



**PUBLIC MINUTES
FLEURIEU REGIONAL WASTE AUTHORITY
BOARD MEETING
22 MAY 2019
9.45AM – 12.30AM
FRWA OFFICE, LOT 1226 PT ELLIOT ROAD, GOOLWA**

OUT OF SESSION BOARD PAPER 28 MAY 2019

Meeting commenced at 10.06am

1. Welcome and apologies

The traditional owners of the land and the pioneers who toiled and laboured to establish our communities were recognised.

PRESENT

FRWA Board

Michael Kelledy	Board Chair
Tim Glazbrook	City of Victor Harbor elected member
Glenn Sanford	City of Victor Harbor staff member
Andy Baker	District Council of Yankalilla staff member
Alistair Christie	District Council of Yankalilla elected member
Elizabeth Williams	Alexandrina Council staff member
Michael Scott	Alexandrina Council elected member
Peter Denholm	Kangaroo Island Council elected member
John Fernandez	Kangaroo Island Council staff member (Proxy)

FRWA Staff

Marina Wagner	Executive Officer FRWA (EO)
Deborah Hanson	Minute Secretary FRWA (Administration & Customer Service)
Darren Stephens	Regional Manager Operations (RMO) 11.43am – 12noon

Apologies

Greg Georgopoulos	Kangaroo Island Council staff member
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GUESTS

Corinne Garrett	UHY Haines Norton (10.06am – 10.45am)
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2. DECLARATION OF INTEREST BY BOARD MEMBERS

- *The Register of Interest was tabled with no changes required.*

The order of the Board agenda was amended to address item 6.4 first and move Item 5 to the end of the meeting.

6.4 March 2019 Finance Report and 3rd Budget Review

The financial report prepared by Corinne Garrett was presented to the Board.

Corinne expressed the following issues that had previously been raised with the Internal Audit Committee (IAC) and that the IAC endorsed a number of recommendations.

(The Board was advised that the recommendations will be attached to the minutes).

- FRWAs complex reporting system and whether this level of reporting is still relevant to the business
- Accounting for and forecasting of employee costs
- The lack of detailed information provided to management in order to make financial decisions
- Core accounting principles not being undertaken correctly
- Lack of segregation of duties
- Impact of the China Sword Policy on FRWA

Michael Kelledy asked why the Haines Norton quarterly reviews had not raised these issues previously. Corinne explained that a summary of these issues were reported at the end of last year; however, some issues had not been identified as they only become apparent with the financial impact from the China Sword Policy. EO did recognise issues around November 2018 and actioned a 'high level' business review as a result of these issues were identified

Glenn Sanford raised that any overtime needs to be pre-approved.

Michael Scott asked if the business was predictable and should be easy to forecast. The EO replied that this was the case for the operational side of the Authority with the exception of unknown issues such as the China Sword Policy. The key issues identified relate to the finance area.

Peter Denholm asked if there was a lack of technology being used in the finance area and whether data input could be improved.

10.19am Marina Wagner, Deborah Hanson & Corinne Garrett left the room

Board members discussed the issue of the quarterly audit review and the external audit functions not having clearly identified and raised the issues that had today been put forward by Corinne.

10.34am Marina Wagner, Deborah Hanson & Corinne Garrett re-entered the room

The Board resolved;

- *The Board noted the report and that further work will be undertaken to complete the March 2019 finance report and the 3rd budget review and that the completed document will be submitted to the Board 'out of session'.*

Moved: Tim Glazbrook

Seconded: Alistair Christie

Carried

10.45am Corinne Garrett left the room

3. CORRESPONDENCE

- *Correspondence received 19 March 2019 to 14 May 2019 taken as read.*
- *EO tabled a letter from the CEO of Alexandrina Council that was received late on 21 May 2019*
- *This letter as well as a letter dated 9 May 2019 from the CEO of Alexandrina Council addressed matters around the impact of the FRWA 2019/20 budget and LTFP on Alexandrina Council*

Elizabeth Williams and Michael Scott spoke to the matter.

The Board resolved that the EO would respond to the Alexandrina Council by

- *Noting and accepting the decision made by the Council to support a CPI increase over the 2018/19 budget*
- *Confirming that FRWA is taking appropriate austerity measures and continues to look into further measures to keep costs down*
- *Advising of the requirement for the identified quantum of 'on-costs' resulting from the China Sword Policy, be approved by the Alexandrina Council for inclusion in the 2019/20*

FRWA budget

- *Advising (separately to the above if that is deemed appropriate by the EO) that any requested additional services for the Council from FRWA are only able to be provided at a cost to be considered and advise upon the formal request being received and will, in any event, necessarily be dealt with as a separate matter as a consequence of the time sensitivities attaching to the budget approval; process.*

Moved: Andy Baker

Seconded: Alistair Christie

Carried

The Board thanked Elizabeth for her assistance in this matter.

4. STANDING ITEMS

4.1 Confirmation of minutes of previous meetings 27 March 2019 and 29 April 2019

Public and confidential minutes were noted and confirmed as read.

Moved: Glenn Sanford

Seconded: Peter Denholm

Carried

4.2 Matters Arising and Action List

NONE

4.3 Documents under Seal

NIL

6. REGULAR REPORTS

6.1 Workplace Health and Safety & Injury Management Report

The EO presented the report highlighting that following the December Audit the LGAWCS was satisfied with progress that had been made. Thanks were given to Alan Walker, Regional Risk Coordinator for the Scheme and DC Yankalilla in assisting with this progress.

The Board noted that the WHS and IM training for the Board has been deferred to the June meeting.

- *The Board noted the WHS & IM report*

Moved: Alistair Christie

Seconded: STET

Carried

6.2 Executive Officers Report

The EO presented her reports to the Board.

There had been an excellent start to the FOGO project on Kangaroo Island and fortnightly collection preparations were running smoothly for the City of Victor Harbor.

EO advised of the SA EPA Consultation Paper 'Thermal Energy from Waste' (EfW) activities and that a meeting has been organised for the EO's of SA's waste authorities to meet with the EPA on 6 June to discuss. EO to report back at June Board meeting.

Michael Scott asked if fortnightly collections would decrease the number of trucks required. EO explained that fortnightly collection still resulted in the same number of collections per four week period but in a different configuration between the three waste streams and that 200l have been added to the volume collected over a 4-week period.

- *The Board noted the Executive Officer's report*

Moved: Alistair Christie

Seconded: Andy Baker

Carried

6.3 Operations Report

11.43am Darren Stephens entered the room

The RMO presented the Operations Report.

The in-vessel composting project had suffered a slight delay due to complications with civil works; which would now be commencing on 3 June 19.

The Loader tender had been finalised and the order has been placed this week.

RMO attended a truck show in Brisbane and will prepare a report for the next Board meeting, including developments around f electric trucks.

RMO and Education Officer visited a very small-scale plastic recycling plant in Robe and will investigate further opportunities and limitations of an application within FRWA councils.

Michael Scott raised options using rail transport to aggregate larger quantities of recyclables between SA and VIC and investigate the use of the Biochar technology for FRWA

The Board resolved:

- *To investigate the possibility of setting up a recycling plant between Adelaide and Melbourne, possibly utilising rail transport and the option of a 'Biochar Plant' in this area. This to be investigated and reported back to the Board at a future meeting.*

Moved: Michael Scott

Seconded: John Fernandez

Carried

- *The Board noted the operations report*

Moved: Glenn Sanford

Seconded: Peter Denholm

Carried

12noon Darren Stephens left the room

7. STRATEGIC ITEMS/DECISIONS REQUIRED

7.1 FRWA Account Access

- *The FRWA Board approved the staff listed in Attachment 1 as joint signatories on FRWA bank accounts.*

Moved: Peter Denholm

Seconded: Glenn Sanford

Carried

12.01pm Michael Kelledy left the room

7.2 FRWA Strategic Plan (Working Draft) 2020-2030

12.06pm Michael Kelledy re-entered the room

The EO presented the FRWA Strategic Plan (Working Draft) 2020-2030 to the Board.

The Board felt that the vision was too ambitious and to change the vision from being an Australian to a South Australian leader

Discussion occurred around best practice standards and the EO confirmed that benchmarking occurs against guidelines, industry standards and best available technology.

The Board requested that more detail be included on how FRWA would achieve these strategies, including ownership, timeframe and actions.

The following specific amendments were recommended by Board members –

- Facility locally to sort waste not just 'Key Tourist Areas'
- Goal 1.4 – Change the headline to a higher level goal, such as 'reduction of contamination'
- Goal 2.4 – Change the headline to a higher level goal; street sweepings are one example under that headline; further, it was noted that the feasibility study has already been completed
- Include reference to Energy from Waste Technologies

All Board members to forward further comments to the EO by COB Friday 24 May 2019 in order for comments to be communicated to RAWTEC and included in next draft to be presented at the June 2019 Board meeting.

- *The FRWA Board noted the Working Draft FRWA Strategic Plan 2020-2030*
- *The Board noted that the Consultation Draft FRWA Strategic Plan 2020-2030 will be presented to the Board at the June 19 Board Meeting*
- **Moved: Andy Baker**
- **Seconded: Elizabeth Williams**
- **Carried**

8. ITEMS FOR INFORMATION ONLY

NIL

9. OTHER MATTERS

NONE

5. CONFIDENTIAL MATTERS

5.1 Confidential Items Register

There were no items due for consideration by the Board.

5.6 SKM Matter

Move into Confidentiality

The Board ordered, pursuant to section 90 (3) (b) (i) and (ii) of the *Local Government Act 1999*, that the public be excluded from the meeting with the exception of **Deborah Hanson (Minute Secretary)**, and **Marina Wagner (Executive Officer)** on the basis that the Board considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider by way of a verbal report in relation to agenda **item 5.6**, and the Board is satisfied that the principle that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving considering and discussing **item 5.6**.

The FRWA Board resolved to go into confidence

Moved: Andy Baker

Seconded: Elizabeth Williams

Carried

Maintain Confidentiality of Confidential Items in Minutes

The Board ordered pursuant to Sections 91(7) and (9) of the *Local Government Act 1999*, that the confidential report provided to the Board and the Minutes of the Board meeting held on **22 May 2019** in relation to Confidential Item **number 5.6** and titled '**SKM update**' together with the information received by way of a verbal report remain confidential and are not available for public inspection to **30 June 2020** or a lesser period as determined by the Executive Officer.

Moved; Andy Baker

Seconded: Michael Scott

Carried

5.2 Confidential correspondence list

The Board noted the confidential correspondence list

5.3 Confirmation of confidential minutes of the special meeting 29 April 2019

Move into Confidentiality

The Board ordered, pursuant to section 90(2) and (3) (a) of the *Local Government Act 1999*, that the public be excluded from the meeting except for **Marina Wagner (EO)** on the basis that the Board considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider by way of a report in relation to agenda **item 5.3**, and the Board is satisfied that the principle that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving considering and discussing **item 5.3**

The FRWA Board resolved to go into confidence

Moved: Peter Denholm

Seconded: Glenn Sanford

Carried

The confidential minutes of the special Board Meeting 29 April 2019 were approved

Moved: Glenn Sanford

Seconded: Peter Denholm

Carried

12.45am Marina Wagner & Deborah Hanson left the room.

5.4 FRWA HR Matters

Move into Confidentiality

The Board ordered, pursuant to section 90(2) and (3) (a) of the *Local Government Act 1999*, that the public be excluded from the meeting on the basis that the Board considers it necessary and appropriate to act in a manner closed to the public in order to receive, discuss and consider by way of a report in relation to agenda **item 5.4**, and the Board is satisfied that the principle that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving considering and discussing **item 5.4**.

The FRWA Board resolved to go into confidence

Moved: Elizabeth Williams

Seconded: Glenn Sanford

Carried

Maintain Confidentiality of Confidential Items in Minutes

The Board ordered pursuant to Sections 91(7) and (9) of the Local Government Act 1999, that the Minutes of the Board meeting held on **22 May 2019** in relation to Confidential **Item number 5.4** and titled '**FRWA HR Matters**' and the information by way of a report and any associated attachments thereto remain confidential and are not available for public inspection for a period of **5 years** from the date of this meeting or a lesser period as determined by the Executive Officer.

Moved: Andy Baker

Seconded: Peter Denholm

Carried

1.20pm Marina Wagner & Deborah Hanson re-entered the room

5.5 FRWA IAC Meeting 22 May 2019

An update from the IAC meeting was included under agenda item 6.4
The draft minutes of the 22 May 2019 IAC meetings attached.

10. NEXT MEETING: 24 June 2019 – District Council of Yankalilla

Meeting closed 1.21pm

Date draft sent to the FRWA Board: 24 May 2019

Date approved:

Michael Kelledy

Chair of the FRWA Board

ATTACHMENT: Draft Minutes of the IAC Meeting 22 May 2019

OUT OF SESSION BOARD PAPER 28 MAY 2019

The board received an out of session paper with the March 2019 financial report and the 3rd budget review with the following recommendations:

- 1. The Board notes the finance report as at 31st March 2019 and 3rd Budget Review 2018/19;*
- 2. The Board approves not to collect additional funds from Member Councils at this point in time;*
- 3. The Board approves not to return surplus funds to KI Council;*
- 4. The Board approves to return the overcharged amount for kerbside collection services to DC Yankalilla;*
- 5. The Board notes that it will be able to determine the final position for each Council and cost centre once the financial statements are finalized and audited and the 4th budget review is completed and at this point the Board can consider the appropriate actions to be taken;*
- 6. Board members respond to the Executive Officer via email on or before 31 May 2019, advising of their decision for recommendations 1, 2, 3 and 4;*

On 1 June 2019 EO advised the Board of the outcome as follows:

- Seven Board members have responded, all in support of the recommendations
- Two Board members have not responded
- One board member has added to discuss a few question at the next IAC meeting (not specified)

FRWA will now proceed in accordance with the approved actions.

ATTACHMENT



FLEURIEU REGIONAL WASTE AUTHORITY INTERNAL AUDIT COMMITTEE MEETING (IAC)

Minutes of Meeting
22 May 2019 9.00AM- 9.30AM
FRWA Office, Lot 1226 Pt Elliot Road, Goolwa

1. Welcome, present and apologies

Glenn Sanford	City of Victor Harbor staff member	Present
Alistair Christie	DC Yankalilla elected member	Present
Tim Glazbrook	City of Victor Harbor elected member	Present
Elizabeth Williams	Alexandrina Council staff member	Present
Peter Fairlie-Jones	External Member	Apology
Staff		
Marina Wagner	Executive Officer (EO) FRWA	Present
Guests		
Corinne Garrett	UHY Haines Norton	Present
Andy Baker	DC Yankalilla staff member	Present
Michael Kelledy	Chairperson FRWA Board	Present

The meeting commenced at 9.05am

IAC members had no objections for the meeting to be chaired by the EO

2. Confirmation of minutes of previous meeting

The minutes of the meeting dated 15 March 2019 were confirmed.

Moved: Elizabeth Williams
Seconded: Glenn Sanford
Carried

3. March Report and 3rd Budget Review

- Corinne Garrett assisted management with the review of the March 19 finance report and the preparation of the 3rd budget review

- As statistical information for Feb 2019 was still incomplete, results for March 19 are only preliminary until results can be verified against Feb statistics and the Feb 19 financial report
- A number of 'red flags' have been identified which need to be addressed
- Discussion occurred around the accounting system Synergy; it was raised that FRWA has complex reporting structures and that the Synergy users need to completely understand accounting principles; the issues are not supporting spreadsheets but what controls the spreadsheets
- Further work will be undertaken this week to complete the March 19 finance report and the 3rd budget review and a letter will be sent to each council CEO advising of the financial impact from China Sword for 2018/19
- **A number of operational improvements were identified:**
 - *Short Term:*
 - o *Templates are set up to enable streamlining of Financial Reports and Budget Reviews*
 - o *Current worksheets should be reviewed for validity of formulas and results.*
 - *Improve information provided to management by;*
 - o *Monthly Reports should show the Original Budget, all Budget Reviews to date and YTD Actual*
 - o *Bank Reconciliations reports need to have the relevant detailed reports attached.*
 - o *The Aged Receivables Report to include the detailed report.*
 - o *All summary reports to have detailed reports attached.*

The IAC resolved:

1. Recommendation:

- a) *Budget Reviews are adopted by the Board and Constituents Councils pursuant to Charter requirements.*
- b) *Budget Reviews are input into Synergy.*
- c) *Financial reporting shows all Budget Reviews and compares actual figures to Year to Date of the latest adopted Budget Review.*

Moved: Glenn Sanford

Seconded: Elizabeth Williams

Carried

2. Recommendation

That the Employee Cost Worksheet is continually updated and used for Budget Reviews to improve forecasting accuracy.

Moved: Glenn Sanford

Seconded: Elizabeth William

Carried

3. Recommendation

Longer Term:

Investigate reporting software to enable reports to be set up and allow the direct flow of data from the corporate finance software without the need or ability to manipulate data manually.

Moved: Elizabeth Williams

Seconded: Alistair Christie

Carried

4. Recommendation

- a) *Review the reporting requirements of the Board, Constituent Councils and Management to determine the level of detailed reporting required*
- b) *Review the methodology of the allocation of income and costs to ensure that allocation is reasonable, achieves the reporting outcomes required and reduces the amount of manual manipulation of data currently required.*

Moved: Elizabeth Williams

Seconded: Glenn Sanford

Carried

5. *The IAC notes the report*

6. *The IAC notes that further work will be undertaken to complete the March 2019 finance report and the 3rd budget review and that the completed document will be submitted to the IAC out of session*

Moved: Alistair Christie

Seconded: Elisabeth Williams

Carried

9. Next Meeting: 14 June 2019

MEETING CLOSED: 9.55AM

Date draft minutes sent to IAC Members: 22 May 2019

Date Approved: 24 June 2019

Michael Kelledy

Chairperson FRWA Board