



**AGENDA AUDIT & RISK MANAGEMENT  
COMMITTEE MEETING**  
**Thursday 23 May 2024 10.30am**

**Meeting room I Council Chambers**  
**Scotland Place Balaklava**

Or Join Zoom Meeting <https://us02web.zoom.us/j/82478106640>  
Passcode: 131458

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Notice is hereby given that the next Audit & Risk Management Committee meeting of the  
N&YLGA will be held on Thursday 23 May 2024 commencing at 10.30am

## Contents

1	Opening	3
	1.1 Meeting attendance and apologies	3
2.	Minutes of previous meeting	3
3.	Business arising not otherwise of the agenda	
	3.1 Charter Variations and Membership	3
	3.2 Financial Services	5
4.	Financial Reports	
	4.1 2023/2024	5
	4.2 Budget Review	5
5	2024/2025 Business Plan and Budget	6
6	Close Next meeting	7

### Attachments:

- A. Draft ToR
- B. N&YLGA Group Management Report
- C. Bank Reconciliation
- D. Budget Review
- E. Draft Business Plan & Budget

## **1) MEETING ATTENDANCE AND APOLOGIES**

### **1.1 Meeting Attendance**

#### **Present - Committee**

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

#### **In Attendance**

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

## **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 February 2024 be taken as read and confirmed.**

#### **Background**

The minutes of the meeting held on 14 February 2024 were distributed to all members and with the agenda for the 23 February 2024 Legatus Group Meeting. The Legatus Group received and noted the minutes and they have been published on the N&YLGA website at: <https://nylga.sa.gov.au/board-resources-2/>

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

### **3.1 Charter Variations and Membership**

#### **Reports for Discussion**

From: Simon Millcock Chief Executive Officer

#### **Recommendation:**

**That the committee notes the report and recommends that the Northern and Yorke Local Government Association at their 7 June 2024 meeting considers:**

- 1. adopting the revised terms of reference for the Audit and Risk Management Committee as presented and;**

## **2. the nominations received by the CEO for the positions on the Audit and Risk Management Committee.**

### **Background**

Following the 23 February 2024 Legatus Group Meeting the board approved the changes to the Charter which included a change of name to the Northern and Yorke Local Government Association. The updated charter was provided to the Minister for Local Government, the Hon Geoff Brock MP who replied on 28 March 2024 that he had received and noted the changes and that they had been gazetted and made available on the N&YLGA website. Item 6.4 of the Charter requires that the N&YLGA have an Audit and Risk Management Committee:

- The NYLGA must establish an Audit and Risk Management Committee to be comprised of five (5) persons nominated by the NYLGA and approved by the Constituent Councils.
- The members of the Audit and Risk Management Committee:
  - must include two (2) professionally qualified officers, one of each from the staff of the Constituent Councils;
  - must include at least 1 person who is not a member of the Board and who is determined by the Constituent Councils to have financial experience relevant to the functions of the Audit and Risk Management Committee;
  - may include elected members of the Constituent Councils;
  - must have regard to the Act in performing their duties.
- The term of appointment of a member of the Audit and Risk Management Committee shall be for a term not exceeding two (2) years at the expiry of which such member will be eligible for reappointment.

Current members are:

- Stephen Rufus Port Pirie Regional Council expires 30 June 2024
- Ian McDonald Independent Member expires 30 June 2024
- Mayor Rodney Reid expires 25 August 2024
- Mayor Stephen McCarthy expires 25 August 2024

This would mean that without confirmation of 2 new members after the 30 June 2024 the committee would not have a quorum. To comply with the Charter and Terms of Reference the appointments for the Audit Committee need to be nominated by the N&YLGA and approved by Constituent Councils. Following consultation with the committee the N&YLGA CEO distributed an email on 8 May 2024 to all Mayors, CEOs and Audit and Risk Management Committee members calling for expressions of interest by cob Wednesday 22 May 2024.

The N&YLGA CEO has drafted (Attachment A) an updated Terms of Reference for consideration by the Audit Committee before presenting to the next N&YLGA Board meeting for their consideration.

An update on expressions of interest will be provided at the meeting.

### **3.2 Financial Services**

#### **Reports for Discussion**

From: Simon Millcock Chief Executive Officer

**Recommendation: That the committee notes the report and recommends that the Northern and Yorke Local Government Association continues to use an external independent financial service.**

The Charter allows the N&YLGA to enter into contracts with any person for the acquisition and/or supply of goods and services.

The review of the Charter and Strategic Plan have been completed and the outcome of the review of the CEOs position is anticipated to be completed at the 7 June 2024 board meeting . The review recommends that the CEO position from 1 January 2025 becomes a .8FTE.

The reviews and discussions with member councils have continued to indicate the use of an external accounting and financial management service. This allows a separation between the CEO and Financial Services.

Colin Davies is contracted until the 31 December 2024 for the provision of accounting and financial management services and this was done to align with the extension of the CEOs contract. It allows for both the CEO and Colin to oversee the annual reports, AGM and required audits. This takes the contracting of services by Colin to 3 years and 9 months.

The 2024/025 Draft Business Plan and Budget provides an allocation for funding for these services to continue for the 4 years outlined in the long term financial plan.

## **4 FINANCIAL REPORTS**

### **4.1 2023/2024 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 Bank Reconciliation (Attachment C) for the 2023/2024 Financial Year until 30 April 2024.

### **4.2 2023/2024 Budget Review**

#### **Reports for Discussion**

From: Simon Millcock CEO & Colin Davies Finance Officer

**Recommendation: That the committee notes the report and recommends that the Legatus Group receives the revised budget.**

## Background

The N&YLGA adopted the 2023/2024 Budget Review 3 at the 23 February 2024 Legatus Group Meeting following recommendations for the Audit Committee. The Legatus Group CEO and Finance Officer have developed (Attachment D) the 2023/2024 Budget Review 4. As outlined in the last budget review the deficit was likely to reduce significantly. There is a reduction of \$56,000 as proposed Regional Capacity Building projects were placed on hold and are not commencing in 2023/2024. Whilst there was a slight reduction in the cost for the consultants with the regional roads plan.

The Legatus Group 25 February 2024 meeting received a report on a Community Resilience Grant Opportunity where some of these funds may be used for 2024/2025 subject to a grant application which has been submitted.

There is a slight increase in income due to securing a grant from the LGA to manage the 2024 CWMS Conference which will also include registration fees. This event is expected to be cost neutral.

This is anticipated to leave the Total Equity on 30 June 2024 of \$448,000.

## **5 N&YLGA 2024/2025 BUSINESS PLAN AND BUDGET**

### **Reports for Discussion**

From: Simon Millcock Chief Executive Officer

**Recommendation: That the formal proceedings of the Committee meeting be suspended for the purpose of holding a workshop to enable questions and answers to be considered on the 2024/2025 Business Plan and Budget.**

**Recommendation: That the Committee meeting reconvene formal proceedings.**

**Recommendation:**

- 1 That the committee notes the report.**
- 2 That the committee advises the Northern and Yorke Local Government Association that the Charter requirements with regards the 2024/2025 Business Plan and Budget have been complied with.**
- 3 That committee notes the level of reserves identified for use in the 2024/2025 Draft Business Plan and Budget has given due consideration to the long term sustainability of the Northern and Yorke Local Government Association.**

Background:

On the 10 April 2024 the CEO distributed (Attachment E) Northern and Yorke LGA Draft 2024/2025 Business Plan and Budget which will be considered by the board at their 7 June 2024 meeting being held in Quorn.

This was provided in keeping with items 5.1 (Budget) and 6.2 (Business Plan) of the Northern and Yorke LGA Charter.

Constituent Councils may comment on the Business Plan and the Budget in writing to the CEO at least ten (10) business days (24 May 2024) before the meeting at which the Budget is to be adopted or through its Board Member at that meeting.

At the 23 February 2024 board meeting following a report on the Strategic Plan review the board requested the CEO to develop a draft Business Plan and Budget in accordance with the new Charter and to take into consideration the Strategic Plan Framework recommendations.

The CEO developed the draft business plan and budget directly from the Strategic Framework report which had been received and discussed by the board at their 15 December 2023 meeting and distributed to all member councils for their comments. This review included a series of surveys, one on one interviews and a workshop held in December 2023.

The draft Strategic Plan Framework had been approved and provided to all Constituent Councils earlier this year in Jan-Feb with the board seeking a response noting that subject to final approval of the Charter alterations the Strategic Plan Framework would be considered for adopting.

There was also an invite to Councils to consider inviting the Chairman Mayor Rodney Reid and the CEO Sim on Millcock to a council meeting to discuss the changes and the development of the Business Plan and Budget. The Strategic Plan Framework was subsequently adopted at the February Board meeting and meetings have been held with member councils.

In March 2024 the CEO sought feedback from the Executive Committee (Chair and Deputy Chairs) on the Draft Business Plan and it was subsequently distributed.

The Budget includes the removal of the Administration Officer position, CEO position to be .8FTE from 1 January 2025 and a Membership increase of 5% from 2023/2024 fee which takes the membership for 2024/2025 to \$13,395 – note other council contributions listed in the budget come from levies only for successful SLRP Councils and Coastal Councils memberships.

The draft 2024/2025 budget shows an operating deficit of \$20,300 and with a total equity of \$401,900 as of 30 June 2025. Subject to the variations to the 2023/2024 Legatus Group Budget as outlined in item 4.2 of this agenda it is likely that there will be an increased level of reserves available for 2023/2024.

At the time of preparing the agenda not all councils have provided their responses and the N&YLGA CEO will be able to provide an up to date report at the meeting.

## **6 NEXT MEETING**

Friday 11 August 2023 10.30am venue to be confirmed.