Reconciliation (Attachment D) for the 2023/2024 Financial Year until 31 October 2023.

### **4.3 2023/2024 Budget Review 2**

#### **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 and adopts the revised budget.**

#### Background

Attachment E is the 2023/2024 budget review 2 and this shows a decreased deficient of \$1,000 and this is made up from:

- Conference Income reduced to \$5,000 – conferences / forums still to be confirmed
- Conference Expenditure reduced to \$12,000 – conferences / forums still to be confirmed
- Catering increase to \$4,000 – due to the costs associated with the 10 community resilience and strategic plan workshops
- Collecting the SA Coastal Council Alliance fee and then paying the \$13,300 for the 6-member councils
- Reduction of \$1,700 in accounting services.

The deficient is likely to be less than what is shown in the revised budget as the Legatus CEO is waiting on the current reviews to be finalised before new project work commences. This will be reflected in Budget Review 3.

It would be anticipated that new projects / forums will occur sometime after February 2024 as this is the anticipated date that councils will have responded to any changes to Charter / Strategic Plan. Note that there is still no progress on the delivery of the new vehicle and this has been over 12 months.

## **5 FINANCIAL SERVICES**

### **Reports for Discussion**

From: Simon Millcock Legatus Group CEO

**Recommendation: That the committee notes the report and recommends to the Legatus Group that they offer an extension until 31 September 2024 to Colin Davies to continue providing the current level of Financial Services.**

#### Background

The current contract with Colin Davies to provide financial services expires on 31 March 2024 and the Legatus Group are undertaking a review of the Strategic Plan / Charter / CEO Position. It is anticipated a report will be provided at the board meeting on 1 Dec 2023. It is not likely that the board will have feedback from constituent councils until mid-late February 2024 of the review and there will be the need to reassess the approach to external financial services.

To ensure that there is certainty and continuity with the need for the ongoing financial services and the development of the 2024/2025 Budgets and End of Financial Reports a short extension currently will allow for the board to consider its further needs.

## 6 WORK PLAN

### Reports for Discussion

From: Simon Millcock Chief Executive Officer

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

<b>Legatus Group Work Plan Audit and Risk Committee - Updated November 2023</b>				
<b>Activity</b>	<b>Timeframe</b>	<b>Status / Outcomes / Benefits Achieved</b>	<b>Date for review</b>	<b>Follow-up Action</b>
Meetings at least twice in financial year	August / Nov / Feb / May	August – review annual financial report – Nov – review budget February mid-year review of the budget and May budget for next financial year	May 24	Meetings held 14/8/23 and 10/11/23
Membership	March	Review to be held	March 2024	Membership to be considered review of charter
Annual report	June/July	Annual report to the board summarising its activities during the previous year	August 2024	22/23 report completed
Review of performance	May	Committee required to review its performance on an annual basis and this can occur at May meeting and be contained in the annual report	May 2024	22/23 completed and to be held in conjunction with annual report for 2024.
Strategic Plan and Long term financial plan	August	Expressions for quotes to undertake review distributed	Feb 2024	Review commenced.
3-Year Action Plan review	Feb	To be decided subject to review	Feb 2024	Update in line with Strategic Plan
Annual Business Plan and Budget	April	2023/2024 adopted at the 19 May 2023 Legatus Group meeting.	June 2024	Current plan in place.
Asset Management Plan	Annual	The only asset by Legatus Group is motor vehicle and this is managed through purchase based on board approvals.	Feb 2024	Quotes received for new vehicle and approved for purchase July 22 but may take 12-18 months to secure. Still no progress.
Adopted Budget	June/July	Within 5 business days of the Legatus Group adopting the budget must provide to councils	June 24	23/24 Adopted May 2023 – reviewed quarterly with next review Nov 2023 refer agenda.

Quarterly financial reports	Oct/January/ April/July	Prepare and present quarterly reports summarising the financial position with copies to constituent councils.	Dec 23	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.
Annual report	August	To be distributed to the councils in time to incorporate in their annual reports	Sept 2024	22/23 annual report approved and distributed.
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 24	22/23 Audited Financial approved and distributed.
Appointment of auditor	August	Legatus Group must appoint an Auditor in accordance with the Act	AGM 2024	Agenda item for the AGM
Review of charter	Every 4 years	The charter has been reviewed in 2022 and consultants to be appointed in August 2023 for new review	Feb 24	Report due in Dec 23 for distribution to member councils.
Communications	Annual	Review of the Legatus Group website and ensure charter, strategic plan and reports are easily accessible.	Dec 2023	Website update completed. Bi-monthly CEOs report to Councils instigated in 2022.
Review of policies	Bi-annual	Last review - updates 11 Feb 2023	May 25	Refer to the Legatus Group Policy and procedures register.
Insurance / motor vehicle registrations / workers compensation	August	Annual review by that all legal obligations are being met and provide value for money	March 24	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 effectiveness of internal controls operating	Annual	Initial review to be undertaken	Feb 2024	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 24	For inclusion in agenda Audit Committee

## **7 OTHER BUSINESS**

## **8 NEXT MEETING**

9 Feb 2024 10.30am – Online