



6 August 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 Audit Committee** has been called for:-

DATE: Tuesday, 10 August 2021

TIME: 12:15pm

PLACE: Encounter Room

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

Yours faithfully

A handwritten signature in black ink that reads "Megan Whibley". The signature is written in a cursive style.

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.



Audit Committee
Committee Membership

Member	Representative	Appointed	Expires
Independent Member(s)	John Morgan	23 November 2020	23 November 2022
Independent Member(s)	Kate Christ	22 February 2021	22 February 2023
Independent Member(s)	Laura Hodgson	26 July 2021	26 July 2023
Victor Harbor Horse Tram Authority Board Member	Rachel Kennedy	23 November 2020	23 November 2022
Victor Harbor Horse Tram Authority Board Member	Nigel Catt	26 July 2021	26 July 2023
Office Bearers			
Chairperson	John Morgan	22 February 2021	23 November 2022
Deputy Chairperson	Rachel Kennedy	22 February 2021	23 November 2022

1. Open Meeting/Welcome

2. Attendance

John Morgan (Chair)
 Kate Christ
 Laura Hodgson
 Rachel Kennedy (Via Zoom)
 Nigel Catt

Megan Whibley (General Manager VHHTA)
 Tamar Herron (Minute Secretary VHHTA)



3. Apologies

Nil

4. Minutes of Previous meeting

4.1 Minutes –Victor Harbor Horse Tram Authority Audit Committee – 4
11 May 2021

5. Adjourned Item(s)

Nil

6. Reports for Receiving and Noting only

6.1 Action List Report 12

7. Reports for Decision

7.1 Draft Audited Financial Statements Report 19

8. Presentation(s)

Nil

9. Discussion Items – No decision(s)

9.1 Changes to Committee Membership - Terms of Reference.
9.2 Budget template styles

10. Correspondence Received

Nil

11. Urgent Business without Notice

Nil

12. Confidential Reports

Nil



Next Meeting

Tuesday 12 October 2021, 10am - Risk management Audit Committee meeting – 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 **10 August 2021**
From **Megan Whibley**
Subject **Minutes of the Previous Meeting**
Report Number **4.1**

RECOMMENDATION

That the minutes of the previous Victor Harbor Horse Tram Authority Audit Committee meeting held Tuesday, 11 May 2021 be confirmed as a true and accurate record.

INFORMATION

Purpose

The purpose of this report is to present the Victor Harbor Horse Tram Authority Audit Committee minutes for the meeting held on 11 May 2021 for confirmation.

Background

The Victor Harbor Horse Tram Authority Audit Committee minutes for the meeting held Tuesday, 11 May 2021 were received at the Victor Harbor Horse Tram Authority Board meeting held Tuesday, 8 June 2021.

Commentary

The minutes for the Victor Harbor Horse Tram Authority Audit Committee meeting held Tuesday, 11 May 2021 were distributed to Members on Friday, 14 May 2021

A copy of the minutes are provided at Attachment A.

RISK ASSESSMENT

Legal and Compliance – The minutes were prepared and distributed to members in line with legislation. This risk is assessed as **low**.

REFERENCES

Nil

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implication in confirming the Victor Harbor Horse Tram Authority Audit Committee minutes.

No additional funds are required.

CONSULTATION

Victor Harbor Horse Tram Authority Audit Committee members
Karen Rokicinski (Director Corporate and Customer Service)



1. Attendance

Present

John Morgan (Independent Member)

Paul Brown

Rachel Kennedy

In attendance

Megan Whibley (General Manager VHHTA)

Tamar Herron (Minute secretary VHHTA)

Commencement

The meeting commenced at 12:36pm

2. Apologies

Katherine Christ (Independent Member)

Kellie Knight-Stacey (Group Manager Governance & Finance CVH)

3. Conflict of Interest

John Morgan declared a material conflict of interest and abstained from the meeting and debate for agenda item 7.1(3).

4. Minutes of the Previous Meeting

4.1 Minutes - VHHTA Board Meeting – 9 February 2021

AC007

Moved: Rachel Kennedy

Seconded: Paul Brown

That the minutes of the previous Victor Harbor Horse Tram Authority Audit Committee meeting held on 9 February 2021, as per copies supplied to members, be adopted as a true and correct record of the meeting.

CARRIED

5. Business Arising

Nil

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6. Reports for Receiving and Noting only

6.1 Action List Report

AC008 Moved: Paul Brown
 Seconded: Rachel Kennedy

1. That the Audit Committee receive and note the Action List and report.

CARRIED

AC009 Moved: Rachel Kennedy
 Seconded: Paul Brown

2. That the Audit Committee recommends that the Victor Harbor Horse Tram Authority update the Audit Committee Terms of Reference to

- a) reflect the resolution of Council that pertains to the Committee Membership of the General Manager (at provision 3.1.2);
- b) allow for attendance for committee meetings to include both physical and virtual attendance (at provision 8), and;
- c) make grammatical improvements as agreed upon in the working copy for alterations to the Terms of Reference.

CARRIED

7. Reports for Decision

7.1 Policy Review Report

AC010 Moved: Rachel Kennedy
 Seconded: Paul Brown

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1. That the Victor Harbor Horse Tram Authority Audit Committee receive and note the Policy Review Report.

CARRIED

AC011

Moved: Rachel Kennedy
Seconded: Paul Brown

2. That the Victor Harbor Horse Tram Authority Audit Committee review the policies at attachment A, B, C, D, E, F, and the corporate risk matrix as attached, and recommend any changes to the Authority.

CARRIED

John Morgan (Chair) declared a material interest and left the meeting at 1:35pm.

Rachel Kennedy (Deputy Chair) assumed the role as Chair.

AC012

Moved: Paul Brown
Seconded: Rachel Kennedy

3. That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Authority that the Allowances and Reimbursement of Expenses Policy be changed at provision 3 from "Payment of Board Members' to "Payment of Board Members and Audit Committee Members allowances and expenses', and that the definition of an Audit Committee Member be added to provision 5 so as to be consistent with other definitions.

CARRIED

John Morgan joined the meeting at 1:37pm and assumed the role as chair.

A handwritten signature in black ink, appearing to be "John Morgan", is located at the bottom right of the page.



AC013 Moved: Paul Brown
 Seconded: Rachel Kennedy

1. That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Authority that it make the following changes to policies reviewed;

- a) Budget Framework Policy at 6.4 amend the word Council to Authority;
- b) Procurement Policy at 6.8.1 (a) amend to 'at least one verbal quotation sought';
- c) Procurement Policy at (b) and (c) the addition of the word 'sought' to the end of each sentence;
- d) Procurement Policy at page 7, Schedule 1 – Procurement Delegation Table, top row of table, the addition of the word 'sought' to 'Two Written Quotes' and 'Three Written Quotes';
- e) Procurement Policy at 6.10 change the limit for one credit card per calendar month to \$5,000 to be consistent with schedule 1 of the policy;
- f) Sponsorship Policy – Sponsorship Contract - at 7.3 remove the requirement to send by facsimile;
- g) Sponsorship Policy remedy the absence of provisions 6.1, 7.2 and 8.2 and any other missing sections;
- h) Corporate Risk Matrix - correct misspelled word 'likelihood'

CARRIED

Action: Organise a risk management session for October meeting/workshop.

Action: Utilise risk management specialist, staff, Authority and Audit Committee Members to tailor Corporate Risk Matrix to the Victor Harbor Horse Tram Authority.

Action: Check the Treasury Policy against the VHHTA Charter for consistency and seek advice regarding potential changes to policy.

7.2 March Quarterly Budget Review 2020/21 Report

AC014 Moved: Rachel Kennedy
 Seconded: Paul Brown

A handwritten signature in black ink, appearing to be "Paul Brown", written in a cursive style.



1. That the Victor Harbor Horse Tram Authority receive and note the March Quarterly Budget Review 2020/21 Report.
2. That the Victor Harbor Horse Tram Authority endorse the March Quarterly Budget Review 2020/21 as presented at attachment A to this report, noting an unchanged contribution from Council (operating deficit) of \$415,400.

CARRIED

Action: Review budget template from John Morgan for suitability and/or adaption.

8. Presentations

Nil

9. Discussion Items – No decision(s)

9.1 Future Audit Committee Dates

Date tentatively set for 12 October 2021 at 10:00am, availability to be confirmed by Katherine Christ.

9.2 LGA Quote for Training

Discussion that the quote appears reasonable and is less per member for training than the listed price on the LGA's website.

9.3 LGA Date for Training

Date tentatively set for 16 June 2021, availability to be confirmed by Katherine Christ and the LGA.

10. Correspondence Received

Nil

11. Urgent Business without Notice

Nil

12. Confidential Item(s)

Nil

A handwritten signature in black ink, appearing to be "M. J. Morgan", located at the bottom right of the page.

Minutes of the Victor Harbor Horse Tram Authority
Audit Committee Meeting
For meeting Tuesday 11 May 2021
Commencing at 12:30pm, Encounter Room



13. Next Meetings

Tuesday 4 August 2021, 1:00pm – Encounter Room

14. Meeting Closed.

2:38pm

***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.*

A handwritten signature in black ink, appearing to be "M. J. ...".



Meeting **Victor Harbor Horse Tram Authority**

Date **10 August 2021**

From **Megan Whibley**

Subject **Action List Report**

Report Number **6.1**

RECOMMENDATION

That the Audit Committee receive and note the Action List and report.

INFORMATION

Purpose

The purpose of this report is to provide the status of action items from previous meetings for consideration.

Background

The Audit Committee provides recommendations to the Authority and may also request information pertaining to financial, strategic or corporate risks for consideration. The Action List provides details and status of these requests.

Commentary

The Action List has been updated and is provided at Attachment A.

RISK ASSESSMENT

Information – No risks have been assessed in relation to this report as it has been provided for information only and no formal decision is required.

REFERENCES

Nil

BUDGET IMPLICATION

Excluding endorsed budgeted staff resources there are no budget implications in the preparation or receipt of the Action List. No additional funds are required.

CONSULTATION

Karen Rokicinski (Director Corporate and Customer Service)



Attachment A
VHHTA – Outstanding Action List– updated 5-Aug-21
 *newest at top

Meeting Date	Action Number	Action / Task	Status
		<i>Leave blank</i>	
11 May 2021	AC014	Review budget template from John Morgan for suitability and/or adaption.	Budget template received and reviewed. Alternative budget templates received from Kelly Knight-Stacey (Director Corporate and Customer Service CVH) provided for discussion – 10 August 2021.
11 May 2021	AC013	Organise a risk management session for October meeting/workshop. Utilise risk management specialist, staff, Authority and Audit Committee Members to tailor Corporate Risk Matrix to the Victor Harbor Horse Tram Authority. Check the Treasury Policy against the VHHTA Charter for consistency and seek advice regarding potential changes to policy.	Treasury Policy checked against Charter and no inconsistency found.
11 May 2021	AC013	That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Authority that it make the following changes to policies reviewed; <ul style="list-style-type: none"> Budget Framework Policy at 6.4 amend the word Council to Authority; 	Complete



Attachment A

Meeting Date	Action Number	Action / Task	Status
		<ul style="list-style-type: none"> • Procurement Policy at 6.8.1 (a) amend to ‘at least one verbal quotation sought’; • Procurement Policy at (b) and (c) the addition of the word ‘sought’ to the end of each sentence; • Procurement Policy at page 7, Schedule 1 – Procurement Delegation Table, top row of table, the addition of the word ‘sought’ to ‘Two Written Quotes’ and ‘Three Written Quotes’; • Procurement Policy at 6.10 change the limit for one credit card per calendar month to \$5,000 to be consistent with schedule 1 of the policy; • Sponsorship Policy – Sponsorship Contract - at 7.3 remove the requirement to send by facsimile; • Sponsorship Policy remedy the absence of provisions 6.1, 7.2 and 8.2 and any other missing sections; • Corporate Risk Matrix - correct misspelled word ‘likelihood’ 	
11 May 2021	AC012	That the Victor Harbor Horse Tram Authority Audit Committee recommend to the Authority that the Allowances and Reimbursement of Expenses Policy be changed at provision 3 from “Payment of Board Members’ to “Payment of Board Members and Audit Committee Members allowances and expenses’, and that the definition of an Audit Committee Member be added to provision 5 so as to be consistent with other definitions.	Complete

Attachment A

Meeting Date	Action Number	Action / Task	Status
11 May 2021	AC009	<p>That the Audit Committee recommends that the Victor Harbor Horse Tram Authority update the Audit Committee Terms of Reference to</p> <ul style="list-style-type: none"> • reflect the resolution of Council that pertains to the Committee Membership of the General Manager (at provision 3.1.2); • allow for attendance for committee meetings to include both physical and virtual attendance (at provision 8), and; • make grammatical improvements as agreed upon in the working copy for alterations to the Terms of Reference. 	Complete
9 February 2021	9.1	Review/Provide for review policies, documents, financial statements.	<p>Completed</p> <p>Financial policies and financial statements and corporate risk matrix made available for Committee review on 11 Mat 2021 and recommendations prepared for the 8 June Board meeting</p>
9 February 2021	AC006	Amend Committee meeting dates and set dates for a 12 month period.	<p>Board notified and current dates changed</p> <p>Future dates yet to be set</p> <p>Date tentatively set for 12 October 2021 at 10:00am – Risk management Audit Committee meeting.</p>

Attachment A

Meeting Date	Action Number	Action / Task	Status
9 February 2021	AC004	Organise Induction Training for Committee Members @ the LGA.	Complete Training occurred on 16 June 2021 at the LGA in Adelaide.
9 February 2021	AC002	<p>1. Adopt changes to meeting procedures and in Terms of Reference to enable meeting in person and/or virtually.</p> <p>2. Review VHHTA risk matrix.</p> <p>3. Perform Risk Assessment for new environmental conditions during construction period.</p>	<p>1. Complete</p> <p>Meeting procedures already support virtual meetings. TOR working copy set up and recommended changes agreed upon by committee.</p> <p>2. On Going - Risk Matrix to be tailored to the Horse Tram activities – Risk management workshop set for October 2021.</p> <p>3. Completed</p> <p>Risk assessment for construction period performed as a function of existing assessment as</p>



Attachment A

Meeting Date	Action Number	Action / Task	Status
			the assessment tackles what to do regarding changing/new conditions. New hazards added and new protocols added to SOP's to manage risks.
9 February 2021	AC001	Make a working copy (or workshop) for alterations to the Terms of Reference and recommend them to the Board	Completed Changes endorsed at Board Meeting 8 June 2021 and approved by Council.



Meeting **Victor Harbor Horse Tram Authority**
Date **10 August 2021**
From **Megan Whibley**
Subject **Draft Audited Financial Statements 2020-21**
Report Number **7.1**

RECOMMENDATION

- 1. That the Audit Committee receive and note the 2020/21 Victor Harbor Horse Tram Authority Annual Financial Statements.**
- 2. That the Audit Committee advises the Victor Harbor Horse Tram Authority and Galpins, Accountants, Auditors and Business Consultants, that it has reviewed the 2020/21 Annual Financial Statements and is satisfied that they present fairly the financial position of the Authority.**

INFORMATION

Purpose

The purpose of this report is to present the Victor Harbor Horse Tram Authority (the "Authority") 2020/21 Annual Financial Statements to the Audit Committee.

Background

The Authority is a subsidiary of Council established in October 2018 under section 42 of the Local Government Act 1999 to oversee the operations, business development and marketing of the Horse Tram service.

The Authority has previously used Council's auditors, with approval, but has now established its own Audit Committee, which had its inaugural meeting on 9 February 2021. The Authority has also engaged its own external auditor, Galpins.

Commentary

The 2020/21 Annual Financial Statements for the Authority were outsourced and prepared by Sarah Milosevic of SMP Chartered Accountants. The draft statements were provided to Galpins for auditing and at the time of building the agenda, the Authority was awaiting

notification of audit completion to provide the 2020/21 financial statements, so these documents will be provided under separate cover once available.

The Annual Report including financial statements will be provided at a later date once completed and ready to be provided to the VHHTA Board and Council.

RISK ASSESSMENT

The following risks have been assessed:

Legal and Compliance – the 2020/21 Annual Financial Statements have been prepared in accordance with relevant legislation, standards and have been audited. This risk is assessed as *low*.

REFERENCES

The VHHTA Charter

The Local Government Act 1999

Local Government (Financial Management) Regulations 2011

BUDGET IMPLICATIONS

Excluding endorsed budgeted staff resources there are no budget implications in the preparation or recommendations of this report. No additional funds are required.

CONSULTATION

SMP Chartered Accountants, Sarah Milosevic

Galpins Accountants, Auditors and Business Consultants – Juliano Freitas (Audit Manager)

Kelly Knight-Stacey (Group Manager Governance and Finance)