



5 February 2021

Contact for Apologies: General Manager

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File Ref: GOV9.14.041

Dear Committee Member

NOTICE OF MEETING

Notice is hereby given pursuant to the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference and Section 87(7) of the Local Government Act, 1999, as amended that a meeting for the **Victor Harbor Horse Tram Authority** has been called for:-

DATE: Tuesday, 9 February 2021

TIME: 1:00pm

PLACE: Ground Floor Conference Room, 1 Bay Road, Victor Harbor

Please find enclosed a copy of the Agenda for the meeting.

Yours faithfully

Megan Whibley
General Manager

Victor Harbor Horse Tram Authority

Please be advised that filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.



1. Open Meeting/Welcome

2. Attendance

Paul Brown
Rachel Kennedy
John Morgan (Independent Member)

Megan Whibley (General Manager VHHTA)
Tamar Herron (Minute Secretary VHHTA)
Kellie Knight-Stacey (Director Corporate and Customer Service, CVH)

3. Apologies

Nil

4. Minutes of Previous meeting

Nil

5. Adjourned Item(s)

Nil

6. Reports for Receiving and Noting only

6.1	Review of Terms of Reference Report	3
6.2	December Budget Review 2020/21 Report	15

7. Reports for Decision

7.1	Appointment of Audit Committee Chair Person Report	20
7.2	2021 Audit committee meeting Dates for Review Report	22

8. Presentation(s)

Nil



9. Discussion Items – No decision(s)

- 9.1 Relevant policies/documents/financial statements to review

10. Correspondence Received

Nil

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil

Next Meeting

Tuesday 11 May 2021, 12:30pm – Encounter Room

Meeting Close

Please be advised

- *That filming, photography and audio recording may take place at this meeting when the public and media are not lawfully excluded under Section 90 of the Local Government Act 1999.*
-
- *To comply with COVID-19 physical distancing requirements, places in the public gallery are limited and will be filled on a 'first in' basis.*



Meeting **Victor Harbor Horse Tram Authority**
Date **9 February 2021**
From **Megan Whibley**
Subject **Review of Terms of Reference Report**
Report Number **6.1**

RECOMMENDATION

That the Committee receive and note the Review of Terms of Reference Report.

INFORMATION

Purpose

The purpose of this report is to provide an opportunity for the Victor Harbor Horse Tram Authority (VHHTA) Audit Committee (AC) members to review its Terms of Reference at its inaugural meeting.

Background

At its meeting on 16 June 2020 the Board endorsed the following;

7.1 Establishing an Audit Committee and Engaging an External Auditor

VHHTA172 Moved: Rachel Kennedy
 Seconded: Nigel Catt

1. That the Victor Harbor Horse Tram Authority Board receive and note the Establishing an Audit Committee and Engaging an External Auditor report.
2. That the Victor Harbor Horse Tram Authority Board endorse the Draft Terms of Reference for the VHHTA Audit Committee at Attachment A to this report, with removal of sitting fees for independent Audit Committee members and Chair described in section 4.8.

3. That the Victor Harbor Horse Tram Authority General Manager be directed to undertake a recruitment process for *one* Independent Member position for the Victor Harbor Horse Tram Authority Audit Committee.

CARRIED

VHHTA173 Moved: Rachel Kennedy
 Seconded: Carol Scofield

4. That an Independent Member Application Appraisal Panel be established for the purpose of reviewing, short-listing and interviewing applications for the Independent Member to the Victor Harbor Horse Tram Authority Audit Committee and that the panel consists of:
- Megan Whibley, Victor Harbor Horse Tram Authority General Manager;
 - Paul Brown, Board Chair;
 - Nigel Catt, Board Member

CARRIED

VHHTA174 Moved: Carol Scofield
 Seconded: Rachel Kennedy

5. That at the conclusion of their review process, the Independent Member Application Appraisal Panel Authority make recommendation to the Victor Harbor Horse Tram Authority Board regarding the appointment of an Independent Member to the Audit Committee, for subsequent recommendation by the Board to Council.

CARRIED

VHHTA175 Moved: Carol Scofield
 Seconded: Rachel Kennedy

6. That the Victor Harbor Horse Tram Authority determines to engage an External Auditor and that the Board approves appointment of an external auditor for a three year period, with the possibility of a further two years if both parties are in agreeance, through VHHTAs usual procurement processes as delegated to the General Manager or delegate;
and that Council's Audit Committee is utilised for oversight of the External Auditor engagement, pending the formation of the Authority's Audit Committee.

CARRIED.

The Authority provided Council with the Establishing an Audit Committee and Engaging an External Auditor Report and at attachment A to the report the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference, and received Council's approval.

On 20 October 2020 The Authority Board endorsed the following;

7.4 Audit Committee Establishment Process Report

VHHTA197 Moved: Carol Scofield

Seconded: Nigel Catt

- 1. That the Victor Harbor Horse Tram Authority receive and note the Audit Committee Establishment Process Report.**

CARRIED

VHHTA198 Moved: Nigel Catt

Seconded: Natasha Hunt

- 2. That the Victor Harbor Horse Tram Authority recommends to Council that the following Authority Board Member(s) Rachel Kennedy and Paul Brown be appointed to the Victor Harbor Horse Tram Authority Audit Committee for a term of two years.**

CARRIED

VHHTA199 Moved: Carol Scofield

Seconded: Rachel Kennedy

- 3. That the Victor Harbor Horse Tram Authority recommends to Council that John Morgan be appointed as the Independent member to the Victor Harbor Horse Tram Authority Audit Committee for a term of two years.**

CARRIED

The Authority provided Council with the Audit Committee Establishment Process Report and at attachment A to the report the Curriculum Vitae of John Morgan, and received Council's approval.

Commentary

The newly formed Audit Committee (the Committee) meet as a committee for the first time on 9 February 2021. Being the inaugural meeting of the Committee it is appropriate that the Committee review its Terms of Reference and refer any recommendations for changes to the Board.

RISK ASSESSMENT

Governance

There is no direct risk with noting the report. Any observed changes to be made should be for the improvement of the Terms of Reference. The risk is assessed as **low**.

REFERENCES

Victor Harbor Horse Tram Authority Charter

Victor Harbor Horse Tram Authority Audit Committee Terms of Reference

BUDGET IMPLICATIONS

Nil



THE VICTOR HARBOR HORSE TRAM AUTHORITY
AUDIT COMMITTEE
TERMS OF REFERENCE

1. ESTABLISHMENT

- 1.1 The Victor Harbor Horse Tram Authority ('the Authority') is a single council subsidiary established under Section 42 of the *Local Government Act 1999* ('the Act') by the Constituent Council, the City of Victor Harbor ('the Council').
- 1.2 At a meeting held on 16 June 2020, the Authority resolved to establish the Audit Committee ('the Committee') pursuant to Clause 4.1.1 of the Authority Charter.

2. PURPOSE

- 2.1 The Committee is established for the purposes of Section 13(4) of Schedule 2 of the *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011* to:
 - 2.1.1 reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the Authority; and
 - 2.1.2 reviewing the adequacy of Authority risk management systems; and
 - 2.1.3 proposing, and providing information relevant to, a review of the Authority's strategic management plans or annual business plan; and
 - 2.1.4 liaising with the Authority's external auditor; and
 - 2.1.5 reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Authority on a regular basis.

3. MEMBERSHIP

- 3.1 The membership of the Committee shall consist of:
 - 3.1.1 Up to two Independent Members who are not a member of the board of management of the Authority and have recent and relevant financial, risk management and internal audit experience; and
 - 3.1.2 The Authority General Manager.
 - 3.1.3 Two Authority Board Members nominated by the Authority for consideration by Council.
- 3.2 The Authority's external auditors may be invited to attend meetings of the Committee.
- 3.3 Persons appointed under this Clause 3.1 are referred to as 'Member/Members' throughout the Terms of Reference.

3.4 The current Committee membership is as per Schedule 1 to the Terms of Reference.

4. APPOINTMENT OF MEMBERS

4.1 The term of appointment of a member of the Committee shall be for a term not exceeding two (2) years at the expiry of which such member will be eligible for reappointment.

4.2 Nominations for the Independent Member position/s will be publicly advertised and considered, on the recommendation of the Authority Board, by the Council for appointment on a biennial basis.

4.3 The Board shall submit recommendations to the Council pursuant to Schedule 2, Part 1, Section 13(3) of the *Local Government Act 1999* for appointment.

4.4 The filling of any vacancy occurring by resignation or removal of a member shall be at the discretion of the Council.

4.5 The Council may at any time remove a member of the Committee but shall observe the principles of natural justice.

4.6 Any member absent for three or more consecutive meetings without apology or leave of the Committee, shall have their position declared vacant and clause 4.3 shall be invoked.

4.7 At least two members of the Committee must be neither elected members nor employees of Council in accordance with clause 4.1.2.3 of the Authority Charter.

4.8 Payment of sitting fees for Committee meetings will be paid as follows:

4.8.1 Council Officer or Horse tram Authority Officer members of the Committee will not be paid a sitting fee;

4.8.2 An Independent Authority Board Member who is also a member of the Committee will not be paid a sitting fee per meeting

4.8.3 A Council Authority Board Member who is also a member of the Committee will not be paid a sitting fee in line with non-payment of sitting fees for meetings of the Authority Board; and

4.8.4 An Independent Chairperson of the Committee will not be paid a sitting fee per meeting.

5. APPOINTMENT OF OFFICE BEARERS

5.1 Council shall appoint a Chairperson and Deputy Chairperson and the term of office shall be two (2) years.

5.2 The Chairperson and Deputy Chairperson must not be a Council Member or Employee of the Council.

6. ROLE AND RESPONSIBILITIES OF MEMBERS

6.1 The role of a Committee Member is to:

6.1.1 Participate in the deliberations of the Committee, with regard to the business which is before it;

- 6.1.2 Be mindful of the objectives and policies of the Authority as they relate to the business of the Committee;
- 6.1.3 Give due consideration to laws and regulations of the *Local Government Act 1999*;
- 6.1.4 Participate in induction and ongoing training as required;
- 6.1.5 Be aware of the Committee resources and budget, and the need for efficiency and effectiveness in the activities for which the Committee has been established;
- 6.1.6 Be well informed on issues before the Committee; to prepare adequately for meetings and seek additional information if required;
- 6.1.7 Be mindful of the potential for a Conflict of Interest to occur through participation on the Committee and to declare such Interests as and when they arise; and
- 6.1.8 Observe confidentiality when it is required.

7. Role of the Audit Committee

7.1 Financial reporting:

- 7.1.1 The committee shall monitor the integrity of the financial statements of the Authority, including its annual report, reviewing significant financial reporting issues and judgments which they contain.
- 7.1.2 The committee shall review and challenge where necessary:
 - 7.1.2.1 the consistency of, and/or any changes to, accounting policies;
 - 7.1.2.2 the methods used to account for significant or unusual transactions where different approaches are possible;
 - 7.1.2.3 whether the Authority has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;
 - 7.1.2.4 the clarity of disclosure in the Authority's financial reports and the context in which statements are made; and
 - 7.1.2.5 all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).

7.2 Internal controls and risk management systems:

- 7.2.1 The Committee shall:
 - 7.2.1.1 keep under review the effectiveness of the Authority's internal controls and risk management systems; and
 - 7.2.1.2 review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

7.3 External Audit:

- 7.3.1 The Committee shall:
- 7.3.1.1 consider and make recommendations to the Authority Board, in relation to the appointment, re-appointment and removal of the Authority's external auditor. The committee shall oversee the selection process for new auditors and if an auditor resigns the committee shall investigate the issues leading to this and decide whether any action is required;
 - 7.3.1.2 oversee the Authority's relationship with the external auditor including, but not limited to:
 - 7.3.1.2.1 recommending the approval of the external auditor's remuneration, whether fees for audit or non-audit services, and recommending whether the level of fees is appropriate to enable an adequate audit to be conducted;
 - 7.3.1.2.2 recommending the approval of the external auditor's terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit;
 - 7.3.1.2.3 assessing the external auditor's independence and objectivity taking into account relevant professional and regulatory requirements and the extent of the Authority's relationship with the auditor, including the provision of any non-audit services;
 - 7.3.1.2.4 satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Authority (other than in the ordinary course of business);
 - 7.3.1.2.5 monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners; and
 - 7.3.1.2.6 assessing the external auditor's qualifications, expertise and resources and the effectiveness of the audit process (which shall include a report from the external auditor on the audit committee's own internal quality procedures);
 - 7.3.3 meet as needed with the external auditor. The committee shall meet the external auditor at least once a year, with the option to not have the Authority General Manager being present; to discuss the external auditor's report and any issues arising from the audit;
 - 7.3.4 review and monitor the findings of the audit with the external auditor. This shall include, but not be limited to, the following:
 - 7.3.4.1 discussion of any major issues which arose during the external audit;
 - 7.3.4.2 any accounting and audit judgments; and
 - 7.3.4.3 levels of errors identified during the external audit;
- The committee shall also review the effectiveness of the external audit.

- 7.3.5 review any representation letter(s) requested by the external auditor before they are signed;
- 7.3.6 review the management letter and management's response to the external auditor's findings and recommendations.

8. MEETINGS

8.1 Ordinary meetings

- 8.1.1 The Committee shall meet at least three times per annum at appropriate times in the budgeting and reporting cycle.
- 8.1.2 The Committee shall resolve by majority a 12 month schedule of the meetings including the date, time and location in accordance with Section 87(2) of *the Local Government Act 1999*.

8.2 Special Meetings

- 8.2.1 Special Meetings may be called by the Presiding Member or by at least two members of the Committee at any time in accordance with the conditions of the Terms of Reference.

8.3 Meeting Procedures

- 8.3.1 The procedures and protocols to be observed at the Committee meetings shall be as provided in Part 3 of *the Local Government (Procedures at Meetings) Regulations 2013*, unless varied by these Terms of Reference.

8.4 Quorum

- 8.4.1 A quorum for the Committee shall constitute three members, one of whom shall be a Board Member.

8.5 Notice of Meetings –

- 8.5.1 A Notice of each meeting is to be provided to each member in writing, setting out the date, time and location of the meeting and be accompanied by an agenda.
- 8.5.2 The agenda for Ordinary Meetings of the Committee shall be forwarded to members of the Committee electronically no later than three clear days prior to the meeting.
- 8.5.3 A minimum of four hours' notice shall be given for any Special Meetings of the Committee.
- 8.5.3 A copy of the notice of meeting, agenda and accompanying reports shall be placed on public display at the principle office of the City of Victor Harbor and the Authority on the Victor Harbor Horse Tram website as soon as practicable following circulation to members of the Committee and shall be kept on display for a period of one month

8.6 Minutes

- 8.6.1 Minutes shall be kept of all meetings of the Committee
- 8.6.2 Each Member shall receive a copy of the minutes within five days of the meeting of the Committee.
- 8.6.3 The minutes shall be confirmed at the next regular meeting with or without amendments.
- 8.6.4 One copy of all minutes shall be supplied to the Authority Board before its next meeting following that of the Committee. Resolutions of the Committee are to be presented to a formal meeting of Authority Board for endorsement before they can be enacted.
- 8.6.4 A copy of the minutes shall be placed on public display at the Principal Office of the City of Victor Harbor and the Authority on the Victor Harbor Horse Tram website within five days of the meeting of the Committee and kept on public display for a period of one month

9. VOTING

- 9.1 A matter for decision at a meeting of the Committee will be decided by simple majority of the members present at the meeting and entitled to vote on the matter.
- 9.2 Each member of the Committee present at the meeting and entitled to vote on a shall have one vote on any matter.
- 9.3 The Chairperson or Deputy Chairperson shall have a deliberative vote only.
- 9.4 Each member present at a meeting of the Committee must vote on all matters arising for a decision at that meeting.

10. CONFLICT OF INTEREST

- 10.1 Section 73-75 of *the Local Government Act 1999* (inclusive) refers to conflict of interest provisions.
- 10.2 Members need to be aware of the circumstances under which a conflict of interest may arise and declare that interest to the membership present at the meeting.

11. COMMITTEE RESOURCES

- 11.1 The Authority's General Manager shall provide support to and attend Committee meetings. Other invited guests may attend meetings as required.
- 11.2 An officer(s) of the Council nominated by the Chief Executive Officer of the Council may attend Audit Committee meetings as an observer in accordance with the Authority Charter clause 4.1.2.2.
- 11.3 The Authority's General Manager will provide administrative/secretarial support as required.

12. REPORTING

- 12.1 The Committee shall supply to the Authority Board a copy of all Committee minutes pursuant to clause 8.6.2, and the Chairperson (or other member in their absence) shall draw to the attention of the Board any significant issues when the minutes are presented.
- 12.2 The Committee shall supply to the Chief Executive Officer of the Council a copy of all Committee minutes within 5 days of the Committee meeting in accordance with Clause 4.1.2.6 of the Authority Charter.
- 12.3 The Committee's yearly activities shall be reported in Authority's Annual Report.
- 12.4 The committee shall make whatever recommendations to the Authority it deems appropriate on any area within its terms of reference where in its view action or improvement is needed.

13. PUBLIC ACCESS

- 13.1 Meetings of the Committee shall be held in public.
- 13.2 The Committee may resolve to exclude the Public from attendance at the meeting if it is considered necessary to receive, discuss or consider in confidence any information or matter listed in Section 90(3) of the *Local Government Act 1999*.
- 13.3 Minutes, Agendas, Reports and Documents produced by the Committee may be inspected at the Principle Office of the City of Victor Harbor.

14. LIABILITY OF MEMBERS

- 14.1 In accordance with Section 39 of the *Local Government Act 1999*, no civil liability attaches to a member of the Committee for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of the member's or Committee's powers, functions or duties.

15. REVIEW

- 15.1 The Committee shall at least once a year, review its own performance in line with the purpose for establishing the Committee; and review its Terms of Reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Authority for approval.
- 15.2 These Terms of Reference shall be reviewed by the Authority annually.

16. Document History

Version	Date	Resolution No.	Description
1.0	16 June 2020		Draft Terms of Reference



Schedule 1

Victor Harbor Horse Tram Authority

Audit Committee

Committee Membership

Member	Representative	Appointed	Expires
Independent Member(s)	John Morgan	23 November 2020	23 November 2022
Victor Harbor Horse Tram Authority Board Member	Paul Brown	23 November 2020	23 November 2022
Victor Harbor Horse Tram Authority Board Member	Rachel Kennedy	23 November 2020	23 November 2022
Office Bearers			
Chairperson	TBA		



Meeting **Victor Harbor Horse Tram Authority**
Date **9 February 2021**
From **Megan Whibley**
Subject **December Budget Review 2020/21 Report**
Report Number **6.2**

RECOMMENDATION

That the Victor Harbor Horse Tram Authority Audit Committee receive and note the December Budget Review 2020/21 report.

INFORMATION

Purpose

The purpose of this report is to provide the Victor Harbor Horse Tram Authority Audit Committee with the December Budget Review 2020/21.

Background

Section 9 of the Local Government (Financial Management) Regulations 2011 provides the requirements for regular budget reviews. Further, the Victor Harbor Horse Tram Authority are required by the Charter to provide reports on the financial position of the Authority each quarter:

5.5 Quarterly reports summarising the financial position and performance of the Authority against the Budget must be prepared and presented to the Board within thirty days of the conclusion of each quarter and copies provided to the Council.

This December (mid-year) budget review, is a review addressing the full first six months of the 2020/21 financial year.

Commentary

The 2020/21 6 month budget review indicates a drop in ticket sales during our busiest months due to a number of things. Firstly the effects of Covid-19 has seen no International visitors and limited interstate visitors. There is an increase in local travel but a lot of these travelers have been on the Tram before and may just come and see the tram in operation. Group coach bookings of seniors and students would normally give the tram sales a boost during the period, but these have been nonexistent due to Covid. On top of that we still have the strong winds that close the causeway and our operation. There has been some savings in staff costs and at this stage the tram maintenance may have some savings. There is still some notable inaccurate budget income estimations with Insurance

costs and as the VHHTA continues to separate away from the Council, certain professional and consultation fees are higher than predicted.

Fortunately, trams are now able to run at full capacity. If Covid-19 infections remain low in the state of South Australia and are managed effectively, then trams are expected to stay at capacity, which means that with a price increase to the tickets on the 1 March 2021 the VHHTA will recover some of the ticket revenue losses.

During October 2020 the Victor Harbor Horse Tram Authority was given the opportunity to quote on monitoring the Causeway for Department of Infrastructure and Transport and was successful. This sees the VHHTA increase its income with wind monitoring and closures providing approx. \$5500 per month, and this started in November 2020.

The December budget review is an opportunity to revise the original budget and adjust it according to known information at this point in the financial year. It still remains achievable but will be addressed in the third quarter review.

Appropriate provision for unbudgeted/under-budgeted costs will be included in the 2021/22 budget, where they have become known at this point in the cycle.

The December budget review 2020/21, prepared for Board endorsement, is provided at attachment A. Comprehensive details of the budget review are provided for Committee information at attachment B.

RISK ASSESSMENT

Financial Management – The VHHTA has a 35% deficit on income from ticket sales but with a price increase and Causeway monitoring we are hopeful to achieve an end of financial year position that is close to budget. The Board are continuing to find ways to generate own-source income outside of ticket sales to improve the bottom line into the future. The risk is assessed as *low*.

Socio Political, Community Issues / Reputation - The Board are continuing to find ways to generate own-source income to reduce the dependency on Council funding which will go toward appeasing any community concern regarding the use of ratepayer money to fund horse tram operations. There could be opportunity for the VHHTA to provide information to the Victor Harbor community around the benefits of the iconic Horse Tram as a driver of the tourist economy and as an attraction for Victor Harbor versus the relatively low cost of keeping the service running. This risk is assessed as *Medium*.

REFERENCES

Victor Harbor Horse Tram Authority 2020/21 budget

Victor Harbor Horse Tram Authority Charter

Local Government (Financial Management) Regulations 2011

BUDGET IMPLICATION

The contribution required from City of Victor Harbor (operating deficit) presented in the budget review at attachment A remains unchanged at \$415,400, with additional revenue and savings expected to sufficiently offset additional expenses.

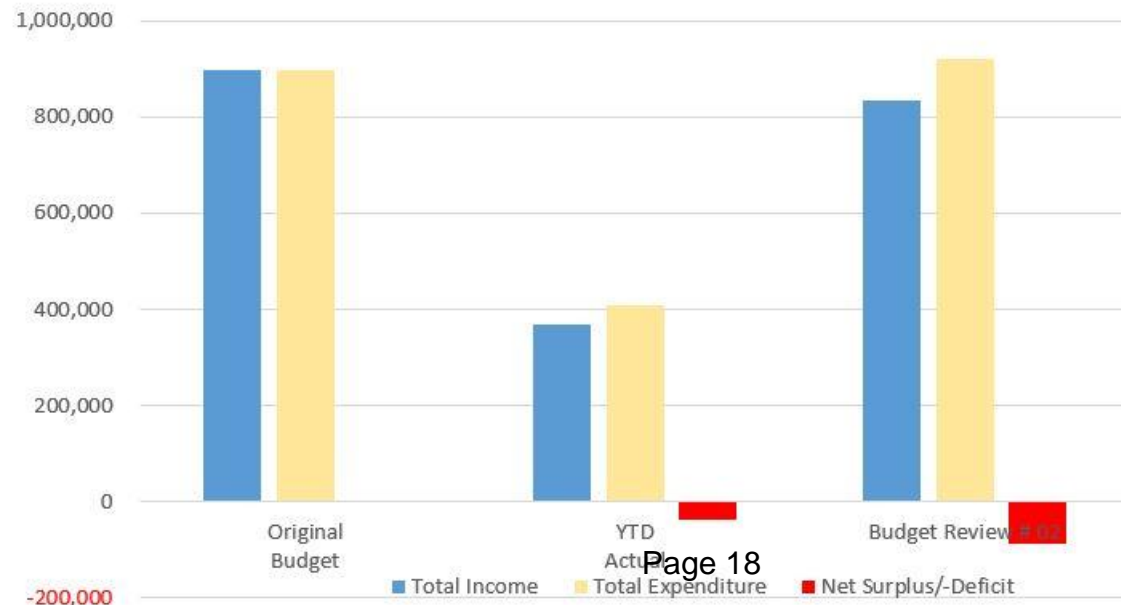
CONSULTATION

SMP Chartered Accountants

Profit and Loss
Victor Harbor Horse Tram Authority
1 Jul 2020 to 31 Dec 2020

Category	Original Budget	YTD Actual	Budget Remaining (\$)	Budget Review # 02	Variance (\$)
Net Income	897,900	368,201	529,699	832,900	-65,000
Total Expenditure	897,900	407,241	490,659	921,800	23,900
Net Surplus/-Deficit	0	-39,040	39,040	-88,900	-88,900

Budget Analysis
 VHHTA 6 Months to December 2020



Profit and Loss
Victor Harbor Horse Tram Authority
1 Jul 2020 to 31 Dec 2020

	Original Budget	Current Budget	YTD Actual	Budget Remaining (\$)	Budget Remaining (%)	Budget Review # 02	Variance (\$)	Comment
Income								
CVH budget contribution	415,400	415,400	207,700	207,700	50%	415,400	0	January to June to be invoiced
Donation Income	1,000	1,000	102	898	90%	1,000	0	Affected by Covid-19 Restrictions
Fleurieu Heritage Sales	2,000	2,000	134	1,866	93%	2,000	0	Affected by Covid-19 Restrictions
Group Sales	6,000	6,000	910	5,090	85%	6,000	0	Affected by Covid-19 Restrictions
Other Income	39,500	39,500	18,849	20,651	52%	39,500	0	Affected by Covid-19 Restrictions
Souvenir Sales	10,000	10,000	12,035	-2,035	-20%	20,000	10,000	Higher sales than expected
Causeway monitoring DIT payment	0	0	9,424	-9,424	0%	36,000	36,000	Causeway rental DIT
Ticket Sales	425,000	425,000	124,773	300,227	71%	325,000	-100,000	Affected by Covid-19 Restrictions
Whale Package Sales	5,000	5,000	0	5,000	100%	0	-5,000	Affected by Covid-19 Restrictions
Intern Research Project	0	0	0	0	0%	0	0	Grant 90% of Project costs, likely 2021/22
Total Income	903,900	903,900	373,927	529,973	59%	844,900	-59,000	
Less Cost of Sales								
Souvenir Purchases	-6,000	-6,000	-5,726	-274	5%	-12,000	-6,000	Higher sales than expected
Total Cost of Sales	-6,000	-6,000	-5,726	-274	5%	-12,000	-6,000	
Net Income	897,900	897,900	368,201	529,699	59%	832,900	-65,000	
Less Operating Expenses								
Administration Charge - Corporate Support	60,000	60,000	24,098	35,902	60%	60,000	0	
Administration Charge - Rent on Assets	42,000	42,000	21,660	20,340	48%	42,000	0	
Authority Board Expenses	15,500	15,500	5,563	9,937	64%	15,500	0	Paid in advance for two quarters
Consultants and Professional Services	8,000	8,000	8,990	-990	-12%	12,000	4,000	Consultant fees not allowed for with Audit costs and Financial Statements
Employee Expenses	573,700	573,700	267,963	305,737	53%	573,700	0	On track
Horse Care Expenses	57,900	57,900	28,950	28,950	50%	57,900	0	On track
Interest Expense	0	0	0	0	0%	0	0	
Office Costs	64,300	64,300	31,678	32,622	51%	64,300	0	On track
Other Expenses	1,700	1,700	0	1,700	100%	1,700	0	Allowance
Repairs & Maintenance	57,600	57,600	13,491	44,109	77%	57,600	0	To commence Feb / March
Security Expenses	3,600	3,600	1,920	1,680	47%	3,600	0	On track
Staff Amenity Expenses	2,000	2,000	1,512	488	24%	2,000	0	On track
Vehicle and Travel Expenses	6,600	6,600	1,418	5,182	79%	3,000	-3,600	First 6 months is approx what will be spent on the next 6 months
Volunteer Expenses	5,000	5,000	0	5,000	100%	2,500	-2,500	Reduction in volunteers (Covid-19)
Intern Research Project	0	0	0	0	0%	26,000	26,000	Covered by DIT payments
Total Operating Expenses	897,900	897,900	407,241	490,659	55%	921,800	23,900	
Net Profit	0	0	-39,040	39,040		-88,900	-88,900	



Meeting **Victor Harbor Horse Tram Authority**
Date **9 February 2021**
From **Megan Whibley**
Subject **Appointment of Audit Committee Chairperson Report**
Report Number **7.1**

RECOMMENDATION

PURPOSE

The purpose of this report is to facilitate the appointment of Committee Member(s) as Chair and as Deputy Chair as required by the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference.

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority Audit Committee recommend the appointment of _____ as Chairperson, for the term of 2 years as specified at 5.1 of the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference.**
- 2. That the Victor Harbor Horse Tram Authority Audit Committee recommend the appointment of _____ as Deputy Chairperson, for the term of 2 years as specified at 5.1 of the Victor Harbor Horse Tram Authority Audit Committee Terms of Reference.**
- 3. That the Audit Committee provide this report, and recommended appointments, to the Authority for endorsement, and for the Authority to provide to Council for approval.**

INFORMATION

The Terms of Reference states the following:-

5.1 Council shall appoint a Chairperson and Deputy Chairperson and the term of office shall be two (2) years.

2.5.2. The Chairperson will cease to hold office as Chairperson in the event:-

- o the Chairperson resigns as Chairperson; or*
- o The Chairperson ceases to be a Board Member; or*
- o The Board terminates the Chairperson's appointment as Chairperson.*

- 2.5.3 *In the event that the office of Chairperson becomes vacant, then the Board must appoint a new Chairperson who shall hold office for the balance of the original term or until such later date as the Board may determine.*
- 2.5.4 *The Board shall appoint a Board Member, other than the Chairperson to be the Deputy Chairperson for such term and on such conditions as determined by the Board.*
- 2.5.8 *The Chairperson shall preside at all meetings of the Board and, in the event of the Chairperson being absent from a meeting, the Deputy Chairperson shall preside for that meeting or until the Chairperson is present and in the event the Chairperson and Deputy Chairperson are both absent from a meeting, the Board Members present shall appoint a member from amongst them, who shall preside for that meeting or until the Chairperson or Deputy Chairperson is present.*

Summary

It's recommended that the Board appoints a Chairperson and Deputy Chairperson in accordance with the Charter.

RISK ASSESSMENT

Governance – there is a low risk if the board does not have a nominated chairperson that a board meeting may have difficulty conducting the meeting; however, assuming there is a quorum, clause 3.11.7 provides for the appointment of a board member to preside for that meeting only. The risk has been assessed as *low*.

BUDGET IMPLICATIONS

Budget implications for the Chairperson and Independent Members sitting fees are provided in the 2018-19 Budget Report. Excluding budgeted staff resources, there are no budget implications from receiving this report.



Meeting **Victor Harbor Horse Tram Authority**
Date **9 February 2021**
From **Megan Whibley**
Subject **2021 Audit committee meeting Dates for Review Report**
Report Number **7.2**

Purpose

The purpose of this report is to review the dates for meetings in the 2021 calendar year.

RECOMMENDATION

- 1. That the Victor Harbor Horse Tram Authority Audit Committee receive and note the 2021 Audit committee meeting Dates for Review Report.**
- 2. That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Authority Board that no changes are required for the Audit Committee meeting dates and locations.**

INFORMATION

Listed below are the dates and times of Audit Committee meetings for 2021 as endorsed by the Victor Harbor Horse Tram Authority Board at the meeting of the Board on 1 December 2020.

Audit Committee Dates

Date - 2021	Location	Time
Tuesday 9 February	Ground Floor Conference Room	1.00pm to 2.30pm
Tuesday 11 May	Encounter Room	12.30pm to 2.00pm
Tuesday 10 August	Encounter Room	1.00pm to 2.30pm

RISK ASSESSMENT

Corporate Governance – As per 8.1.1 of the VHHTA Audit Committee Terms of Reference,
8.1.1 The Committee shall meet at least three times per annum at appropriate times in the budgeting and reporting cycle.

The proposed schedule meets the requirements of the Charter. The risk is assessed as **low**.

Corporate Governance – As per 8.1.2 of the VHHTA Audit Committee Terms of Reference,

8.1.2 The Committee shall resolve by majority a 12 month schedule of the meetings including the date, time and location in accordance with Section 87(2) of the Local Government Act 1999.

The review and approval of the schedule by the Committee meets the requirements of the Charter. The risk is assessed as **low**.

Service Delivery – Meetings held three times per year are expected to be adequate for the Committee to fulfil its purpose and functions according to the Local Government Act 1999 Schedule 2 s13(4). Risk that more meeting are required to fulfil the Committees functions can be mitigated by calling Special Meetings as required. The risk is assessed as **low**.

BUDGET IMPLICATIONS

There are no budget implications in receiving and noting the 2021 Audit committee meeting Dates for Review Report.

There are no budget implications in reviewing the 2021 Audit committee meeting Dates for Review Report.