



**EASTERN WASTE MANAGEMENT AUTHORITY  
AUDIT & RISK MANAGEMENT COMMITTEE MEETING**

**TUESDAY 21 SEPTEMBER 2021**

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held at the **Chairman's Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide**, on Tuesday 21 September 2021, commencing at 8:00am.

A handwritten signature in blue ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

**ROB GREGORY  
GENERAL MANAGER**

## **Acknowledgement of Country**

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are still as important to the living Kurna people today.



## **EASTERN WASTE MANAGEMENT AUTHORITY**

### **AGENDA**

#### **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Meeting to be held on Tuesday 21 September 2021  
commencing at 8:00am, at the Chairman's Boardroom, Thomson Geer,  
7/19 Gouger Street, Adelaide**

- 1. PRESENT**
- 2. ACKNOWLEDGEMENT OF COUNTRY**
- 3. APOLOGIES**
- 4. CONFLICTS OF INTEREST**
- 5. CONFIRMATION OF THE MINUTES:**
  - 5.1 MEETING HELD 16 JUNE 2021*
- 6. MATTERS ARISING FROM THE MINUTES**
- 7. QUESTIONS WITHOUT NOTICE**
- 8. REPORTS**
  - 8.1 AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021..... pg.7*
  - 8.2 REGULATION 10 FINANCIAL REPORT 2021..... pg.38*
  - 8.3 DRAFT SEXUAL HARRASSMENT POLICY ..... pg.44*
  - 8.4 CHARTER REVIEW..... pg.52*
- 9. CONFIDENTIAL REPORTS**
  - 9.1 TENDER ASSESSMENT ..... pg.53*
  - 9.2 CONTRACT UPDATE (VERBAL)*
- 10. OTHER BUSINESS**
- 11. NEXT MEETING OF THE AUDIT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on:  
Tuesday 16 November 2021, commencing 8:30am, at the Chairman's Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide
- 12. CLOSURE OF MEETING**



**MINUTES OF THE MEETING OF THE AUDIT & RISK MANAGEMENT COMMITTEE  
OF THE EASTERN WASTE MANAGEMENT AUTHORITY**

held on Wednesday 16 June 2021 at the Chairman's Boardroom, 7/19 Gouger Street, Adelaide

Meeting opened at 8:33am.

Mr Gregory opened the meeting in Mr Bell's absence and called for Chair nominations.

Moved Ms Di Blasio that Cr Stock Chair the meeting.

Seconded Ms Hinchey

**Carried**

**1. ACKNOWLEDGEMENT OF COUNTRY**

**2. PRESENT**

Cr L Green	Adelaide Hills Council (via Zoom)
Cr M Stock	City of Norwood Payneham & St Peters
Ms E Hinchey	Independent Member
Ms S Di Blasio	Independent Member

**IN ATTENDANCE**

Mr R Gregory	General Manager
Ms K Vandermoer	Finance & Executive Administration Officer

**3. APOLOGIES**

Mr F Bell	Independent Chairperson
Mr J Jovicevic	Dean Newberry Partners

**4. CONFLICTS OF INTEREST**

Nil

**5. CONFIRMATION OF THE MINUTES – 21 APRIL 2021**

Moved Ms Di Blasio that the Minutes of the previous meeting held on Wednesday 21 April 2021 be received and noted.

Seconded Ms Hinchey

**Carried**

**6. MATTERS ARISING FROM THE MINUTES**

Nil

## **7. QUESTIONS WITHOUT NOTICE**

Nil

## **8. REPORTS**

### **8.1 FINANCIAL REPORT – YEAR TO DATE (MAY 2021)**

#### **RECOMMENDATION**

Moved Cr Green that the Committee recommend that the Report is received and noted, noting that management will prepare a response to questions raised.

Seconded Ms E Hinchey

**Carried**

### **8.2 DRAFT 2021/22 ANNUAL BUSINESS PLAN AND BUDGET**

#### **RECOMMENDATION**

Moved Ms Hinchey that the Committee recommends an unamended draft 2021/22 Annual Business Plan and Budget, as presented in Attachment A and noting that management will confirm accuracy of the adopted budget figure, is presented to the Board for endorsement.

Seconded Ms Di Blasio

**Carried**

### **8.3 EXTERNAL AUDITOR INTERIM REPORT**

#### **RECOMMENDATION**

Moved Ms Hinchey that the Committee note and receive the Report and recommend to Management that a Leave Policy be implemented.

Seconded Cr Green

**Carried**

### **8.4 POLICY REVIEW SCHEDULE**

#### **RECOMMENDATION**

Moved Cr Green that That the Committee:

1. Notes and receives the Report and the Policy Review Schedule, as presented in Attachment A, noting that a review of outstanding policies be presented to the next Audit & Risk Committee meeting.
2. Recommends that management consider the development of a Policy Development & Review Framework.

Seconded Ms Di Blasio

**Carried**

***Linda left the meeting at 9:08am.***

## **8.5 WORKPLACE RELATIONSHIP DISCLOSURE POLICY**

### **RECOMMENDATION**

Moved Ms Hinchey that the Committee notes the East Waste Workplace Relationships Disclosure Policy, as presented in Attachment A, but queries the necessity of a standalone policy, and expresses concern regarding the day-to-day management of the policy.

Seconded Ms Di Blasio`

**Carried**

## **8.6 EQUAL OPPORTUNITY POLICY**

### **RECOMMENDATION**

Moved Ms Di Blasio that the Committee notes the East Waste Equal Opportunity Policy, as presented in Attachment A, and recommends that a standalone Sexual Harassment Policy be implemented.

Seconded Ms Hinchey

**Carried**

## **9. CONFIDENTIAL REPORTS**

Nil

## **10. OTHER BUSINESS**

Nil

## **11. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The next Audit and Risk Management Committee Meeting is scheduled to be held on:  
TBC

## **12. CLOSURE OF MEETING**

There being no other business the meeting closed at 9:46am.

**PRESIDING MEMBER**

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**DATE**

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## 8.1: AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** A: Draft Financial Statements Year Ending 30 June 2021  
B: Audit Findings Report (Bentley's)  
C: Draft Management Representation Letter

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### Purpose of the Report

To provide the Committee with an opportunity to review and comment on the prepared Financial Statements for year ending 30 June 2021.

### Background

At the meeting held 25 June 2020, the East Waste Board resolved (in part):

#### **2020/21 ANNUAL BUSINESS PLAN & BUDGET**

*Moved Mr Bradley that the Board endorses the 2020/21 Annual Business Plan and revised Budget as presented in Attachment A, noting that an increase to the Education budget is to be considered through the quarterly budget review process.*

*Seconded Cr Carbone*

***Carried***

### Report

The draft Financial Statements (refer Attachment A) for financial year ending 30 June 2021 have been prepared by East Waste's appointed accountancy firm Dean Newbery and Partners in accordance with the model financial statements issued by the Local Government Association.

The statements have been reviewed by East Waste's external auditors Bentleys. Bentley's draft Audit Findings Report is provided (refer Attachment B) and a representative from Bentley's will attend the meeting to answer any Committee questions. The reports finds that previous matters raised and risks identified through the interim audit have been satisfactorily addressed.

Two matters which relates to the Financial Statements have been raised and this is detailed on page 5 of the Audit Findings Report (refer Page 5 Attachment B). The second of these is self-explanatory and is addressed within the Financial Statement at Note 10 – Expenditure Commitments. The first is as follows:

*A liability of \$470,493 has been adjusted in the draft financial statements as at 30 June 2021 to record a rebate to be applied against future member council waste charges. We anticipate that this will be discussed and approved by the Committee prior to financial statements sign-off.*

The Financial Statements (refer Attachment A) show a Net Surplus of \$726,000 for the 2020/21 financial year. This surplus was largely derived from reduced Depreciation, favourable fuel prices, increased fuel tax credits, reduced interest expenditure and a reduction on registration and insurance. As East Waste works on a zero-based budgeting approach, there is no provision made for providing a rebate back to Member Councils. Should a return to Member Councils be required this is recorded as an expense in the year it is provided. Given the quantum of funds to be returned, a proposed liability has been recognised as at 30 June 2021 to account for a

rebate to be applied against future member council waste charges. The proposed rebate is calculated as being a return of surplus funds recorded above the forecasted Net Surplus adopted at FY2022 Budget Review 3 (\$255,300) being a total of \$470,492.78. As there is currently no Board resolution on this matter Bentley's have identified it as an adjustment of note.

Administration proposes to return the \$470,000 to the Member Councils as a rebate through the Quarter 2 invoicing. The remaining net surplus (\$255,300) would be treated in the same manner as surpluses in recent years. That is an assessment and decision is made by the Board following Budget Review 2, consistent with the *Member Council Rebate & Distribution Policy*.

If this approach was not adopted by the Board the Net Surplus/Deficit shown in the Statement of Comprehensive Income would be \$726,000.

The draft Management Representation Letter (refer Attachment C) prepared for Bentley's external auditors as part of the external audit completion process has been provided to Committee Members to note and to be aware of disclosures Management are making to the auditors in connection with the audit. Subject to no further changes or any adverse unforeseen events occurring before the financial statements are due to be signed off, the General Manager will sign the enclosed draft Management Representation Letter as presented in Attachment C and provide it to the auditors to enable them to issue to the Authority their auditor's report for the 2020/21 financial year.

## **RECOMMENDATION**

**The Committee recommends that the draft FY2021 audited Financial Statements as presented in Attachment A and Management Representation Letter as presented in Attachment C, are recommended for presentation to the East Waste Board.**



## EASTERN WASTE MANAGEMENT AUTHORITY INC

### General Purpose Financial Report for the year ended 30 June 2021

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## **EASTERN WASTE MANAGEMENT AUTHORITY INC**

### **ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021**

#### **CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2021 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

.....  
Rob Gregory  
**Executive Officer**

.....  
Fraser Bell  
**Chairperson**

**Date:**

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Income</b>			
User charges	2	16,707	16,756
Investment income	2	12	21
Grants, subsidies and contributions		-	-
Other	2	917	677
<b>Total Income</b>		<b>17,636</b>	<b>17,454</b>
<b>Expenses</b>			
Employee costs	3	6,089	5,851
Materials, contracts & other expenses	3	9,149	9,120
Finance costs	3	262	281
Depreciation & amortisation	3	1,986	2,069
<b>Total Expenses</b>		<b>17,486</b>	<b>17,321</b>
<b>Operating Surplus</b>		<b>150</b>	<b>133</b>
Asset disposal & fair value adjustments	4	105	60
<b>Net Surplus</b>		<b>255</b>	<b>193</b>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>255</b>	<b>193</b>

This Statement is to be read in conjunction with the attached Notes.

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF FINANCIAL POSITION as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	3,168	2,322
Trade & other receivables	5	661	1,019
<b>Total Current Assets</b>		<b>3,829</b>	<b>3,341</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	6	8,098	7,652
<b>Total Non-current Assets</b>		<b>8,098</b>	<b>7,652</b>
<b>Total Assets</b>		<b>11,927</b>	<b>10,993</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	1,609	1,205
Provisions	7	654	597
Borrowings	7	1,925	1,929
<b>Total Current Liabilities</b>		<b>4,188</b>	<b>3,731</b>
<b>Non-current Liabilities</b>			
Borrowings	7	6,423	6,221
Provisions	7	97	77
<b>Total Non-current Liabilities</b>		<b>6,520</b>	<b>6,298</b>
<b>Total Liabilities</b>		<b>10,708</b>	<b>10,029</b>
<b>Net Assets</b>		<b>1,219</b>	<b>964</b>
<b>EQUITY</b>			
Accumulated Surplus		1,219	964
<b>Total Equity</b>		<b>1,219</b>	<b>964</b>

This Statement is to be read in conjunction with the attached Notes.

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2021

	Accumulated Surplus \$'000	Total Equity \$'000
<b>Balance at start of period - 1 July 2020</b>	<b>964</b>	<b>964</b>
Net Surplus for Year	255	255
<b>Other Comprehensive Income</b>		
Contributed Equity	-	-
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2021</b>	<b>1,219</b>	<b>1,219</b>
 <b>Balance at start of period - 1 July 2019</b>	 <b>706</b>	 <b>706</b>
Net Surplus for Year	193	193
<b>Other Comprehensive Income</b>		
Contributed Equity	65	65
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2020</b>	<b>964</b>	<b>964</b>

This Statement is to be read in conjunction with the attached Notes

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF CASH FLOWS for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Cash Flows from Operating Activities</b>			
Operating receipts		18,457	17,136
Investment receipts		7	16
Employee costs		(6,012)	(5,795)
Materials, contracts & other expenses		(9,243)	(8,677)
Finance payments		(233)	(291)
<b>Net cash provided by operating activities</b>	8	<b>2,976</b>	<b>2,389</b>
<b>Cash Flows from Investing Activities</b>			
Sale of replaced assets	4	124	81
Expenditure on renewal/replacement of assets	6	(2,452)	(2,297)
<b>Net cash used in investing activities</b>		<b>(2,328)</b>	<b>(2,216)</b>
<b>Cash Flows from Financing Activities</b>			
Capital contribution by member councils		-	65
Proceeds from Borrowings		2,284	2,171
Repayments of Borrowings		(1,826)	(1,834)
Repayment of lease liabilities		(260)	(220)
<b>Net cash provided by (used in) financing activities</b>		<b>198</b>	<b>182</b>
<b>Net Increase (Decrease) in cash held</b>		<b>846</b>	<b>355</b>
Cash & cash equivalents at beginning of period	5	2,322	1,967
<b>Cash &amp; cash equivalents at end of period</b>	5	<b>3,168</b>	<b>2,322</b>

This Statement is to be read in conjunction with the attached Notes

# **EASTERN WASTE MANAGEMENT AUTHORITY INC**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021**

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### **Note 1 – Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **1 Basis of Preparation**

##### **1.1 Compliance with Australian equivalents to International Financial Reporting Standards**

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. The seven Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

##### **1.2 Historical Cost Convention**

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### **1.3 Critical Accounting Estimates**

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

##### **1.4 Rounding**

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

#### **2 The Local Government Reporting Entity**

Eastern Waste Management Authority Inc. operates as a regional subsidiary and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

#### **3 Income Recognition**

The Authority recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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### 4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

### 5 Property, Plant & Equipment

#### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

#### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority 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.

#### 5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plan, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

#### 5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.



# **EASTERN WASTE MANAGEMENT AUTHORITY INC**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021**

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### **6 Payables**

#### **6.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

### **7 Employee Benefits**

#### **7.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority has recognised for the first time in 2020/21 a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

#### **7.2 Superannuation**

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

##### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2020/21; 9.5% in 2019/20). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2019/20) of 'superannuation' salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

# **EASTERN WASTE MANAGEMENT AUTHORITY INC**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021**

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The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2020. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

### **Contributions to Other Superannuation Schemes**

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

### **8 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of 'Payables'.

### **9 GST Implications**

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

### **10 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

### **11 Critical Accounting Estimates and Judgements**

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

### **12 New Accounting Standards**

The Authority applied for the first-time certain new standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### **Amendments to AASB 101 and AASB 108 *Definition of Material***

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

## **EASTERN WASTE MANAGEMENT AUTHORITY INC**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021**

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#### **13 Highbury Landfill Authority Inc.**

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan was re-financed through the Local Government Finance Authority, to be repaid over 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

The loan was fully repaid in the 2019/20 financial year.

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
<b>Note 2 - Income</b>			
<b>User Charges</b>			
Waste Collection Income		12,372	12,159
Waste Processing Income		4,640	4,509
Administration		235	225
Member Council Waste Collection Rebate		(540)	(137)
		<u>16,707</u>	<u>16,756</u>
<b>Investment Income</b>			
Interest on investments			
Local Government Finance Authority		12	21
		<u>12</u>	<u>21</u>
<b>Other Income</b>			
Bin Supply		254	203
Replacement Bins		642	457
Sundry		21	17
		<u>917</u>	<u>677</u>
<b>Note 3 - Expenses</b>			
<b>Employee Costs</b>			
Salaries and Wages		4,924	4,599
Employee leave expense		76	56
Superannuation		403	381
Wages Casual Agency		490	467
Workers' Compensation Insurance		113	196
Other		83	152
<b>Total Employee Costs</b>		<u>6,089</u>	<u>5,851</u>
Number of FTE Employees as at reporting date		57	59

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

### Note 3 - Expenses (cont.)

	Notes	2021 \$'000	2020 \$'000
<b>Materials, Contracts &amp; Other Expenses</b>			
Auditor's Remuneration		9	10
Board Expenses		29	33
Waste Processing Costs		4,614	4,532
Electricity		4	27
Fuel, Gas & Oil		993	1,076
Legal Expenses		27	34
Maintenance		2,214	2,123
Parts, Accessories & Consumables		2	11
Printing, Stationery & Postage		36	24
Professional Services		440	449
Registration & Insurance - Trucks		215	364
Sundry		566	437
		<b>9,149</b>	<b>9,120</b>
<b>Finance Costs</b>			
Interest on Loans		234	247
Interest on Leases		28	34
		<b>262</b>	<b>281</b>
<b>Depreciation &amp; Amortisation</b>			
Buildings & Other Structures	6	10	25
Plant, Machinery & Equipment	6	1,725	1,788
Right-of-use assets	6	251	256
		<b>1,986</b>	<b>2,069</b>
<b>Note 4 - Asset Disposals</b>			
Proceeds from disposal		124	81
Less: Carrying amount of assets sold		(19)	(21)
<b>Gain (Loss) on disposal</b>		<b>105</b>	<b>60</b>
<b>Note 5 - Current Assets</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash on Hand and at Bank		2,995	1,160
Deposits at Call		173	1,162
		<b>3,168</b>	<b>2,322</b>
<b>Trade &amp; Other Receivables</b>			
Debtors - general		654	1,013
Accrued Income		-	6
Prepaid Expenses		7	-
		<b>661</b>	<b>1,019</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

	2021 \$'000	2020 \$'000
<b>Note 6 - Property, Plant &amp; Equipment</b>		
Buildings & Other Structures - At Cost	325	162
Accumulated Depreciation	(92)	(82)
	<b>233</b>	<b>80</b>
Plant, Machinery & Equipment - At Cost	17,227	16,573
Accumulated Depreciation	(10,176)	(10,090)
	<b>7,051</b>	<b>6,483</b>
Right-of-use-assets	1,321	1,345
Accumulated Depreciation	(507)	(256)
	<b>814</b>	<b>1,089</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>8,098</b>	<b>7,652</b>

	2020 \$'000						2021 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Adjustment	Carrying Value
		New/Upgrade	Renewal				
Buildings & Other Structures	80	163	-	-	(10)	-	233
Plant, Machinery & Equipment	6,483	2,312	-	(19)	(1,725)	-	7,051
Right-of-use-asset	1,089	-	-	-	(251)	(24)	814
	<b>7,652</b>	<b>2,475</b>	<b>-</b>	<b>(19)</b>	<b>(1,986)</b>	<b>(24)</b>	<b>8,098</b>
<b>2020 (\$'000)</b>	6,100	3,642	-	(21)	(2,069)	-	7,652

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

	2021 \$'000		2020 \$'000	
<b>Note 7 - Liabilities</b>	Current	Non-current	Current	Non-current
<b>Trade &amp; Other Payables</b>				
Goods & Services	902	-	998	-
Accrued expenses - other	707	-	207	-
	<b>1,609</b>	<b>-</b>	<b>1,205</b>	<b>-</b>
<b>Borrowings</b>				
Loans	1,679	5,805	1,692	5,334
Lease Liabilities	246	618	237	887
	<b>1,925</b>	<b>6,423</b>	<b>1,929</b>	<b>6,221</b>
<b>Provisions</b>				
Annual Leave	302	-	304	-
Rostered-Day-Off (RDO)	51	-	-	-
Long Service Leave	301	97	293	77
	<b>654</b>	<b>97</b>	<b>597</b>	<b>77</b>

### Note 8 - Cash Flow Reconciliation

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$'000	2020 \$'000
Total cash & equivalent assets	<b>3,168</b>	2,322
Balances per Cash Flow Statement	<b>3,168</b>	2,322

### (a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities

Net Surplus (Deficit)	<b>255</b>	<b>193</b>
<b>Non-cash items in Statement of Comprehensive Income</b>		
Depreciation	1,986	2,069
Net increase (decrease) in employee benefits	(77)	(56)
Net increase (decrease) accrued expenses	24	(15)
(Gain) / Loss on Disposal	(105)	(60)
Waste Rebates	470	-
	<b>2,553</b>	<b>2,131</b>
<b>Add (Less): Changes in Net Current Assets</b>		
Net (increase) decrease in receivables	363	(297)
Net increase (decrease) in trade & other payables	(94)	443
Net increase (decrease) in other provisions	154	112
<b>Net Cash provided by (or used in) operations</b>	<b>2,976</b>	<b>2,389</b>

### (b) Financing Arrangements

Corporate Credit Cards	15	15
Cash Advance Debenture Facility - LGFA	1,000	1,000

## EASTERN WASTE MANAGEMENT AUTHORITY INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

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#### Note 9 - Financial Instruments

##### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<b>Accounting Policy:</b> Initially recognised at fair value and subsequently measured at amortised cost. <b>Terms &amp; conditions:</b> Deposits on Call do not have a maturity period and have an average interest rates of 0.3% (2020: 0.4% - 0.45%). <b>Carrying amount:</b> approximates fair value due to the short term to maturity.
<b>Receivables - Waste Collection Fees &amp; Associated Charges</b>	<b>Accounting Policy:</b> Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method. <b>Carrying amount:</b> approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>	<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. <b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms. <b>Carrying amount:</b> approximates fair value.
<b>Liabilities - Interest bearing borrowings</b>	<b>Accounting Policy:</b> initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate. <b>Terms &amp; conditions:</b> secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.35% (2020: 2.55% - 5.35%).
<b>Liabilities - Leases</b>	<b>Accounting Policy:</b> accounted for in accordance with AASB 16 as stated in Note 11.

##### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

##### Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.



## EASTERN WASTE MANAGEMENT AUTHORITY INC

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

#### Note 9 (cont) - Financial Instruments

##### Liquidity Analysis

	Maturity			Non-	
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	interest bearing	Total
	\$000	\$000	\$000	\$000	\$000
<b>2021</b>					
<b>Financial Assets</b>					
Cash & Equivalents	3,168	-	-	-	<b>3,168</b>
Receivables	-	-	-	654	<b>654</b>
<b>Total</b>	<b>3,168</b>	<b>-</b>	<b>-</b>	<b>654</b>	<b>3,822</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	902	<b>902</b>
Borrowings	1,925	5,091	1,332	-	<b>8,348</b>
<b>Total</b>	<b>1,925</b>	<b>5,091</b>	<b>1,332</b>	<b>902</b>	<b>9,250</b>
	Maturity			Non-	
	≤ 1 year	> 1 year ≤ 5 years	> 5 years	interest bearing	Total
	\$000	\$000	\$000	\$000	\$000
<b>2020</b>					
<b>Financial Assets</b>					
Cash & Equivalents	2,322	-	-	-	<b>2,322</b>
Receivables	-	-	-	1,013	<b>1,013</b>
<b>Total</b>	<b>2,322</b>	<b>-</b>	<b>-</b>	<b>1,013</b>	<b>3,335</b>
<b>Financial Liabilities</b>					
Payables	-	-	-	998	<b>998</b>
Borrowings	1,929	5,460	726	-	<b>8,115</b>
<b>Total</b>	<b>1,929</b>	<b>5,460</b>	<b>726</b>	<b>998</b>	<b>9,113</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

### Note 10 - Expenditure Commitments

The Authority has expenditure commitments totalling an estimated \$2 million as at reporting date

### Note 11 - Leases

#### *Authority as a lessee*

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
<b>At 1 July 2020</b>	1,089	1,089
Additions of right-of-use-assets	-	-
Depreciation Charge	(251)	(251)
Adjustment to right-of-use-assets	(24)	(24)
<b>At 30 June 2021</b>	<b>814</b>	<b>814</b>

Set out below are the carrying amounts of lease liabilities and the movements during the period:

<b>At 1 July 2020</b>	<b>1,124</b>
Additions	-
Accretion of interest	28
Payments	(258)
Adjustment to lease liability	(30)
<b>At 30 June 2021</b>	<b>864</b>
<b>Current</b>	<b>265</b>
<b>Non-Current</b>	<b>599</b>

### Note 12 - Post Balance Date Events

There were no events post balance date that are required to be disclosed.

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2021

### Note 13 - Related Party Transactions

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 4 persons were paid the following total compensation:

	2021	2020
	\$'000	\$'000
Salaries, allowances & other short term benefits	462	476
<b>Total</b>	<b>462</b>	<b>476</b>

### Transactions with Related Parties:

The following transactions occurred with Related Parties:

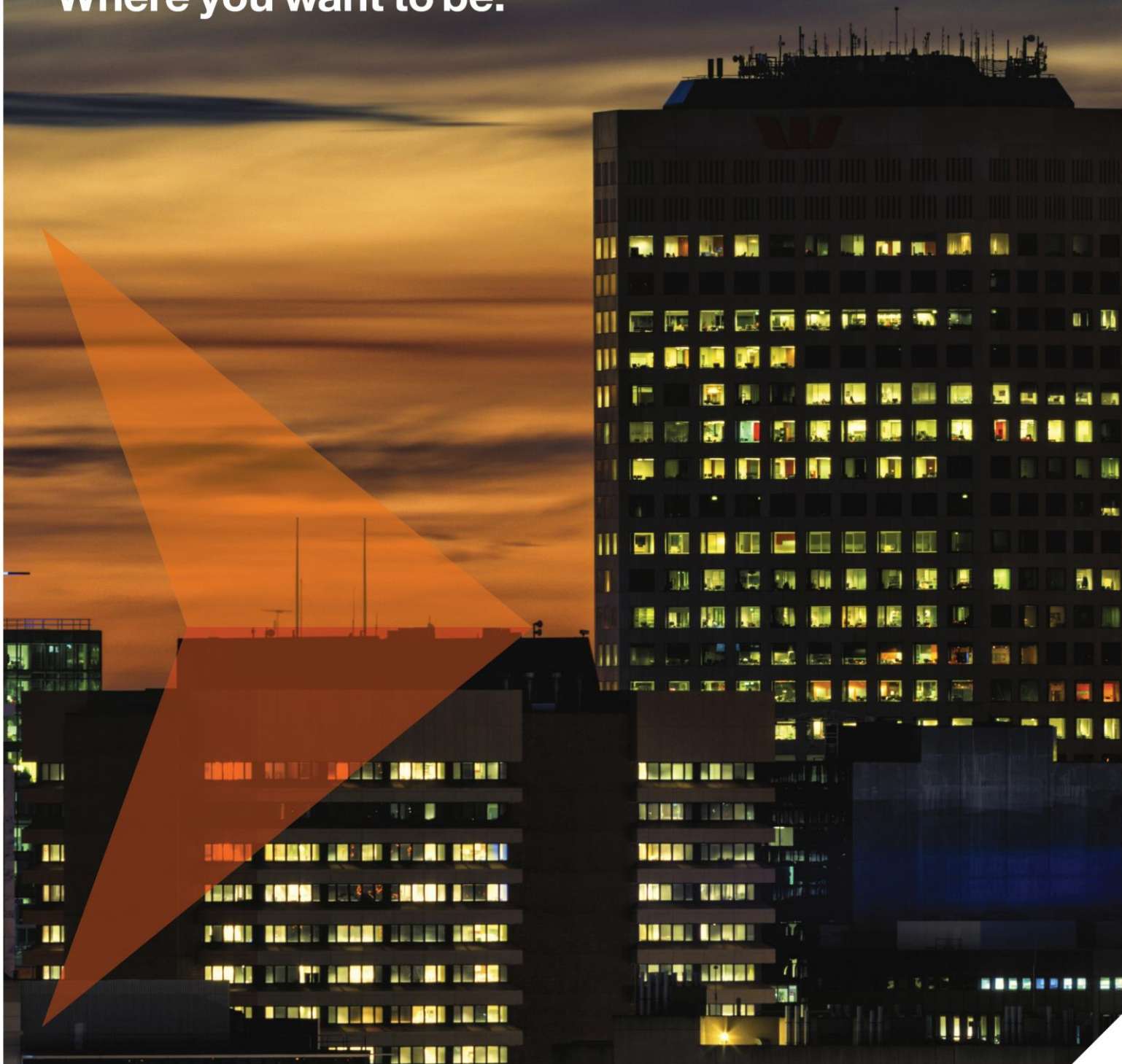
Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
<b>Adelaide Hills Council</b>	3,307	55	Provision of kerbside waste collection and hardwaste collection services
<b>City of Burnside</b>	3,064	79	Provision of kerbside waste collection and hardwaste collection services
<b>City of Mitcham</b>	3,082	171	Provision of kerbside waste collection and hardwaste collection services
<b>City of Norwood, Payneham &amp; St Peters</b>	2,823	159	Provision of kerbside waste collection and hardwaste collection services
<b>City of Prospect</b>	1,471	35	Provision of kerbside waste collection and hardwaste collection services
<b>Corporation of the City of Campbelltown</b>	3,508	76	Provision of kerbside waste collection and hardwaste collection services
<b>Corporation of the Town of Walkerville</b>	581	25	Provision of kerbside waste collection and hardwaste collection services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

Where you want to be.

ITEM 8.1 - ATTACHMENT B



September 2021

## East Waste Management Authority

### Report of Audit Findings

David Papa, Partner  
Level 5, 63 Pirie St, Adelaide SA 5000  
Telephone +61 8 8372 7900  
[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au) | [bentleys.com.au](http://bentleys.com.au)

➤ Advisors

➤ Accountants

➤ Auditors

## Executive summary

We are providing our report on the audit of East Waste Management Authority for the year ending 30/06/2021.

Dear Mr Bell

We have conducted our audit of East Waste Management Authority for the year ending 30/06/2021 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.

The following matters are reported to management:

	Internal controls	Financial Statements
<b>Critical</b>	-	-
<b>Significant</b>	-	Further financial statements adjustment and disclosure
<b>Not Material</b>	-	-
<b>Area for Improvement</b>	-	-

*Note: an empty comment means nothing to report*

We intend to issue an unmodified audit opinion over the financial report of East Waste Management Authority.

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our audit.

Sincerely,



David Papa

Partner

+61 8 8372 7900

[dpapa@adel.bentleys.com.au](mailto:dpapa@adel.bentleys.com.au)

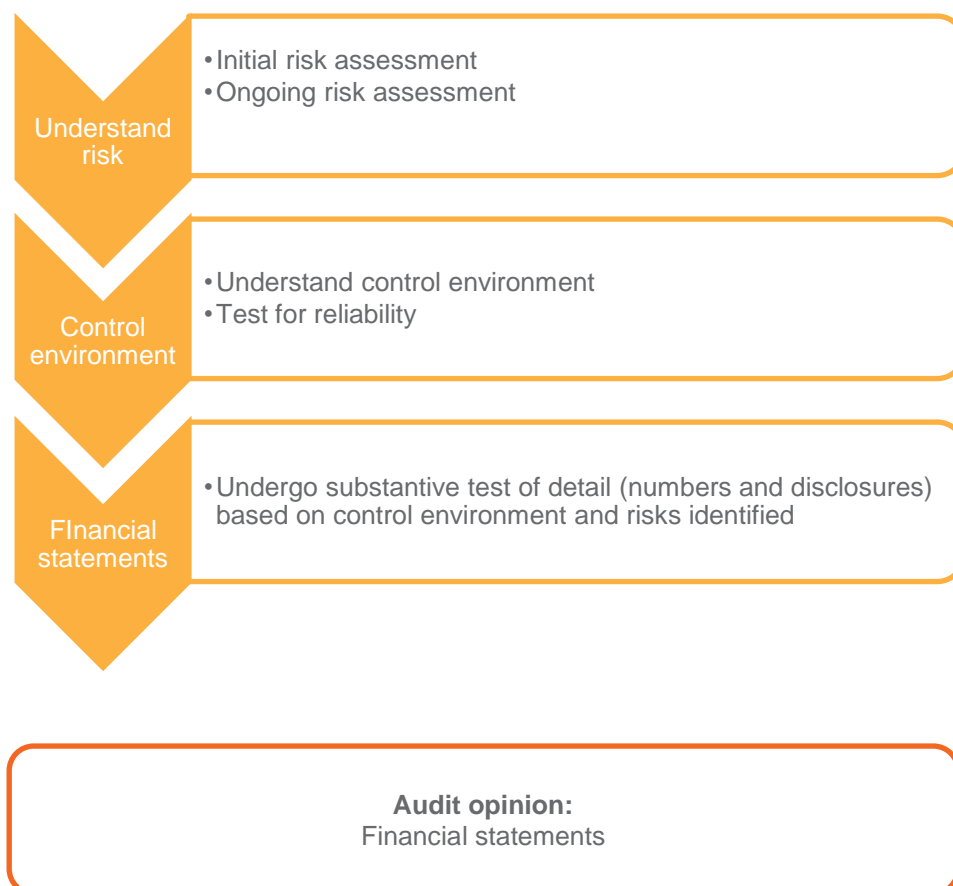


## Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



## Identified audit risks

We have identified financial statement risks relating to this year's audit.

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

### Risks identified at planning

#### Area

Fixed asset additions

#### Risk

There has been a material purchase of Assets this year (approx \$2.3m).

#### Audit Approach

We will perform audit procedures to ensure that capital expenditures made are in accordance with the procurement policy and are appropriately recorded in the books.

#### Outcome

Satisfactory

### Risks identified through the audit

#### Area

Change in key management personnel

#### Risk

The change in key management personnel may have a significant impact on the internal control environment.

#### Audit Approach

We will obtain an understanding of key changes to processes and controls and perform audit procedures to evaluate the design and determine whether the controls have been implemented and are operating effectively.

#### Outcome

Satisfactory



## Financial Statements

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### Issue

#### 1. Further Financial Statement adjustment and disclosure

---

### Audit Comments

- A liability of \$470,493 has been adjusted in the draft financial statements as at 30 June 2021 to record a rebate to be applied against future member council waste charges. We anticipate that this will be discussed and approved by the Committee prior to financial statements sign-off.
  - Additional note disclosure was included in the financial statements as at 30 June 2021 in relation to the Authority's expenditure commitment in line with its 3- year agreement with a supplier for the supply of vehicles.
- 





## Status of prior points raised

### Area 1

#### High level of annual leave accrued (2020)

##### Prior year observation

There were 7 employees who had accrued over 230 hours of annual leave (6 weeks) as at 30 June 2020. The largest individual balance recorded was 296 hours.

##### Current year follow-up

As at 30 June 2021, there were 3 employees with accrued annual leave of more than 200 hours. We understand that during the year, management has implemented its plan to reduce staff leave balances to an acceptable level which resulted to decrease in number of employees with high accrued annual leave hours as at 30 June 2021 compared to prior year.

##### Management response

Management has had an active program of reducing excessive annual leave balances over the past three years. The implementation of this was compromised with COVID when WHS considerations trumped the taking of planned leave. A reinvigoration of the program over the past 9 months has occurred, reducing balances, and will be further strengthened by the development of a Leave Policy over the coming months.

### Area 2

#### Long service leave (LSL) provision calculation (2020)

##### Prior year observation

We noted two employees' LSL entitlement calculations were incorrectly calculated on full time hours. The incorrect calculation resulted in an overstatement of LSL provision by \$42k.

##### Current year follow-up

We reviewed the long service leave calculation as at 30 June 2021 and no issues were found.

##### Outcome

Satisfactory



## Matters for those charged with governance

---

### Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

---

### Legal compliance

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

---

### Financial reporting and accounting policies

We believe the accounting policies elected for the Council are reasonable and their application provides sufficient information for use of the decision makers.

---

### Going concern

As part of our assessment we considered the appropriateness of the going concern assumption concluded by the Council and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

---

### Cooperation with management

The management team has been helpful and cooperative throughout the conduct of this year's audit.

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 **Advisors**    **Accountants**    **Auditors**

30 September 2021

Bentleys SA Audit Partnership  
Level 5, 63 Pirie Street  
ADELAIDE SA 5000

Dear Mr Papa,

**RE: AUDIT FOR EASTERN WASTE MANAGEMENT AUTHORITY INC FOR THE YEAR ENDED 30 JUNE 2021**

This representation letter is provided in connection with your audit of the financial statements of Eastern Waste Management Authority Inc (the "Authority") for the year ended 30 June 2021 for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 1999* and *Australian Accounting Standards* so as to present a view which is consistent with your understanding of Eastern Waste Management Authority Inc's financial position, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm, to the best of our knowledge and belief, the following representations:

- We have implemented and maintained sufficient internal controls and processes within the Authority and ensure all elected controls regarded as 'core' have complied with.
- There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements;
- We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the Authority;
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud;
- We have made available to you all books of account and supporting documentation and all minutes of meetings. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meetings has been made available to you;
- We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties;
- The financial statements are free of material misstatements, including omissions;
- We believe the effects of those uncorrected financial report misstatements noted by you or your staff during the audit are immaterial, both individually and in aggregate to the financial report taken as a whole;

- The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance;
- We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report;
- The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:
  - The identity of, and balances and transactions with, related parties;
  - Losses arising from sale and purchase commitments;
  - Agreements and options to buy back assets previously sold,
  - Assets pledged as collateral.
- We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- The Authority has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in notes to the financial statements.
- We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
- There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or Notes thereto.
- All claims that have been received in connection with litigation do not require adjustment of or disclosure in the financial statements of Notes thereto.
- There are no formal or informal set-off arrangements with any of our cash and investment accounts. We have no other line of credit arrangements.
- There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

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**ROB GREGORY**  
**GENERAL MANAGER**

---

**30 September 2021**  
**DATE**

## 8.2: REGULATION 10 FINANCIAL REPORT 2021

REPORT AUTHOR: General Manager

ATTACHMENTS: A: Regulation 10 Financial Report

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### **Purpose of the Report**

To provide the Committee with a Report on the previous financial year performance against budget as required by *Section 10 of the Local Government (Financial Management) Regulations 2011*.

### **Report**

The Report is provided in accordance with Section 10 of the regulations;

#### *10—Report on financial results*

*(1) A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.*

### **RECOMMENDATION**

The Committee recommend that the Regulation 10 Financial Report as presented in Attachment A is endorsed for presentation to the East Waste Board.

## ITEM 8.2 - ATTACHMENT A

### EASTERN WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2020/21 \$000 Original Budget	2020/21 \$000 Final Budget	2020/21 \$000 Audited Actuals
<b>Income</b>			
User Charges	17,635	17,655	16,707
Investment Income	9	3	12
Grants, subsidies and contributions	30	-	-
Other	794	975	917
<b>Total Income</b>	<b>18,468</b>	<b>18,633</b>	<b>17,636</b>
<b>Expenses</b>			
Employee Costs	5,890	6,130	6,089
Materials, Contracts & Other Expenses	9,935	10,088	9,149
Depreciation & Amortisation	2,347	2,009	1,986
Finance Costs	335	276	262
<b>Total Expenses</b>	<b>18,507</b>	<b>18,503</b>	<b>17,486</b>
<b>Operating Surplus</b>	<b>(39)</b>	<b>130</b>	<b>150</b>
Asset Disposal & Fair Value Adjustments	50	125	105
<b>Net Surplus / (Deficit)</b>	<b>11</b>	<b>255</b>	<b>255</b>
<b>Other Comprehensive Income</b>			
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income</b>	<b>11</b>	<b>255</b>	<b>255</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2020/21 \$000 Original Budget	2020/21 \$000 Final Budget	2020/21 \$000 Audited Actuals
<b>Cash Flows from Operating Activities</b>			
Operating Receipts	18,408	18,630	18,457
Investment Receipts	9	3	7
Employee Costs	(5,890)	(6,040)	(6,012)
Materials, Contracts & Other Expenses	(9,845)	(10,088)	(9,243)
Finance Payments	(300)	(276)	(233)
<b>Net cash provided by operating activities</b>	<b>2,382</b>	<b>2,229</b>	<b>2,976</b>
<b>Cash Flows from Investing Activities</b>			
Sale of Replaced Assets	50	145	124
Expenditure on Renewal/Replacement Assets	(2,730)	(2,675)	(2,452)
Expenditure on New/Upgraded Assets	-	-	-
<b>Net cash used in investing activities</b>	<b>(2,680)</b>	<b>(2,530)</b>	<b>(2,328)</b>
<b>Cash Flows from Financing Activities</b>			
Capital Contributed by Member Councils	-	-	-
Proceeds from Borrowings	2,400	2,284	2,284
Repayment of Borrowings	(1,845)	(1,845)	(1,826)
Repayment of Lease Liabilities	(265)	(265)	(260)
<b>Net cash provided by (used in) financing activities</b>	<b>290</b>	<b>174</b>	<b>198</b>
<b>Net Increase (Decrease) in cash held</b>	<b>(8)</b>	<b>(127)</b>	<b>846</b>
Cash & cash equivalents at the beginning of the period	2,163	2,322	2,322
<b>Cash &amp; cash equivalents at the end of the period</b>	<b>2,155</b>	<b>2,195</b>	<b>3,168</b>



# EASTERN WASTE MANAGEMENT AUTHORITY INC

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	2020/21 \$000 Original Budget	2020/21 \$000 Final Budget	2020/21 \$000 Audited Actuals
<b>Current Assets</b>			
Cash & Cash Equivalents	2,156	2,195	3,168
Trade & Other Receivables	717	1,019	661
<b>Total Current Assets</b>	<b>2,873</b>	<b>3,214</b>	<b>3,829</b>
<b>Non-Current Assets</b>			
Property, Plant & Equipment	8,093	8,317	8,098
<b>Total Non-Current Assets</b>	<b>8,093</b>	<b>8,317</b>	<b>8,098</b>
<b>Total Assets</b>	<b>10,966</b>	<b>11,531</b>	<b>11,927</b>
<b>Current Liabilities</b>			
Trade & Other Payables	771	1,224	1,609
Provisions	633	642	654
Borrowings	2,176	2,287	1,925
<b>Total Current Liabilities</b>	<b>3,580</b>	<b>4,153</b>	<b>4,188</b>
<b>Non-Current Liabilities</b>			
Borrowings	6,192	6,037	6,423
Provisions	156	122	97
<b>Total Non-Current Liabilities</b>	<b>6,348</b>	<b>6,159</b>	<b>6,520</b>
<b>Total Liabilities</b>	<b>9,928</b>	<b>10,312</b>	<b>10,708</b>
<b>Net Assets</b>	<b>1,038</b>	<b>1,219</b>	<b>1,219</b>
<b>Equity</b>			
Accumulated Surplus	1,038	1,219	1,219
<b>Total Equity</b>	<b>1,038</b>	<b>1,219</b>	<b>1,219</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	2020/21 \$000 Original Budget	2020/21 \$000 Final Budget	2020/21 \$000 Audited Actuals
<b>Accumulated Surplus</b>			
<b>Balance at start of Period</b>	1,027	964	964
Net Surplus/(Deficit)	11	255	255
Contributed Equity	-	-	-
<b>Balance at end of period</b>	<b>1,038</b>	<b>1,219</b>	<b>1,219</b>

# EASTERN WASTE MANAGEMENT AUTHORITY INC

UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDED 30 JUNE 2021

	2020/21 \$000 Original Budget	2020/21 \$000 Final Budget	2020/21 \$000 Audited Actuals
Operating Revenues	18,468	18,633	17,636
Operating Expenses	(18,507)	(18,503)	(17,486)
<b>Operating Surplus/(Deficit)</b>	<b>(39)</b>	<b>130</b>	<b>150</b>
<b>Net Outlays on Existing Assets</b>			
Capital Expenditure on renewal and replacement of Existing Assets	(2,730)	(2,675)	(2,452)
Depreciation & Amortisation	2,347	2,009	1,986
Proceeds from Sales of Replaced Assets	50	145	124
	<b>(333)</b>	<b>(521)</b>	<b>(342)</b>
<b>Net Outlays on New and Upgraded Assets</b>			
Capital Expenditure on New and Upgraded Assets	-	-	-
Amounts received specifically for New and Upgraded Assets	-	-	-
Proceeds from Sales of Surplus Assets	-	-	-
	-	-	-
<b>Net Lending/(Borrowing) for Financial Year</b>	<b>(372)</b>	<b>(391)</b>	<b>(192)</b>

## 8.3: DRAFT SEXUAL HARASSMENT POLICY

REPORT AUTHOR: Manager, Business Services  
ATTACHMENTS: A: Draft Sexual Harassment Policy

### Purpose of the Report

To provide the Audit and Risk Committee with an opportunity to review the Draft Sexual Harassment Policy, prior to presentation to the Board.

### Background

When considering the *Draft Workplace Relationship Disclosure Policy* and *Draft Equal Opportunity Policy* at the June 2021 meeting the Audit and Risk Committee recommended that a standalone Sexual Harassment Policy be implemented.

#### **8.5 WORKPLACE RELATIONSHIP DISCLOSURE POLICY**

*Moved Ms Hinchey that the Committee notes the East Waste Workplace Relationships Disclosure Policy, as presented in Attachment A, but queries the necessity of a standalone policy, and expresses concern regarding the day-to-day management of the policy.*

*Seconded Ms Di Blasio*

**Carried**

#### **8.6 EQUAL OPPORTUNITY POLICY**

*Moved Ms Di Blasio that the Committee notes the East Waste Equal Opportunity Policy, as presented in Attachment A, and recommends that a standalone Sexual Harassment Policy be implemented.*

*Seconded Ms Hinchey*

**Carried**

The Board subsequently resolved:

#### **8.4 WORKPLACE RELATIONSHIPS DISCLOSURE POLICY**

*Moved Cr Green that the Board directs the General Manager to review the Code of Conduct and Behaviour Standards Policy to ensure appropriate coverage and report back to the Board at the next meeting.*

*Seconded Cr Stock*

**Carried**

### Report

In line with the Board decision a review of the relevant documents was undertaken. The Behaviour Standards Policy refers to general conduct of employees, however does not specifically reference sexual harassment. There is nothing specific within the document to guide staff or that Management could use with confidence to draw upon in a sexual harassment matter. The Code of Conduct was superseded by Behaviour Standards Policy and therefore does not apply.

As a result, Administration have drafted a *Sexual Harassment Policy* (refer Attachment A) which has been based on the best practice policy developed by the Australian Institute of Community Directors Australia.

The Draft Policy provides a robust framework to assist staff making claims and manage any allegations and/or investigations of Sexual Harassment and considers the relevant legislative requirements including but not limited to *Work Health & Safety Act 2012* and the *Fair Work Act 1994 /2009*.

## **RECOMMENDATION**

The Committee notes and accepts the Draft Sexual Harassment Policy as presented in Attachment A and recommends for presentation to the East Waste Board.

**SEXUAL HARASSMENT POLICY**

<b>Type</b>	Behaviour
<b>Category</b>	Human Resources
<b>First Issued/Adopted</b>	September 2021
<b>Minutes Reference</b>	
<b>Review Period</b>	36 months
<b>Last Reviewed</b>	N/A
<b>Next reviewed</b>	September 2024
<b>Applicable Legislation</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1999</i></li> <li>• <i>Fair Work Act 1994 / 2009 (SA)</i></li> <li>• <i>Freedom of Information Act 1991</i></li> <li>• <i>Work Health and Safety Act 2012</i></li> <li>• <i>State Records Act 1997</i></li> </ul>
<b>Related Documents</b>	<ul style="list-style-type: none"> <li>• <i>East Waste Charter</i></li> <li>• <i>East Waste Strategic Plan 2030</i></li> <li>• <i>Employment Contracts / EBA</i></li> <li>• <i>Behavioural Standards Policy</i></li> </ul>
<b>Consultation Undertaken</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Committee</li> </ul>
<b>Responsible Officer</b>	Manager, Business Services

SIGNED: .....

General Manager

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

.....

Chairperson

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

## **Introduction**

East Waste will defend the right of every employee to perform their work without being subjected to sexual harassment. Every employee is responsible for providing an environment that is supportive of this aim and must treat everyone else with respect.

It is the obligation and responsibility of every employee to ensure that the workplace is free from sexual harassment. Everyone working at East Waste is responsible for the care and protection of our people and for reporting information about suspected sexual harassment.

East Waste is fully committed to its obligation to prevent and eliminate sexual harassment in the workplace.

## **Purpose**

The purpose of this document is to outline East Waste's position on sexual harassment and to document the process which is to be followed should any grievances arise.

## **Definitions**

Sexual harassment means any unwelcome sexual advance, unwelcome request for sexual favours, or other unwelcome conduct of a sexual nature which makes a person feel offended, humiliated, or intimidated, and where that reaction is reasonable in the circumstances.

Examples of sexual harassment include, but are not limited to:

- Staring or leering.
- Unnecessary familiarity, such as deliberately brushing up against you or unwelcome touching.
- Suggestive comments or jokes.
- Insults or taunts of a sexual nature.
- Intrusive questions or statements about one's private life.
- Displaying posters, magazines or screen savers of an offensive nature.
- Sending sexually explicit or offensive electronic or hard copy messages.
- Inappropriate advances on social networking sites.
- Accessing sexually explicit internet sites.
- Requests for sex or repeated unwanted requests to go out on dates; and
- Behaviour that may also be considered an offence under criminal law, such as physical assault, indecent exposure, sexual assault, stalking or obscene communications.

Behaviour that is based on mutual attraction, friendship and respect is not considered to be sexual harassment.

## **Policy**

East Waste will not tolerate sexual harassment under any circumstances. Responsibility lies with every Line Manager and employee to ensure that sexual harassment does not occur. No employee at any level should subject any other employee, customer or visitor to any form of sexual harassment. This policy applies to conduct that takes place in any work-related context, including conferences, work functions, social events and business trips.

Both federal and state Equal Employment Opportunity legislation provide that sexual harassment is unlawful and establish minimum standards of behaviour for all employees.

A breach of this policy may result in disciplinary action, up to and including termination of employment.

East Waste strongly encourages any employee who feels they have been sexually harassed to take immediate action. If an employee feels comfortable in doing so, they should raise the issue with the person directly with a view to resolving the issue by discussion. The employee should identify the harassing behaviour, explain that the behaviour is unwelcome and offensive and ask that the behaviour stops.

However, given the seriousness of sexual harassment, we recommend that this discussion happens in consultation with the relevant Line Manager(s).

Alternatively, or in addition, they may report the behaviour in accordance with the relevant procedure. Once a report is made the organisation will determine how the report should be dealt with in accordance with its obligations and this policy.

Any reports of sexual harassment will be treated seriously and promptly with sensitivity. Such reports will be treated as completely confidential however, the person who is the subject of the complaint must be notified under the rules of natural justice. The organisation will protect, so far as possible, all those involved in the process from any victimisation.

Complainants have the right to determine how to have a complaint treated, to have support or representation throughout the process, and the option to discontinue a complaint at any stage of the process.

The alleged harasser also has the right to have support or representation during any investigation, as well as the right to respond fully to any formal allegations made. There will be no presumptions of guilt and no determination made until a full investigation has been completed.

No employee will be treated unfairly as a result of rejecting unwanted advances. Disciplinary action may be taken against anyone who victimises or retaliates against a person who has complained of sexual harassment, or against any employee who has been alleged to be a harasser.

All employees have the right to seek the assistance of the relevant tribunal or legislative body to assist them in the resolution of any concerns.

Managers, Supervisors or Team Leaders who fail to take appropriate corrective action when aware of harassment of a person may be subject to disciplinary action.



## **Responsibilities**

It is the responsibility of East Waste Management to ensure that:

- they understand and are committed to the rights and entitlements of all employees to attend work and perform their duties, without fear of being sexually harassed in any form;
- they understand what constitutes an act of sexual harassment;
- all reasonable steps are made to eliminate sexual harassment;
- all employees are regularly made aware of their obligations in relation to providing a workplace free from sexual harassment;
- they provide an environment which discourages harassment and victimisation and set an example by their own behaviour;
- they treat all complaints seriously and confidentially; and
- they take immediate and appropriate corrective action if they become aware of any offensive action or illegal behaviour.
- policies and procedures are complied with;
- regular guidance and education is provided to employees regarding sexual harassment and inappropriate behaviour in the workplace;
- managers are aware of their obligations and responsibilities in relation to sexual harassment, and the rights and entitlements of their employees;
- ongoing support and guidance is provided to all employees in relation to the prevention of sexual harassment.

## **Procedures**

### **Complaint Process**

Sexual harassment can occur at any level of the organisation, can be experienced by anyone and may involve a co-worker, supervisor, manager, team leader, service provider, client or customer. Lack of intent is no defence in sexual harassment cases.

Employees who believe they are the subject of sexual harassment should take firm, positive and prompt action.

Where possible, the employee should make the perceived harasser(s) aware that they find their behaviour offensive, unwelcome, unacceptable, and that it needs to stop immediately.

If the behaviour continues, or if the employee feels unable to speak to the person(s) directly, they should contact their Line Manager. Alternatively, an employee may contact another Manager they feel comfortable with.

The Manager will provide support and ascertain the nature of the complaint and the wishes of the complainant.

### **Informal Intervention**

The Manager will explain the employee's rights and responsibilities under organisation's policy, procedures and Equal Employment Opportunity or anti-discrimination legislation.

Informal intervention may be undertaken through a process of mediation or conciliation. During informal intervention the alleged harasser will be made aware of the allegations being made against them and given the right to respond.

*Electronic version on the Intranet is the controlled version.  
Printed copies are considered uncontrolled.  
Before using a printed copy, verify that it is the current version.*

This procedure will be complete when the complainant and the respondent come to an agreement on the procedure to be followed.

### Formal Complaints Procedure

The Manager may be obliged to carry out a formal investigation in relation to a complaint of sexual harassment. Formal investigations may be conducted internally (by a manager) or by an external investigator.

An investigation involves collecting information about the complaint and then making a finding (on the balance of probabilities) based on the available information as to whether the alleged behaviour occurred. Once a finding is made, the investigator will make recommendations about resolving the complaint or implementing disciplinary action (including and up to termination of employment).

The investigator may need to interview the parties involved (which may include the complainant, the respondent, and any witnesses) to obtain information regarding the complaint. The investigator will comprehensively and accurately document all information obtained during the interviews including the parties involved, timing, location, and nature of conduct complained against.

If the investigator considers it appropriate for the safe and efficient conduct of an investigation, workplace participants may be stood down from work or provided with alternative duties during an investigation in which case they will be paid their normal pay during any such period.

Throughout the investigation process, all parties involved in the investigation will be regularly kept informed about the investigation.

Records are to be kept and filed in a confidential and secure place. These records should be kept for a period consistent with the requirements of the *States Records Act 1997*. Under no circumstances will records be placed on the complainant's personnel file.

On the basis of the findings, possible outcomes of the investigation may include, but will not be limited to, any combination of the following:

- Counselling.
- Disciplinary action against the harasser.
- Official warnings that are noted in the respondent's personnel file.
- Disciplinary action against the person who complained if there is strong evidence that the complaint was vexatious or malicious.
- Formal apologies and undertaking that the behaviour will cease.
- Mediation conducted by an impartial third party where the parties to the complaint agree to a mutually acceptable resolution; and
- Re-crediting any leave taken as a result of the harassment.

On completion of the investigation, all parties will be informed about the investigation findings and the outcome of the investigation – as appropriate and in line with confidentiality obligations.

Following an investigation concerning a sexual harassment complaint (irrespective of the findings), the Manager will:

- consult with the parties involved to monitor the situation and their wellbeing; and
- educate and remind all employees of their obligations and responsibilities in relation to providing a workplace free from harassment.

If there has been any substantiated victimisation, disciplinary procedures will be followed.

### Procedures for Dealing with Criminal Conduct

Some forms of sexual harassment (e.g. sexual assault, stalking, indecent exposure, physical molestation, obscene phone calls) may constitute criminal conduct.

Such complaints should be dealt with by the relevant authorities such as the South Australian Police as part of the criminal justice system.

### Related Document(s)

- Behavioural Standards Policy

## 8.4: CHARTER REVIEW

REPORT AUTHOR: General Manager  
ATTACHMENTS: Nil

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### **Purpose of the Report**

To provide the Committee with an introduction an overview of the required East Waste Charter review process.

### **Background**

The East Waste Charter was last reviewed in September 2017 with the introduction of the City of Prospect as a Member Council. Section 3.5 of the Charter states:

*3.5 The Constituent Councils may review this Charter at any time, but must in any event review this Charter at least once in every four years.*

### **Report**

The current Charter (accessible [here](#)) has remained largely unchanged for several years. With the benefit of working through different operational scenarios and the advent of time, it is seen as appropriate to use this review to modernise the Charter. As a result of modernising, a number of clauses and the structure of the Charter will change, however the broad intent will remain the same.

The General Manager will present an overview of the work done to date and proposed high level changes at the meeting.

Following the initial feedback from the Audit & Risk Committee and the Board, Administration will collate a revised Charter for formal feedback from Member Councils with the aim to present the feedback and a final draft version of the Charter to the Board at the November Board meeting.

### **RECOMMENDATION**

**The Committee notes and receives the report and presentation.**