



Audit Committee Meeting

07 December 2022



local councils working together to protect the health of the community



**EASTERN HEALTH AUTHORITY
AUDIT COMMITTEE MEETING**

Wednesday 7 December 2022

Notice is hereby given that a meeting of the Audit Committee of Eastern Health Authority will be held at EHA's offices at **101 Payneham Road, St Peters** on Wednesday 7 December 2022 commencing at 5:00pm.

A handwritten signature in black ink, appearing to read 'M Livori', is positioned above the printed name and title.

**MICHAEL LIVORI
CHIEF EXECUTIVE OFFICER**

AGENDA

EASTERN HEALTH AUTHORITY AUDIT COMMITTEE MEETING

Wednesday 7 December 2022

Commencing at 5:00 pm

1 Opening

2 Acknowledgement of Traditional Owners

We acknowledge this land that we meet on today is the traditional land of the Kurna People and that we respect their spiritual relationship with their country.

3 Opening Statement

We seek understanding and guidance in our debate, as we make decisions for the management of the Eastern Health Authority, that will impact the public health on those that reside, study, work in and visit the constituent councils that the Eastern Health Authority Charter provides services to.

4 Apologies

5 Presiding Member's Remarks

6 Minutes

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8 Closure of meeting

EASTERN HEALTH AUTHORITY

Minutes of the Meeting of the Audit Committee of Eastern Health Authority (EHA) held at EHA Offices, 101 Payneham Road, St Peters on 22 August 2022 commencing at 5:00pm.

MEMBERS PRESENT:

Paula Davies
Madeleine Vezis
Cr Peter Cornish City of Burnside

In attendance:

M Livori Chief Executive Officer
K Paparella Team Leader Administration and Immunisation

1 OPENING:

The meeting was declared open by Madeline Vezis at 4:59pm.

2 APOLOGIES:

N Conci Team Leader Environmental Health

3 Presiding Member's Remarks

Nil

4. CONFIRMATION OF MINUTES:

P Cornish moved:

That:

The minutes of the meeting of the Audit Committee Meeting held on 13 July 2022 be taken as read and confirmed.

Seconded by P Davies

CARRIED UNANIMOUSLY

1: 082022

5 REPORTS

5.1 DRAFT GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

P Cornish moved:

That:

1. The Draft General Purpose Financial Statements for The Year Ended 30 June 2022 Report is received.

Seconded by P Davies

CARRIED UNANIMOUSLY 2: 082022

5.2 REPORT ON FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022

P Davies moved:

That:

1. The Report on Financial Results for the Year Ended 30 June 2022 is received.

Seconded by P Cornish

CARRIED UNANIMOUSLY 3: 082022

5.3 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

P Cornish moved:

That:

1. The Long-Term Financial Plan Revised Financial Estimates are received.
2. Audit Committee recommends that Management considers using an average of Constituent Councils as future key assumptions
3. The Long-Term Financial Plan revised financial estimates are presented to the Board of Management for consideration.

Seconded by P Davies

CARRIED UNANIMOUSLY 4: 082022

5.4 DEBTORS POLICY

P Davies moved:

That:

1. The Debtors Policy is received.

Seconded by P Cornish

CARRIED UNANIMOUSLY 5: 082022

5.5 EASTERN HEALTH AUTHORITY (EHA) AUDIT COMMITTEE ANNUAL EVALUATION REPORT 2021/2022

P Cornish moved:

That:

2. The Eastern Health Authority (EHA) Audit Committee Annual Evaluation Report 2021/2022 is received.

Seconded by P Davies

CARRIED UNANIMOUSLY 6: 082022

6 EHA FY2022 WORKPLAN

7 OTHER BUSINESS

8 CLOSURE OF MEETING

Meeting closed at 6:45pm

7.1 FINANCE REPORT AND FIRST (SEPTEMBER 2022) BUDGET REVIEW FOR 2022/2023

Author: Michael Livori

Ref: AF21/87

Summary

So that members can ensure that Eastern Health Authority (EHA) is operating according to its adopted budget, financial performance is regularly monitored, and statutory budget reviews are considered.

In accordance with regulation 9 of the *Local Government (Financial Management) Regulations 2011*,

- (1) *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
- (a) *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under sub regulation (1)(b), and at least 1 report must be considered after consideration of the report under sub regulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
 - (b) *between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

This report provides the first of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2022 and 30 September 2022. It provides the opportunity to amend the adopted budget in line with revised projections of income and expenditure for the 2022/2023 financial year. The report was considered by the Board of Management at its meeting held on 2 November 2022.

Report

The table below gives a simple analysis of year-to-date income, expenditure and operating result.

Eastern Health Authority - Financial Statement (Level 1)				
1 July 2022 to 31 September 2022				
	Actual	Budgeted	\$ Variation	% Variation
Total Operating Expenditure	\$677,443	\$693,084	(\$15,641)	-2%
Total Operating Income	\$1,014,709	\$1,028,250	(\$13,541)	-1%
Operating Result	\$337,266	\$335,166	\$2,100	1%

The table shows that for the reporting period income was (\$13,541) (-1%) less than budgeted and expenditure was (\$15,641) (-2%) less than budgeted. The net result is a variation of \$2,100 (1%) on the budgeted year to date comparative operating result.

More detailed information is provided in Attachment 1. The attachment provides detail on year to date performance of individual budget lines. Any variation greater than \$5,000 is detailed in the table below with explanatory comments.

Summary Table of Funding Statement Variations				
Income				
Favourable variances are shown in black and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	YTD Variation	Comment
Income				
Fines and Expiations	\$12,500	\$0	(\$12,500)	Less than budgeted expiations issued this period. No budget variation requested at this point in time.
Total of Income Variations Requested				Nil
Expenditure				
Favourable variances are shown in black and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	YTD Variation	Comment
Expenditure				
Employee costs	\$445,000	\$402,392	(\$21,118)	No budget variation requested at this point in time.
Total of Expenditure Variations Requested				\$0
Net Result of Variations Requested				\$0

Adjustments relating to 2020/2021 Audit

The first budget review for the financial year is required to take into account any differences between the adopted financial statements for 2022/2023 and the audited financial statements for the previous year. The relevant figures from the 2021/2022 audited financial statements have now been incorporated into the financial statement for 2022/2023. The incorporation of these figures has no impact on the estimated operating result.

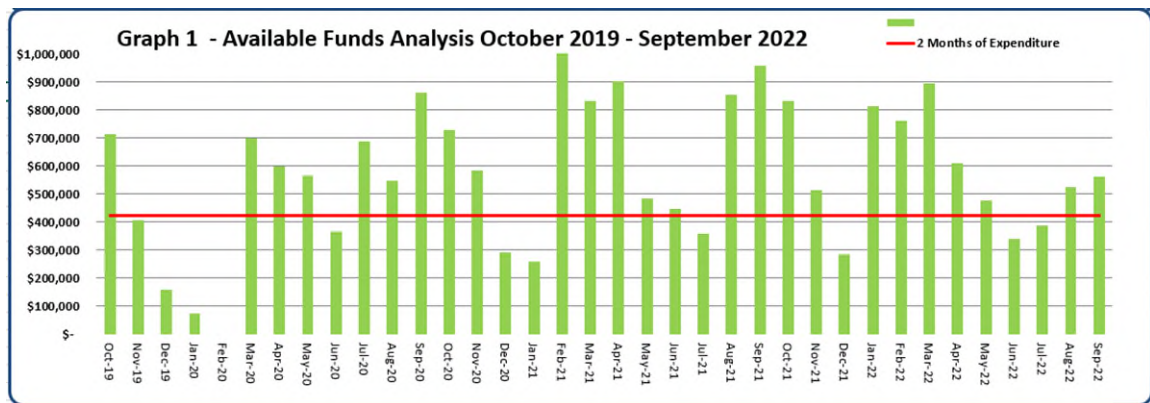
Included as Attachment 2 is a copy of the revised 2022/2023 Budgeted Statutory Financial Statements which include the:

- Revised Statement of Comprehensive Income
- Revised Statement of Cash flows
- Revised Statement of Financial Position
- Revised Statement of Changes in Equity

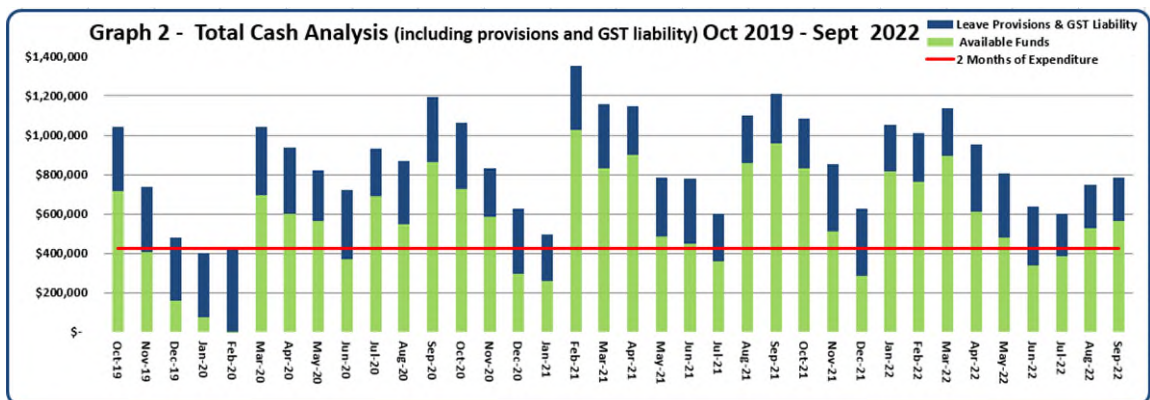
Cash Management

A Bank Reconciliation and Available Funds report for the period ending 30 September 2022 is provided as attachment 3. It shows that available funds were \$558,929 at 30 September 2022 in comparison with \$338,656 on 30 June 2022.

Graph 1 which follows details the level of available funds (total cash minus leave provisions and GST liability) for the preceding 3-year period.



Graph 2 below details the total level of cash on hand including leave provisions and GST liability.



The red line in both graphs indicates the target minimum levels of cash that are recommended to be held for working capital (equivalent to 2 months expenditure). The graphs show that the lowest levels of cash available in the annual cash cycle have generally maintained this target.

RECOMMENDATION

That:

1. The Finance Report and First (September 2022) Budget Review for 2022/2023 report be received.
2. The revised financial forecast for 2022/2023 is noted.

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2022 to 31 September 2022				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$247,117	\$247,117	\$0	0%
City of Campbelltown	\$226,593	\$226,593	\$0	0%
City of NPS	\$292,105	\$292,105	\$0	0%
City of Prospect	\$107,370	\$107,370	\$0	0%
Town of Walkerville	\$40,816	\$40,816	\$0	0%
Total Constituent Council Contributions	\$914,000	\$914,000	\$0	0%
Statutory Charges				
Food Inspection fees	\$27,168	\$31,000	(\$3,832)	-12%
Legionella registration and Inspection	\$1,775	\$2,250	(\$475)	-21%
Fines & Expiation Fees	\$0	\$12,500	(\$12,500)	-100%
Total Statutory Charges	\$28,943	\$45,750	(\$16,807)	-37%
User Charges				
Immunisation: Clinic Vaccines	\$14,956	\$15,000	(\$44)	0%
Immunisation: Clinic Service Fee	\$360	\$0	\$360	0%
Food Auditing	\$41,894	\$37,000	\$4,894	13%
Total User Charges	\$57,210	\$52,000	\$5,210	10%
Grants, Subsidies, Contributions				
Immunisation:ACIR	\$11,112	\$12,000	(\$888)	-7%
Total Grants, Subsidies, Contributions	\$11,112	\$12,000	(\$888)	-7%
Investment Income				
Interest on investments	\$369	\$1,750	(\$1,381)	-79%
Total Investment Income	\$369	\$1,750	(\$1,381)	-79%
Other Income				
Motor Vehicle re-imburements	\$1,218	\$1,000	\$218	22%
Sundry Income	\$1,857	\$1,750	\$107	6%
Total Other Income	\$3,075	\$2,750	\$325	12%
Total Income	\$1,014,709	\$1,028,250	(\$13,541)	-1%

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2022 to 31 September 2022				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$402,392	\$445,000	(\$42,608)	-10%
Superannuation	\$41,720	\$43,750	(\$2,030)	-5%
Workers Compensation	\$10,005	\$9,000	\$1,005	11%
Employee Leave - LSL Accruals	\$3,230	\$9,500	(\$6,270)	-66%
Agency Staff	\$28,786	\$0	\$28,786	0%
Total Employee Costs	\$486,133	\$507,250	(\$21,118)	-4%
Prescribed Expenses				
Auditing and Accounting	\$8,800	\$7,000	\$1,800	26%
Insurance	\$16,222	\$15,750	\$472	3%
Maintenance	\$475	\$500	(\$25)	-5%
Vehicle Leasing/maintenance	\$20,478	\$18,250	\$2,228	12%
Income Protection / Uniform	\$29,863	\$25,000	\$4,863	19%
Total Prescribed Expenses	\$75,837	\$66,500	\$9,337	14%
Rent and Plant Leasing				
Electricity	\$1,519	\$2,500	(\$981)	-39%
Plant Leasing Photocopier	\$766	\$1,000	(\$234)	-23%
Rent	\$18,687	\$18,333	\$353	2%
Water	\$0	\$75	(\$75)	-100%
Gas	\$0	\$675	(\$675)	-100%
Total Rent and Plant Leasing	\$20,971	\$22,583	(\$1,612)	-7%
IT Licensing and Support				
IT Licences	\$25,128	\$22,000	\$3,128	14%
IT Support	\$13,426	\$13,000	\$426	3%
Internet	\$3,226	\$2,500	\$726	29%
IT Other	\$0	\$500	(\$500)	-100%
Total IT Licensing and Support	\$41,780	\$38,000	\$3,780	10%
Administration				
Administration Sundry	\$2,019	\$1,500	\$519	35%
Accreditation Fees	\$2,036	\$750	\$1,286	172%
Board of Management	\$8,500	\$5,250	\$3,250	62%
Bank Charges	\$599	\$750	(\$151)	-20%
Public Health Sundry	\$198	\$1,250	(\$1,052)	-84%
Fringe Benefits Tax	\$3,620	\$3,750	(\$130)	-3%
Health Promotion	\$0	\$2,250	(\$2,250)	-100%
Legal	\$2,212	\$5,000	(\$2,788)	-56%
Printing & Stationery & Postage	\$3,076	\$5,500	(\$2,424)	-44%
Telephone	\$5,371	\$4,250	\$1,121	26%
Occupational Health & Safety	\$1,260	\$2,500	(\$1,240)	-50%
Rodenticide	\$718	\$500	\$218	44%
Staff Amenities	\$394	\$1,750	(\$1,356)	-77%
Staff Training	\$2,896	\$5,500	(\$2,604)	-47%
Human Resource Sundry	\$5,440	\$6,500	(\$1,060)	-16%
Total Administration	\$38,341	\$47,000	(\$8,660)	-18%

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2022 to 31 September 2022				
Immunisation				
Immunisation SBP Consumables	\$2,717	\$2,500	\$217	9%
Immunisation Clinic Vaccines	\$10,896	\$8,750	\$2,146	25%
Total Immunisation	\$13,613	\$11,250	\$2,363	21%
Sampling				
Legionella Testing	\$874	\$500	\$374	75%
Total Sampling	\$874	\$500	\$374	75%
Finance Costs				
Unallocated - Bank Trace	(\$105)	\$0	(\$105)	0%
Total Finance Costs	(\$105)	\$ -	(\$105)	0%
Total Materials, contracts and other expenses	\$677,443	\$693,084	(\$15,641)	-2%
Total Operating Income	\$1,014,709	\$1,028,250	(\$13,541)	-1%
Operating Result	\$337,266	\$335,166	\$2,100	1%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDING 30 June 2023				
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	REVISED BUDGET 2022/2023
	<u>INCOME</u>			
1,828,263	Council Contributions	1,828,000		1,828,000
111,391	Statutory Charges	185,000	-	185,000
295,541	User Charges	407,000	-	407,000
226,108	Grants, subsidies and contributions	301,000	-	301,000
4,320	Investment Income	7,000	-	7,000
3,585	Other Income	11,000	-	11,000
2,469,208	TOTAL INCOME	2,739,000	-	2,739,000
	<u>EXPENSES</u>			
1,750,609	Employee Costs	2,014,000	-	2,014,000
516,677	Materials, contracts and other expenses	608,000	-	608,000
46,752	Finance Charges	35,000	-	35,000
168,844	Depreciation	131,000	-	131,000
2,482,882	TOTAL EXPENSES	2,788,000	-	2,788,000
(13,674)	Operating Surplus/(Deficit)	(49,000)	-	(49,000)
	Net gain (loss) on disposal of assets	-	-	-
(13,674)	Net Surplus/(Deficit)	(49,000)	-	(49,000)
(13,674)	Total Comprehensive Income	(49,000)	-	(49,000)

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS				
FOR THE YEAR ENDING 30 June 2023				
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	REVISED BUDGET 2022/2023
	CASHFLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,828,263	Council Contributions	1,828,000	-	1,828,000
111,391	Fees & other charges	185,000	-	185,000
227,946	User Charges	407,000	-	407,000
4,044	Investment Receipts	7,000	-	7,000
226,108	Grants utilised for operating purposes	301,000	-	301,000
3,585	Other	11,000	-	11,000
	Payments			
(1,764,556)	Employee costs	(2,014,000)	-	(2,014,000)
(536,431)	Materials, contracts & other expenses	(608,000)	-	(608,000)
(48,367)	Finance Payments	(35,000)	-	(35,000)
51,983	Net Cash Provided/(Used) by Operating Activities	82,000	-	82,000
	CASH FLOWS FROM FINANCING ACTIVITIES			
	Loans Received	-	-	-
(74,132)	Repayment of Borrowings	(38,391)	-	(38,391)
(37,485)	Repayment of Finance Lease Liabilities	(82,000)	-	(82,000)
(111,617)	Net Cash Provided/(Used) by Financing Activities	(120,391)	-	(120,391)
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Receipts			
	Sale of Replaced Assets	-	-	-
	Payments			
(82,379)	Expenditure on renewal / replacements of assets	-	-	-
-	Expenditure on new / upgraded assets	-	-	-
-	Distributions paid to constituent Councils	-	-	-
(82,379)	Net Cash Provided/(Used) by Investing Activities	-	-	-
(142,013)	NET INCREASE (DECREASE) IN CASH HELD	(38,391)	-	(38,391)
782,896	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	793,639	(152,756)	640,883
640,883	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	755,248	(152,756)	602,492

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION				
FOR THE YEAR ENDING 30 June 2023				
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	REVISED BUDGET 2022/2023
	CURRENT ASSETS			
640,883	Cash and Cash Equivalents	755,248	(152,756)	602,492
231,080	Trade & Other Receivables	188,901	42,179	231,080
871,963	TOTAL CURRENT ASSETS	944,149	(110,577)	833,572
	NON-CURRENT ASSETS			
1,214,249	Infrastructure, property, plant and equipment	1,024,437	58,812	1,083,249
1,214,249	TOTAL NON-CURRENT ASSETS	1,024,437	58,812	1,083,249
2,086,212	TOTAL ASSETS	1,968,586	(51,765)	1,916,821
	CURRENT LIABILITIES			
133,225	Trade & Other Payables	163,940	(30,715)	133,225
289,466	Provisions	307,903	(18,437)	289,466
140,794	Borrowings	119,871	20,923	140,794
563,485	TOTAL CURRENT LIABILITIES	591,714	(28,229)	563,485
	NON-CURRENT LIABILITIES			
9,860	Provisions	21,716	(11,856)	9,860
961,297	Borrowings	794,444	103,612	898,056
971,157	TOTAL NON-CURRENT LIABILITIES	816,160	91,756	907,916
1,534,642	TOTAL LIABILITIES	1,407,874	63,527	1,471,401
308,478	NET CURRENT ASSETS/(CURRENT LIABILITIES)	352,435	(82,348)	270,087
551,570	NET ASSETS	560,712	(115,292)	445,420
	EQUITY			
551,570	Accumulated Surplus/(Deficit)	536,712	(34,142)	502,570
551,570	TOTAL EQUITY	536,712	(34,142)	502,570

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY				
FOR THE YEAR ENDING 30 June 2023				
AUDITED RESULTS 2021/2022		ADOPTED BUDGET 2022/2023	SEPTEMBER REVIEW	REVISED BUDGET 2021/2022
	ACCUMULATED SURPLUS			
565,244	Balance at beginning of period	585,712	(34,142)	551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	502,570
	TOTAL EQUITY			
565,244	Balance at beginning of period	585,712	(34,142)	551,570
(13,674)	Net Surplus/(Deficit)	(49,000)	-	(49,000)
551,570	BALANCE AT END OF PERIOD	536,712	(34,142)	502,570

Eastern Health Authority			
Bank Reconciliation as at 30 September 2022			
Bank SA Account No. 141/0532306840			
Balance as per Bank Statement 30 September 2022		\$	403,790.02
Less Outstanding cheques	\$		-
Add Outstanding deposits	\$		-
BALANCE PER General Ledger		\$	<u>403,790.02</u>
GST as 31 May 2022			
GST Collected	\$96,751.39		
GST Paid	<u>(\$23,825.84)</u>		
Net GST Claimable (Payable)	<u>\$72,925.55</u>		
Funds Available 30 September 2022			
Account	30-Sep-22	30-Jun-22	Variance
Bank SA Cheque Account	\$ 403,790	\$ 154,826	\$248,963.97
Local Government Finance Authority	\$ 381,539	\$ 481,170	(\$99,630.90)
Net GST Claimable (Payable)	\$ 72,925.55	\$ 1,985.57	\$70,940
Long Service Leave Provision	(\$175,831.00)	(\$175,831.00)	\$0.00
Annual Leave Provision	(\$123,495.00)	(\$123,495.00)	\$0.00
TOTAL FUNDS AVAILABLE	\$ 558,929	\$ 338,656	\$220,273

7.2 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

Author: Michael Livori
Ref: AF13/78

Summary

This report provides updated Long-Term financial estimates for consideration by Board of Management.

Report

The purpose of the EHA LTFP is to express, in financial terms, the activities that EHA proposes to undertake over the medium to longer term to achieve its stated objectives as outlined in its Charter and Business Plan.

EHA is an operational based organisation focused on meeting the regulatory requirements of its member councils. Unlike its Constituent Councils it is not responsible for managing a high level of long-lived assets.

The one exception to this was the upgrade of office accommodation at EHA's St Peters office which occurred in 2012. A 10 year loan from the LGFA was used to fund the required office accommodation. The final payment on the loan was made in July 2022.

The LTFP is now simply a projection of current operating arrangements moving forward.

The Long-Term Financial Plan Estimates were presented to and considered by the EHA Audit Committee at its meeting of 22 August 2022. The committee were requested to consider appropriate key assumptions (drivers) to be used to develop revised EHA Long-Term financial estimates. The committee determined that the values should be based on EHA's Constituent Council values.

Subsequently, the EHA Long-Term financial estimates were updated using key assumptions based on the average of our largest 3 councils (see table 1 below) and presented to the Board of Management at its meeting held on 2 November 2022.

Table 1 Key Assumptions

	Current	Revised
Growth	1.2%	1.1%
CPI	1.5%	3.2%
Wages	2.5%	3.8%
Materials	1.5%	2.8%

The Board discussed the assumptions used in the table 1 above and raised concerns in relation to the currency of the values. As per the resolution detailed below, the Board resolved that the assumptions for CPI and Wages be revisited.

7.2 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

That:

1. Long-Term Financial Plan revised financial estimates report is received.
2. Long term Long-Term Financial Plan revised financial key assumptions are revisited based on the latest CPI and Enterprise Agreement information.

CARRIED UNANIMOUSLY 3: 112022

CPI Forecast

The CPI figure has been reconsidered by using the November 2022 Reserve Bank of Australia Forecast Table (Figure 1). The average CPI for the period of the financial estimates is estimated to be 3.9% based on the information available and extrapolating to the end of the estimate period.

CPI	
Jul-22	6.1
Jul-23	6.3
Jul-24	4.2
Jul-25	3.2
Jul-26	3.2
Jul-27	3.2
Jul-28	3.2
Jul-29	3.2
Jul-30	3.2
Jul-31	3.2
Average	3.9

Wage Forecast

The Wage increase figure has been reconsidered by Using the expected Enterprise agreement values for 2022 and 2023 and the Forecast Table (Figure 1). The average wage increase for the period of the financial estimates is estimated to be 3.9%. based on the information available and extrapolating to the end of the estimate period.

Wages	
2022	4.5
2023	3.5
2024	3.9
2025	3.9
2026	3.9
2027	3.9
2028	3.9
2029	3.9
2030	3.9
2031	3.9
Average	3.9

Figure 1- RBA Forecast Table

Forecast Table – November 2022

Download the *Forecast Table* [PDF](#) 174KB

This table provides additional detail on forecasts of key macroeconomic variables as at the November 2022 *Statement on Monetary Policy*.

Table 1: Forecast Table – November 2022^(a)
Percentage change over year to quarter shown^(b)

	Jun 2022	Dec 2022	Jun 2023	Dec 2023	Jun 2024	Dec 2024
Gross domestic product	3.6	2.9	2.0	1.4	1.4	1.6
Household consumption	6.0	6.6	2.8	1.3	1.4	1.7
Dwelling investment	-4.6	0.8	3.6	-2.8	-4.7	-5.6
Business investment	1.4	3.4	4.8	6.1	5.0	3.3
Public demand	5.7	3.7	0.2	-0.6	1.0	1.4
Gross national expenditure	4.4	4.3	1.5	0.7	1.4	1.5
Imports	10.0	16.6	6.4	3.9	2.8	2.0
Exports	4.9	7.8	8.4	7.0	2.8	2.6
Real household disposable income	2.1	-2.6	-2.6	-1.2	0.3	2.3
Terms of trade	7.5	1.4	-13.7	-7.4	-6.0	-4.3
Major trading partner (export-weighted) GDP	2.7	3.0	4.3	3.4	3.6	3.5
Unemployment rate (quarterly, %)	3.8	3.4	3.5	3.7	4.0	4.3
Employment	3.3	3.8	1.4	1.2	1.0	0.9
Wage price index	2.6	3.1	3.7	3.9	3.9	3.9
Nominal (non-farm) average earnings per hour	5.0	4.2	4.6	5.3	5.1	4.7
Trimmed mean inflation	4.9	6.5	5.4	3.8	3.4	3.2
Consumer price index	6.1	8.0	6.3	4.7	4.2	3.2

(a) Forecasts finalised on 2 November. The forecasts are conditioned on a path for the cash rate broadly in line with expectations derived from surveys of professional economists and financial market pricing. Other forecast assumptions: TWI at 62; A\$ at US\$0.64; Brent crude oil price at US\$89/bbl. The assumed rate of population growth is broadly in line with the profile set out in the Australian Government Budget 2022–23.

(b) Forecasts are rounded to the first decimal point. Shading indicates historical data.

Sources: ABS; CEIC Data; Consensus Economics; Refinitiv; RBA

Table 2 Latest Revised Key Assumptions

	Current	Original Revision	Latest Revision
Growth	1.2%	1.1%	1.1%
CPI	1.5%	3.2%	3.9%
Wages	2.5%	3.8%	3.9%
Materials	1.5%	2.8%	2.8%

Revised Long-Term financial estimates based on the audited results from 2021/2022 and the latest revised key assumption values detailed in Table 2 above are provided as attachment 1 for consideration.

RECOMMENDATION

That:

1. Long-Term Financial Plan revised financial estimates report is received.

**Eastern Health Authority
Long Term Financial Plan Model
ESTIMATED COMPREHENSIVE INCOME STATEMENT**

Year Ended 30 June:		2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME													
Constituent Council Contributions	A	1,828,263	1,828,000	1,879,401	1,975,371	2,076,141	2,181,948	2,293,046	2,409,698	2,532,184	2,660,793	2,795,831	2,937,623
Statutory Charges	B	111,391	185,000	192,215	199,712	207,501	215,593	224,001	232,737	241,814	251,245	261,044	271,224
User Charges	C	295,541	407,000	422,873	439,364	456,499	474,303	492,800	512,018	531,987	552,735	574,292	596,689
Grants, subsidies, contributions	D	226,108	301,000	271,179	281,755	292,744	304,161	316,023	328,348	341,154	354,459	368,283	382,646
Investment Income	E	4,320	7,000	26,730	30,221	31,026	34,586	38,806	46,348	56,885	79,373	100,299	125,883
Other Income	G	3,585	11,000	11,429	11,875	12,338	12,819	13,319	13,839	14,378	14,939	15,522	16,127
Total Revenues		2,469,208	2,739,000	2,803,827	2,938,298	3,076,249	3,223,410	3,377,995	3,542,988	3,718,402	3,913,544	4,115,271	4,330,192
EXPENSES													
Employee costs	J	1,750,609	2,014,000	2,092,348	2,173,746	2,258,313	2,346,172	2,437,452	2,532,286	2,630,811	2,733,173	2,839,521	2,950,008
Materials, contracts & other expenses	K	516,677	549,025	548,119	589,919	606,998	624,553	642,600	661,153	680,226	699,833	719,989	740,711
Depreciation	L	168,844	163,843	145,342	145,342	145,342	145,342	145,342	145,342	145,342	32,198	814	0
Finance Costs	M	46,752	42,132	61,193	61,193	63,422	63,546	64,791	26,863	41,483	38,702	35,840	(13,120)
Total Expenses		2,482,882	2,769,000	2,847,002	2,970,200	3,074,075	3,179,613	3,290,185	3,365,644	3,497,862	3,503,906	3,596,164	3,677,599
NET SURPLUS/(DEFICIT)		(13,674)	(30,000)	(43,175)	(31,902)	2,174	43,797	87,810	177,344	220,540	409,638	519,107	652,593
Other Comprehensive Income													
Total Other Comprehensive Income		0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COMPREHENSIVE INCOME		(13,674)	(30,000)	(43,175)	(31,902)	2,174	43,797	87,810	177,344	220,540	409,638	519,107	652,593

Eastern Health Authority
Long Term Financial Plan Model
ESTIMATED BALANCE SHEET

Year Ended 30 June:	2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS												
Current Assets												
Cash & Equivalent Assets	640,883	683,283	744,463	763,858	826,461	899,537	1,024,710	1,196,876	1,555,945	1,890,807	2,298,655	2,833,067
Trade & Other Receivables	231,080	231,080	240,092	249,456	259,185	269,293	279,795	290,707	302,045	313,825	326,064	338,780
Total Current Assets	871,963	914,363	984,555	1,013,314	1,085,646	1,168,830	1,304,505	1,487,583	1,857,990	2,204,632	2,624,719	3,171,847
Non-Current Assets												
Infrastructure, Property, Plant & Equipment	1,214,249	1,050,406	905,064	759,722	614,380	469,038	323,696	178,354	33,012	814	0	0
Total Non-Current Assets	1,214,249	1,050,406	905,064	759,722	614,380	469,038	323,696	178,354	33,012	814	0	0
Total Assets	2,086,212	1,964,769	1,889,619	1,773,036	1,700,026	1,637,868	1,628,201	1,665,937	1,891,002	2,205,446	2,624,719	3,171,847
LIABILITIES												
Current Liabilities												
Trade & Other Payables	133,225	133,225	137,269	135,135	141,205	140,142	142,679	143,424	145,087	146,307	147,767	149,124
Borrowings	91,443	68,619	84,186	99,753	115,320	115,320	153,973	12,446	111,724	117,498	123,500	123,629
Provisions	289,466	289,466	321,767	323,564	341,614	352,121	367,239	380,804	395,989	411,209	427,305	443,883
Total Current Liabilities	514,134	491,310	543,222	558,452	598,139	607,583	663,891	536,674	652,800	675,014	698,572	716,636
Non-Current Liabilities												
Trade & Other Payables	9,860	9,860	10,159	10,001	10,450	10,371	10,559	10,614	10,737	10,827	10,935	11,035
Borrowings	1,010,648	942,029	857,843	758,090	642,770	527,450	373,477	361,031	249,307	131,809	8,309	(115,320)
Total Non-Current Liabilities	1,020,508	951,889	868,002	768,091	653,220	537,821	384,036	371,645	260,044	142,636	19,244	(104,285)
Total Liabilities	1,534,642	1,443,199	1,411,224	1,326,543	1,251,359	1,145,404	1,047,927	908,319	912,844	817,650	717,816	612,351
NET ASSETS	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903	2,559,496
EQUITY												
Accumulated Surplus	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903	2,559,496
TOTAL EQUITY	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903	2,559,496

Eastern Health Authority
Long Term Financial Plan Model
ESTIMATED CASH FLOW STATEMENT

Year Ended 30 June:	2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES												
<u>Receipts</u>												
Constituent Council Contributions		1,828,000	1,870,389	1,966,007	2,066,412	2,171,840	2,282,544	2,398,786	2,520,846	2,649,013	2,783,592	2,924,907
Statutory Charges		185,000	192,215	199,712	207,501	215,593	224,001	232,737	241,814	251,245	261,044	271,224
User Charges		407,000	422,873	439,364	456,499	474,303	492,800	512,018	531,987	552,735	574,292	596,689
Grants, subsidies, contributions		301,000	271,179	281,755	292,744	304,161	316,023	328,348	341,154	354,459	368,283	382,646
Investment Income		7,000	26,730	30,221	31,026	34,586	38,806	46,348	56,885	79,373	100,299	125,883
Other Income		11,000	11,429	11,875	12,338	12,819	13,319	13,839	14,378	14,939	15,522	16,127
<u>Payments</u>												
Employee costs		(2,014,000)	(2,059,748)	(2,172,107)	(2,239,814)	(2,335,744)	(2,422,146)	(2,518,666)	(2,615,503)	(2,717,863)	(2,823,317)	(2,933,330)
Materials, contracts & other expenses		(549,025)	(544,075)	(592,053)	(600,928)	(625,616)	(640,063)	(660,408)	(678,563)	(698,613)	(718,529)	(739,354)
Finance Costs		(42,132)	(61,193)	(61,193)	(63,422)	(63,546)	(64,791)	(26,863)	(41,483)	(38,702)	(35,840)	13,120
Net Cash provided by (or used in) Operating Activities		133,843	129,799	103,581	162,356	188,396	240,493	326,139	371,515	446,586	525,346	657,912
CASH FLOWS FROM FINANCING ACTIVITIES												
<u>Payments</u>												
Repayments of Borrowings		(38,391)	0	0	0	0	0	0	0	0	0	0
Repayment of Finance Lease Liabilities		(53,052)	(68,619)	(84,186)	(99,753)	(115,320)	(115,320)	(153,973)	(12,446)	(111,724)	(117,498)	(123,500)
Net Cash provided by (or used in) Financing Activities		(91,443)	(68,619)	(84,186)	(99,753)	(115,320)	(115,320)	(153,973)	(12,446)	(111,724)	(117,498)	(123,500)
Net Increase/(Decrease) in cash held		42,400	61,180	19,395	62,603	73,076	125,173	172,166	359,069	334,862	407,848	534,412
Opening cash, cash equivalents or (bank overdraft)		640,883	683,283	744,463	763,858	826,461	899,537	1,024,710	1,196,876	1,555,945	1,890,807	2,298,655
Closing cash, cash equivalents or (bank overdr		640,883	683,283	744,463	763,858	826,461	899,537	1,024,710	1,196,876	1,555,945	1,890,807	2,298,655

Eastern Health Authority
 Long Term Financial Plan Model
 ESTIMATED STATEMENT OF CHANGES IN EQUITY

Year Ended 30 June:	2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ACCUMULATED SURPLUS												
Balance at end of previous reporting period	565,244	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903
Net Result for Year	(13,674)	(30,000)	(43,175)	(31,902)	2,174	43,797	87,810	177,344	220,540	409,638	519,107	652,593
Balance at end of period	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903	2,559,496
TOTAL EQUITY AT END OF REPORTING PERIOD	551,570	521,570	478,395	446,493	448,667	492,464	580,274	757,618	978,158	1,387,796	1,906,903	2,559,496

**Eastern Health Authority
Long Term Financial Plan Model
SUMMARY STATEMENT INCLUDING FINANCING TRANSACTIONS**

Year Ended 30 June:	2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Operating Revenues	2,469,208	2,739,000	2,803,827	2,938,298	3,076,249	3,223,410	3,377,995	3,542,988	3,718,402	3,913,544	4,115,271	4,330,192
<i>less Operating Expenses</i>	2,482,882	2,769,000	2,847,002	2,970,200	3,074,075	3,179,613	3,290,185	3,365,644	3,497,862	3,503,906	3,596,164	3,677,599
Operating Surplus/(Deficit) before Capital Amou	(13,674)	(30,000)	(43,175)	(31,902)	2,174	43,797	87,810	177,344	220,540	409,638	519,107	652,593
Less: Net Outlays on Existing Assets												
Capital Expenditure on Renewal/Replacement of Existing Assets	4,545	0	0	0	0	0	0	0	0	0	0	0
<i>less Depreciation, Amortisation & Impairment</i>	168,844	163,843	145,342	145,342	145,342	145,342	145,342	145,342	145,342	32,198	814	0
<i>less Proceeds from Sale of Replaced Assets</i>	0	0	0	0	0	0	0	0	0	0	0	0
	(164,299)	(163,843)	(145,342)	(145,342)	(145,342)	(145,342)	(145,342)	(145,342)	(145,342)	(32,198)	(814)	0
Net Lending / (Borrowing) for Financial Year	150,625	133,843	102,167	113,440	147,516	189,139	233,152	322,686	365,882	441,836	519,921	652,593

KEY FINANCIAL INDICATORS	2022 Actual	2023 Estimate	2024 Plan Year 1	2025 Plan Year 2	2026 Plan Year 3	2027 Plan Year 4	2028 Plan Year 5	2029 Plan Year 6	2030 Plan Year 7	2031 Plan Year 8	2032 Plan Year 9	2033 Plan Year 10
Operating Surplus / (Deficit) - \$'000	(13,674)	(30,000)	(43,175)	(31,902)	2,174	43,797	87,810	177,344	220,540	409,638	519,107	652,593
Operating Surplus Ratio - %	(1)%	(2)%	(2)%	(2)%	0%	2%	4%	7%	9%	15%	19%	22%
Net Financial Liabilities - \$'000	662,679	528,836	426,669	313,229	165,713	(23,426)	(256,578)	(579,264)	(945,146)	(1,386,982)	(1,906,903)	(2,559,496)
Net Financial Liabilities Ratio - %	26.8%	19.3%	15.2%	10.7%	5.4%	(0.7)%	(7.6)%	(16.3)%	(25.4)%	(35.4)%	(46.3)%	(59.1)%
Interest Cover Ratio - %	1.7%	1.3%	1.2%	1.1%	1.1%	0.9%	0.8%	(0.6)%	(0.4)%	(1.1)%	(1.6)%	(3.3)%
Asset Consumption Ratio - %	59%	51%	44%	37%	30%	23%	16%	9%	2%	0%	0%	0%

7.3 EASTERN HEALTH AUTHORITY 2020 CHARTER REVIEW UPDATE

Author: Michael Livori
Ref: AF20/47

Summary

Clause 19 of Schedule 2 of the *Local Government Act 1999* requires that a regional subsidiary has a Charter prepared by its Constituent Councils, and that the Charter is reviewed every 4 years. Clause 12.3(a) of the Charter also requires the review to occur every 4 years. The last review of the Eastern Health Authority Charter was finalised in May 2016. An initial report was considered by the Board at its June 2020 meeting and the review process subsequently commenced. Additional update reports were provided at the meetings of 2 December 2020, 25 February 2021, 21 June 2021 and 17 November 2021. This report provides an update to committee members in relation to the review process.

Report

In March 2021, EHA wrote to its Constituent Councils requesting feedback in relation to a number of proposed amendments to the current EHA Charter and any other feedback in relation to the review process. Subsequently, feedback was received from all Constituent Councils. The full feedback determined that the majority of the proposed changes were unanimously endorsed by all Constituent Councils. There were however a small number of clauses where Constituent Councils had differing or opposing views.

In July 2021 EHA wrote to its Constituent Councils requesting feedback in relation to how the Constituent Councils should move forward to gain consensus on the clauses that have not been unanimously agreed.

It was determined at that time that the review would be placed on hold until the Town of Walkerville (ToW) had completed their considerations in relation to membership of EHA.

On 6 May 2022, EHA was informed by ToW that they had resolved to remain a member of EHA which allowed the review process to recommence.

On 22 June 2022 EHA wrote to all Constituent Councils (attachment 1) providing them with an updated Summary of Charter Amendments Table. A number of clauses had been amended in line with feedback received in response to the July 2021 correspondence sent to Constituent Councils which has assisted with consensus being obtained on those particular matters.

A number of non-consensus items remained unresolved however and a meeting with the Chief Executive Officers of all Constituent Councils was arranged to consider these items on 15 August 2022.

The Summary of Charter Amendments (attachment 2) has now been further updated to reflect the outcome of the discussion at the 15 August 2022 meeting.

In essence, there are now only two matters which require further development so that a draft revised Charter is able to be presented to each Constituent Council for consideration.

1. Clause 9.2 considers Withdrawal of a Member Council and Council CEO's have requested some further refining of the clause in relation to equity considerations.
2. Clauses 2.2 and 2.5 e) f) considers the membership of the Board of Management and the Chair of the Board of Management. CEO's have requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. A clause is being developed and will require input from council administration prior to presentation to councils.

When the work detailed above has been finalised, EHA will provide a copy of the draft revised Charter to Constituent Councils for consideration. Council CEO's have indicated that the matter will be presented to their respective Councils after the November General Election.

In addition to the updated Summary of Amendments Table, I have provided both a marked up version (attachment 3), and a clean version (attachment 4) of the current version of the proposed revised Charter. These versions do not yet contain the refined clause around withdrawal of a member Council and Board of Management structure.

RECOMMENDATION

That:

1. The Eastern Health Authority 2020 Charter Review Update Report is received.

Our Ref: D22/5595

21 June 2022

Letter sent to all Constituent Council CEOs

Dear CEO

RE: Eastern Health Authority (EHA) Charter Review

In July 2021, EHA wrote to its Constituent Councils requesting feedback on how they wished to proceed with the non-consensus items relating to the EHA Charter review. Thank you for your response.

This request was in light of the decision (at that time) by Town of Walkerville (ToW) to withdraw as a member of EHA.

Subsequent to this, EHA were informed that the ToW were considering rescinding their decision to withdraw from EHA. Due to the uncertainty, the EHA Board of Management, at a meeting held on 8 December 2021, resolved to place the Charter review on hold until the matter of ToW membership was resolved.

On 6 May 2022, EHA was informed by ToW that they had resolved to remain a member of EHA which now allows the process to proceed.

I have enclosed with this correspondence an updated Summary of Charter Amendments Table. A number of clauses have been amended in line with feedback received in response to the July 2021 correspondence sent to Constituent Councils which I believe should assist with consensus on those matters.

There are a number of matters however that will require consideration at the meeting (coloured in beige) in relation to obtaining consensus positions.

Amendments previously unanimously agreed have been coloured green in the table.

In addition, the consideration of the arrangements and implications of a Council withdrawing as a member of EHA resulted in the sourcing of expert legal and financial advice. Subsequently, a number of draft amendments have been made to the clause relating to withdrawal of a member council for Constituent Council consideration based on the advice received. This matter has not

been considered previously by Constituent Councils.

Another matter not previously considered is the Civil Liability Protections for Subsidiary Employees. Section 121 of the Local Government Act 1999 provides protection from personal liability for an employee of a council. Legal advice has indicated that these protections do not extend to subsidiary employees. This appears to be a legislative anomaly. A clause has been developed (12.6) for consideration to provide EHA employees the same protections afforded to Council employees.

In addition to the updated Summary of Amendments Table, I have provided both a marked up version, and clean version of the current version of the proposed revised Charter.

To finalise the Charter review process, I would now like to arrange a meeting with all Constituent Council Chief Executive Officers to attempt to gain consensus on all outstanding matters and will shortly be in contact with your office to find a suitable time and date.

Process steps after the meeting, anticipating a consensus position on all clauses will include:

- Formally requesting a resolution from each Constituent Council agreeing to the proposed revised Charter.
- A copy of the Charter as amended, be provided to the Minister for State/Local Government Relations and published on a website in accordance with the Local Government Act requirements.

Please feel free to contact me if you have any queries in relation to the Charter review.

Yours sincerely



Michael Livori
Chief Executive Officer

Eastern Health Authority Charter Review– Non-Consensus Amendments for Consideration – August 2022

Clause	Title	Commentary on amendments for consideration
1.7	Area of Activity	<p>Revised clause allows for approval of an activity outside of the area of the Constituent Councils following unanimous resolution by the Board Members AND concurrence of the Chief Executive Officers of the Constituent Councils. Currently unanimous approval is required from Constituent Councils for this to occur which can take considerable time.</p> <p>Any activity presented for approval by the Board AND Chief Executive Officers of the Constituent Councils would align with the Public Health Services currently detailed in the EHA Annual Business Plan.</p> <p>The revised clause would allow response to opportunities that may be of benefit to EHA and its Constituent Councils in a timelier manner.</p>
<p><u>Previous Constituent Council Comments</u></p> <p>Burnside Make it clear that the activity in an outside area is not to the material detriment of the Constituent Councils. This should be made clear in Clause 1.7(b), or in Clause 1.5 by way of explicit reference to the Constituent Councils (or some other suitable amendment); and Include principles and factors that will be considered when assessing a proposal to undertake an activity outside of the Constituent Councils. Support clause requiring unanimous support of Constituent Council CEO’s.</p> <p>Campbelltown This clause should require unanimous support of the CEO’s (aligning to the unanimous support by Board representatives).</p> <p>Norwood Payneham & St Peters Support the proposed amendment and believe that while the changes suggested by Burnside have no work do are happy to accept them in the interest of obtaining consensus.</p> <p>Walkerville Not supported. No evidence has been presented to Council to suggest that the current process (unanimous resolution of Member Councils) has delayed or prevented “activity outside of the area” from being considered, explored, investigated, or advanced.</p>		

Eastern Health Authority Charter Review– Non-Consensus Amendments for Consideration – August 2022

Clause	Title	Commentary on amendments for consideration
		<p>EHA Administration believe that the recent request by EHA for approval from Constituent Councils to undertake Immunisation service for Unley Council and Adelaide Hills Council, clearly demonstrated the time sensitive nature of tender/quoting processes.</p> <p>The clause has been further revised to require the activity to have a positive impact on EHA and its Constituent Councils in line with Burnside’s request.</p> <p>Constituent Council Chief Executive Officers considered revised clause at meeting of 15 August 2022 and now happy to present to respective Councils for consideration.</p>

Eastern Health Authority Charter Review– Non-Consensus Amendments for Consideration – August 2022

<p>2.1</p>	<p>Board of Management – Functions (specific to Business Plan and Regional Public Health Plan)</p>	<p>Language changed to reflect the LG Act more closely.</p> <p>Reference to developing the Public Health Plan is no longer necessary.</p> <p>In relation to the Business Plan, the Board (as the governing body of EHA through which EHA makes decisions) will adopt the business plan therefore it is not considered necessary to refer to the Board assisting in its development.</p> <p>Consideration to be given to whether there are other functions of the Board to be listed.</p>
<p>Campbelltown Sub-clause f) should be reinstated to enable Board participation in Regional Health Plan and Business Plan development.</p> <p>Norwood Payneham & St Peters The Campbelltown position is not supported on the basis that the suggest change to the Charter correctly distinguishes the role of the EHA Board in considering and either endorsing or rejecting the proposed Business Plan rather than formally contributing to the early stages of development. Nothing in the suggested change to Clause 2.1 prevents the Board from having early informal input into the development of the Annual Business Plan. That said, if other Councils agree with the change, NPSP will recommend to Council to accept the change.</p> <p>Burnside Support Campbelltown’s suggestion.</p>		
<p>Sub-clause g) has been added to acknowledge Board participation in the development of the Business Plan.</p> <p>Constituent Council Chief Executive Officers considered revised clause at meeting of 15 August 2022 and now happy to present to respective Councils for consideration.</p>		

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<p>2.5 e) f)</p>	<p>Chair of the Board</p>	<p>Changed to reflect circumstances where resignation of chair occurs, and Chair is absent. These clauses deal with the following circumstances:</p> <ul style="list-style-type: none"> • when the Chair ceases to be a Board member and therefore ceases to be the Chair of the Board; and • when the Chair is absent, i.e., unavailable to attend to the duties of Chair. In this circumstance, the person occupying the office of Chair is still the Chair but is merely absent, for example on holidays or unwell. <p>In both the above circumstances, the Deputy Chair will act until either a new Chair is elected (in the first circumstance) or the Chair resumes their duties.</p> <p>The EHA Audit Committee suggested the Chair should be an independent member.</p> <p>The Audit Committee rationale for this request is that:</p>
<p>Other</p>	<p>Independent Chair?</p>	<ul style="list-style-type: none"> • It is best practice and good governance; • An Independent Chair is primarily free of Conflicts of Interest (Risk Management); • Able to act as a conciliatory element when and if elements of the Board differ and • The Independent Chair is best placed to manage other Board members’ conflict of interest. <p>Clause 2.6 h) currently prohibits Board Members from receiving remuneration for attendance at meetings. It is unlikely that an Independent Chair would consider this role without remuneration. The market would need to be tested in this regard and it is anticipated that the sitting fee for this role would be in the order of \$450 to \$600 per meeting.</p> <p>The Board considered the feedback from the Audit Committee and were of the collective opinion that the current arrangement where the Chair is elected from Constituent Council Board representatives is suitable when considering the size and structure of EHA and the business transacted at Board meetings.</p>

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Norwood Payneham & St Peters

Agree with the Board’s position that the current arrangement where the Chair is elected from Constituent Council Board representatives is suitable when considering the size and structure of EHA and the business transacted at Board meetings.

Burnside

Agree with NPSP position above

Walkerville

Audit Committee recommendation is supported, namely the Chair of EHA should be an Independent Member.

Campbelltown

Support Walkerville position.

Constituent Council Chief Executive Officers considered clause at meeting of 15 August 2022. CEO’s have requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. Clause is being developed and will require input from council administration prior to presentation to councils.

Eastern Health Authority Charter Review– Non-Consensus Amendments for Consideration – August 2022

<p>3.3</p>	<p>Telephone or video conferencing</p>	<p>3.3 b) – e) to be removed from the Charter and placed into a meeting procedure document to be adopted by EHA dealing with the procedures for electronic meetings and for board members to be able to participate in meetings by electronic means. There will be detailed procedures for how such meetings are to occur and the responsibilities of board members who attend meetings via electronic means.</p>
<p>Campbelltown Procedures should only be determined by the EHA Board, not by the Chief Executive Officer</p> <p>Burnside Procedures should only be determined by the EHA Board, not by the Chief Executive Officer</p> <p>Walkerville Supported, but should be placed in policy document not procedure document, which should be endorsed and reviewed by the Board.</p> <p>Norwood Payneham & St Peters Support amendment and redrafting in relation to Board endorsement.</p>		
<p>Clause 3.3 has been amended to reflect that the procedures are to be determined by the Board of Management</p> <p>Constituent Council Chief Executive Officers considered revised clause at meeting of 15 August 2022 and now happy to present to respective Councils for consideration.</p>		

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<p>8.1 c)</p>	<p>Business Plan</p>	<p>It is not clear based on the current wording of this clause if that only a majority of the Constituent Councils are required to endorse the business plan or only majority of the Constituent Councils are to determine the date the Business Plan is to be provided to them. This should be clarified.</p>
<p>Walkerville and Campbelltown Support the unanimous endorsement of Member Councils not majority.</p> <p>NPSP, Prospect, Burnside Support the current proposed amendment</p>		
<p>Potential issue if one Council has singular position</p> <p>Constituent Council Chief Executive Officers considered proposed amendment at meeting of 15 August 2022 and now happy to present to respective Councils for consideration.</p>		

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<p>8.2 b)</p>	<p>Review and assessment against Business Plan</p>	<p>Consideration of changing date to 15 October to allow additional time to compile required report.</p>
<p>Campbelltown The timeframe for Annual Report submissions should not be extended beyond 30 September as this will impact Council operations and approval of its own Annual Report.</p> <p>Walkerville Not -supported – this amendment refers to the production of the Annual Report, which is currently due by 30 September each year. If council were to support this amendment, we would not be in a position to adopt our Annual Report before November of each year. The <i>Local Government Act 1999</i> requires that Annual Reports must be adopted by 30 November of each year.</p>		
<p>Clause 8.2 b) has been changed back to reflect the due date as 30 September.</p>		

Eastern Health Authority Charter Review– Non-Consensus Amendments for Consideration – August 2022

Additional Issue Raised	
2.2	Membership of the Board
<p>Walkerville Reduce the number of Board Members from two (2) per member Council to one (1) per member Council, with an Independent Chair. Currently there are 10 Board Members. This is considered too unwieldy and should be reduced to five (5) plus an independent Chairperson.</p> <p>Burnside/NPSP Do not Support Walkerville’s Position</p> <p>Campbelltown Supports Walkerville’s’ position</p>	
<p>Constituent Council Chief Executive Officers considered clause at meeting of 15 August 2022. CEO’s have requested that a clause be developed that allows for a Board consisting of an independent chair plus one member from each council and deputy members. Clause is being developed and will require input from council administration prior to presentation to councils.</p>	

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Additional Matters not previously considered relating to

- **Withdrawal of a Member Council**
- **Subsidiary Employee Liability Protection**

9.2

Withdrawal of a Member

As part of the due diligence process in relation to the request from a member to withdraw as a member council, legal and financial advice was obtained.

The legal advice requested included:

- whether a withdrawing member is entitled to an equity distribution;
- the obligations arising under clause 10 of the charter (dispute resolution);
- the effect upon the obligations on EHA under its enterprise agreement;
- how staff redundancy costs are to be treated vis-a vis the withdrawing member; and
- any other considerations

The legal advice received from Kelledy Jones Lawyers regarding the position to be taken by EHA (at that time) was;

1. the Charter is silent and incapable of providing any clear solutions to the issues;
2. to obtain expert financial advice, including by having regard to this legal advice, as to what equity entitlement a withdrawing member might justifiably claim;
3. to consider that, on the basis of it being a persuasive effect in the absence of any prescribed formula, any entitlement claimed by a withdrawing member should have regard to the Function Contribution Calculation Formula – as refined by the difference in the equity position of EHA at the date the withdrawing member became a Constituent Council and at the date of it ceasing to be a Constituent Council;

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4. to undertake a due diligence exercise in respect of all known and potential financial risks to EHA until 30 June 2022 and to provide accordingly for them. In my opinion any payment to the withdrawing member of its percentage of such amounts, will not be payable by 30 June 2023 and will not become payable until the risk is extinguished; and
5. any liability incurred by EHA in the nature of staffing costs, as envisaged at clause 7 (in particular clause 7.7) which included any redundancy costs of the Enterprise Agreement 2019-2022 that are attributable to the withdrawal, are liabilities for the purposes of clause 9.2 of the Charter and paragraph 4 above. However, I expect that on the basis of the provisions of the Charter, that the withdrawing Council will assert that such is not fully recoverable from the withdrawing Council, but only in accordance with its percentage contribution to liabilities that would otherwise be the case. Rather, I expect the withdrawing Council position will be that whilst such will be a deduction from or a set off against, its equity entitlements or are otherwise payable by the withdrawing Council to EHA, they are payable in the agreed percentage as per paragraph 3 above.

The expert financial advice is detailed below;

1. The Authority is established to provide public and environmental health services to its Constituent Councils, rather than each Council individually providing such services.
2. The Authority's Charter states the following key information to support 1 above:
 - a. *"EHA is established by the Constituent Councils for the purpose of providing public and environmental health services primarily to and within the areas of the Constituent Councils"*.
 - b. The Authority is *"to provide high quality, specialist services to the community on behalf of its Constituent Councils"* which *"ensures Constituent Councils are meeting their broad environmental health legislative responsibilities"*.
3. Given 1 and 2 above, the Authority is established with the primary purpose to provide community health services and as such not to enter into services which may be deemed 'commercial' in nature.
4. It would be highly unlikely that the private sector would be interested in acquiring the Authority given the non-commercial nature of its underlying business model. The Balance Sheet of the Authority does not represent the 'value of the business' for the purposes of a commercial transaction for buying/selling the business. The equitable interest in the Balance Sheet of the Constituent Councils therefore has little to no value to the private sector in terms of a commercial investment.

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5. In the event a Constituent Council was to withdraw from the Authority, there are likely additional costs associated with the withdrawal which the current Charter does not address. Examples include staff redundancies (given that current staffing numbers moving forward may well be in excess of requirements) and legal costs. In addition, the fixed operating costs of the Authority will also need to be funded by the remaining Constituent Councils, which may well increase the cost of services and/or Administration charges (e.g., rent, insurance, governance costs, etc.).
6. In light of 5 above, I recommend that the Authority considers introducing clauses in the Charter that requires *“any withdrawing Constituent Council is to reimburse the Authority for any operating costs incurred as a direct result of the withdrawal”*.
7. As previously stated, the Authority was established to provide public and environmental health services to the Constituent Councils – it was not established as a commercial undertaking. Therefore, there should be no expectation from a ‘withdrawing Council’ to receive some monetary exit amount from either the remaining Constituent Councils or the Authority. The only expectation should be that the ‘withdrawing Council’ compensate the Authority for any costs incurred as a direct result.

The information provided above should be read in conjunction with the legal advice provided by Kelledy Jones Lawyers on 14 October 2021 concerning specific matters the Authority needs to consider under the *Local Government Act 1999* should such an event occur.

Sub Clauses 9.2 e) and f) have been included for consideration in line with the legal and financial advice.

Constituent Council Chief Executive Officers considered clause at meeting of 15 August 2022. CEO’s have requested that further work be undertaken on the equity consideration contained within the clause.

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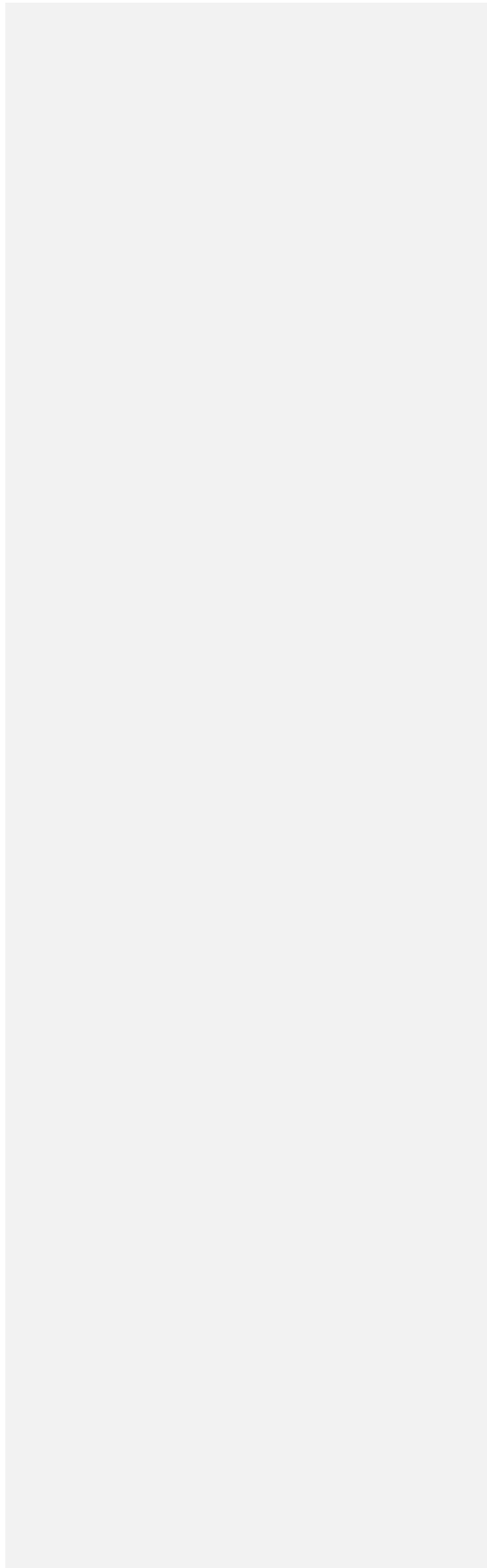
12.6	Civil Liability Protections for EHA Employees	
<p>Section 121 of the Local Government Act 1999 provides protection from personal liability for an employee of a council. Legal advice has indicated that these protections do not extend to subsidiary employees. This appears to be a legislative anomaly.</p> <p>The LGAMLS have been contacted and have been made aware of the anomaly. They have indicated that they would provide the same protection to subsidiary employees, even with the lack of clarity in the legislation.</p> <p>Despite this, legal advice is that a risk of employees of not being indemnified still remains in certain circumstances. In the absence of appropriate legislative change, a clause (12.6) has been drafted to provide certainty in relation to employee indemnity for EHA employees.</p> <p>Clause 12.6 (a) is in the same terms as the protection for council employees in section 121 of the Local Government Act.</p> <p>Clause 12.6 (b) has been drafted in the event a court found that it was beyond the power of EHA to provide that an employee does not incur any civil liability as stated in the clause. The reason there is a small chance of that is that the first clause essentially has the effect that any legal action would need to be commenced against EHA and not the employee. A court may consider that to be beyond the power of EHA.</p> <p>Clause 12.6 (b) has the effect that if an action is commenced against an employee, then whilst the employee would remain a party in that action, EHA agrees to indemnify the employee for any liability.</p> <p>The draft clauses were forwarded to the LGAMLS, and they have indicated that they are comfortable with them being included in the Charter as ultimately the MLS will need to cover any liability of EHA as a result of an employee seeking to rely on the above clauses.</p>		
<p>Clause 12.6 has been added to the Charter for consideration.</p> <p>Constituent Council Chief Executive Officers considered proposed amendment at meeting of 15 August 2022 and now happy to present to respective Councils for consideration.</p>		



Charter 2021



local councils working together to protect the health of the community



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1. EASTERN HEALTH AUTHORITY

1.1. Regional subsidiary

Eastern Health Authority (EHA) is a regional subsidiary established under section 43 of the Act.

1.2. Constituent Councils

The Constituent Councils of EHA are:

- a) City of Norwood Payneham & St Peters;
- b) City of Burnside;
- c) Campbelltown City Council;
- d) City of Prospect; and
- e) The Corporation of the Town of Walkerville,

(Constituent Councils).

1.3. Preamble

The field of Environmental health continues to increase in complexity and diversity, making it difficult for small to medium size councils to attract and retain staff who are experienced and fully skilled across the legislative demands placed on Local Government.

EHA's size, structure and sole focus on environmental health puts it in an ideal position to provide high quality, specialist services to the community on behalf of its Constituent Councils. This in turn ensures Constituent Councils are meeting their broad environmental health legislative responsibilities.

1.4. Purpose

EHA is established by the Constituent Councils for the purpose of providing public and environmental health services primarily to and within the areas of the Constituent Councils.

1.5. Functions

For, or in connection with its purpose, EHA may undertake the following functions:

- a) take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- b) cooperate with other authorities involved in the administration of public and environmental health;
- c) promote and monitor public and environmental health whether in or, so far as the Act and the charter allows, outside the area of the Constituent Councils;

- d) assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001 (SA)*, the *Supported Residential Facilities Act 1992 (SA)*, the *Expiation of Offences Act 1996 (SA)*, the *Housing Improvement Act 1940 (SA)* (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA;
- e) establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- f) provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- g) promote and monitor standards of hygiene and sanitation;
- h) promote and monitor food safety standards;
- i) identify risks to public and environmental health within the areas of the Constituent Councils;
- j) monitor and regulate communicable and infectious disease control;
- k) licence and monitor standards in Supported Residential Facilities;
- l) ensure that remedial action is taken to reduce or eliminate adverse impacts or risks to public and environmental health;
- m) provide, or support the provision of, educational information about public and environmental health and provide or support activities within the areas of the Constituent Councils to preserve, protect or promote public health;
- n) keep the Constituent Councils abreast of any emerging opportunities, trends and issues in public and environmental health; and
- o) any other functions described in the Charter or assigned by the Constituent Councils to EHA consistent with EHA's purpose.

1.6. Powers

EHA has the powers necessary for the carrying out of its functions, and may:

- a) enter into contracts or arrangements with any government agency or authority, or councils, including the Constituent Councils;
- b) appoint, employ, remunerate, remove or suspend officers, managers, employees and agents;

- c) enter into contracts with any person for the acquisition or provision of goods and services;
- d) receive financial contributions from the Constituent Councils;
- e) publish information;
- f) acquire, hold, deal with and dispose of any real or personal property, subject to the requirements of the Constituent Councils;
- g) open and operate bank accounts;
- h) acquire funds for the purpose of its functions or operations by entering into loan agreements;
- i) invest any of the funds of EHA in any investment with the LGA Finance Authority, provided that in exercising this power of investment EHA must:
 - (a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
 - (b) avoid investments that are speculative or hazardous in nature;
- j) raise revenue by applying for grants and other funding from the State of South Australia or the Commonwealth of Australia and their respective agencies or instrumentalities on behalf of the Constituent Councils or on its own behalf.

1.7. **Area of activity**

a) EHA may ~~only~~ undertake an activity, including in relation to one or more of its functions and powers set out in clauses 1.5 and 1.6 outside the area of the Constituent Councils where that activity has been approved by EHA by a unanimous resolution supported unanimously by all the Board Members of EHA currently in office present at the relevant meeting on the basis EHA considers the activity is decision of the Constituent Councils as being necessary or expedient to the performance by EHA of its functions subject to:

(a) the relevant and is an activity being included in the EHA business plan;

(b) there being no material impact on EHA's ability to undertake its functions set out in clause 1.5;

(c) the relevant activity is determined to have a positive impact on EHA and its Constituent Council;

~~(d) EHA obtaining the concurrence of the Chief Executive Officers of the Constituent Councils to EHA undertaking the relevant activity.~~

Commented [ML1]: Clause to b amended to satisfy Burnside comments

1.8. **Common seal**

- a) EHA shall have a common seal upon which its corporate name shall appear in legible characters.
- ~~b) The common seal shall not be used without the authorisation of a resolution of EHA and every use of the common seal shall be recorded in a register.~~
- ~~c) The affixing of the common seal shall be witnessed by the Chair or Deputy Chair or such other Board member as the Board may appoint for the purpose.~~
- ~~d)~~ b) The common seal shall be kept in the custody of the Chief Executive Officer or such other person as EHA may from time to time decide.

2. **BOARD OF MANAGEMENT**

2.1. **Functions**

The Board is ~~the governing body of EHA and is responsible for the administration of the affairs of EHA, managing all activities of EHA. A decision of the Board is a decision of EHA, and ensuring that EHA acts in accordance with the Charter.~~ In addition to the functions of the Board set out in the LG Act the Board ~~The Board~~ will:

- ~~a) take all reasonable and practicable steps to ensure that EHA acts in accordance with the Charter;~~
- ~~a)~~ b) formulate plans and strategies aimed at improving the activities of EHA;
- ~~b)~~ c) provide input and policy direction to EHA;
- ~~c)~~ d) monitor, oversee and evaluate the performance of the Chief Executive Officer;
- ~~d)~~ e) ensure that ethical behaviour and integrity is maintained in all activities undertaken by EHA;
- f) subject to clause 3.10, ensure that the activities of EHA are undertaken in an open and transparent manner; ~~and~~
- ~~e)~~ g) participate in the development of the Business Plan, and assist with the development of the Public Health Plan and Business Plan; ~~and~~

~~f)h)~~ exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.

2.2. **Membership of the Board**

- a) Each Constituent Council must appoint:
 - (a) one elected member; and
 - (b) one other person who may be an officer, employee or elected member of that Constituent Council or an independent person, to be Board members and may at any time revoke these appointments and appoint other persons on behalf of that Constituent Council.
- b) A Board Member shall be appointed for the term of office specified in the instrument of appointment, and at the expiration of the term of office will be eligible for re-appointment by the Constituent Council that appointed that Board Member.
- c) Each Constituent Council must give notice in writing to EHA of the ~~elected members~~ persons it has appointed as Board Members and of any revocation of any of those appointments.
- d) Any person authorised by a Constituent Council may attend (but not participate in) a Board meeting and may have access to papers provided to Board Members for the purpose of the meeting.
- e) The provisions regarding the office of a board member becoming vacant as prescribed in the Act apply to all Board Members.
- f) Where the office of a board member becomes vacant, the relevant Constituent Council will appoint another person as a Board member for the balance of the original term or such other term as the Constituent Council determines.
- g) The Board may by a two thirds majority vote of the Board Members present (excluding the Board Member who is the subject of a recommendation under this clause ~~g)g)g)~~) make a recommendation to the relevant Constituent Council requesting that the Constituent Council terminate the appointment of a Board Member in the event of:
 - (a) any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;
 - (b) serious neglect of duty in attending to their responsibilities as a Board Member;
 - (c) breach of fiduciary duty to EHA, a Constituent Council or the Constituent Councils;

Commented [ML2]: CEO's have asked that the Board Structure be changed to a 6 persons Board, 1 from each council , with an independent chair and deputy Board Members . Can we simply replicate the East Waste Membership/Chair clauses, renaming director to Board Member/ or is there another way of accommodating this.

- (d) breach of the duty of confidentiality to EHA, a Constituent Council or the Constituent Councils;
 - (e) breach of the conflict of interest provisions of the Act; or
 - (f) any other behaviour that may, in the opinion of the Board, discredit EHA a Constituent Council or the Constituent Councils.
- h) The members of the Board shall not be entitled to receive any remuneration in respect of their appointment as a Board Member including their attendance at meetings of the Board or on any other business of ~~the Board~~EHA.

2.3. Conduct of Board Members

- a) Subject to clauses 20(6) and 20(7), Schedule 2 to the Act, the provisions regarding conflict of interest prescribed in the Act apply to Board Members.
- b) Board Members are not required to comply with Division 2, Part 4, Chapter 5 (Register of Interests) of the Act.
- c) Board Members must at all times act in accordance with their duties under the Act.

2.4. Board policies and codes

- a) EHA must, in consultation with the Board Members ensure that appropriate policies, practices and procedures are implemented and maintained in order to:
 - (a) ensure compliance with any statutory requirements; and
 - (b) achieve and maintain standards of good public administration.
- b) EHA will adopt a A code of conduct currently prescribed under section 63 of the Act will apply tofor Board Members as if the Board Members were elected members, except insofar as the prescribed code of conduct is inconsistent with an express provision of the charter or schedule 2 of the Act. In the event of such an inconsistency, the charter or schedule 2 of the Act (as relevant) will prevail to the extent of the inconsistency.
- c) To the extent it is able, tThe Board must, as far as it is reasonable and practicable, ensure that its-EHA's policies are complied with in the conduct of the affairs of EHA and are periodically reviewed and, if appropriate, amended reviewed at regular intervals to be determined by the Board on the recommendation of the audit committee.

- d) The audit committee will develop a schedule for the periodic review of EHA policies by 30 June each year and provide this to the Board for approval.

2.5. Chair of the Board

- a) A Chair and Deputy Chair shall be elected at the first meeting of the Board after a Periodic Election.
- b) The Chair and Deputy Chair shall hold office for a period of one year from the date of the election by the Board.
- c) Where there is more than one nomination for the position of Chair or Deputy Chair, the election shall be decided by ballot.
- d) Both the Chair and Deputy Chair shall be eligible for re-election to their respective offices at the end of the relevant one year term.
- e) If the Chair should cease to be a Board Member, or resign their position as chair, the Deputy Chair may act as the Chair until the election of a new Chair.
- e)f) In the event the Chair is absent the Deputy Chair shall act as the Chair.

2.6. Powers of the Chair and Deputy Chair

- a) The Chair shall preside at all meetings of the Board and, in the event of the Chair being absent from a meeting, the Deputy Chair shall preside. In the event of the Chair and Deputy Chair being absent from a meeting, the Board Members present shall appoint a member from among them, who shall preside for that meeting or until the Chair or Deputy Chair is present.
- b) The Chair and the Deputy Chair individually or collectively shall have such powers as may be decided by the BoardEHA.

2.7. Committees

- a) The BoardEHA may establish a committee for the purpose of:
 - (a) enquiring into and reporting to the Board on any matter within EHA's functions and powers and as detailed in the terms of reference given by the Board to the committee; or
 - (b) exercising, performing or discharging delegated powers, functions or duties.
- b) A member of a committee established under this clause holds office at the pleasure of the BoardEHA.
- c) The Chair of the Board is an *ex-officio* member of any committee or advisory committee established by the BoardEHA.

3. MEETINGS OF THE BOARD

3.1. Ordinary meetings

- a) Ordinary meetings of the Board will take place at such times and places as may be fixed by the Board or where there are no meetings fixed by the Board, by the Chief Executive Officer in consultation with the Chair from time to time, so that there are no less than five ordinary meetings per financial year.
- b) Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and the chief executive officer of each Constituent Council at least three clear days prior to the holding of the meeting.

3.2. Special meetings

- a) Any two Board Members may by delivering a written request to the Chief Executive Officer require a special meeting of the Board to be held.
- b) The request must be accompanied by the proposed agenda for the meeting and any written reports intended to be considered at the meeting (if the proposed agenda is not provided the request is of no effect).
- c) On receipt of the request, the Chief Executive Officer must send a notice of the special meeting to all Board Members and Chief Executive Officers of the Constituent Councils at least four hours prior to the commencement of the special meeting.
- d) The Chair may convene special meetings of the Board at the Chair's discretion without complying with the notice requirements prescribed in clause 3.4 provided always that there is a minimum one-four hours notice given to Board members.

3.3. Telephone or video conferencing

- a) Special meetings of the Board convened under clause 3.2 may occur by telephone or video conference~~electronic means in accordance with procedures determine by the EHA Board of Management or the Chief Executive Officer and~~ provided that at least a quorum is present at all times.
- ~~b) Where one or more Board Members attends a Board meeting by telephone or video conferencing~~~~electronic means, the meeting will be taken to be open to the public, provided that members of the public can hear the discussion between Board members.~~

- c) ~~Each of the Board Members taking part in a meeting via telephone or video conferencing by electronic means must, at all times during the meeting, be able to hear and be heard by the other Board Members present.~~
- d) ~~At the commencement of the meeting by telephone electronic means, each Board Member must announce their presence to all other Board Members taking part in the meeting.~~
- e) ~~Board Members attending a meeting by electronic means must not leave a meeting by disconnecting the electronic means or telephone, audio-visual or other communication equipment, without notifying the Chair of the meeting in advance.~~

3.4. Notice of meetings

- a) Except where clause 3.2 applies, notice of Board meetings must be given in accordance with this clause.
- b) Notice of any meeting of the Board must:
 - (a) be in writing;
 - (b) set out the date, time and place of the meeting;
 - (c) be signed by the Chief Executive Officer;
 - (d) contain, or be accompanied by, the agenda for the meeting; and
 - (e) be accompanied by a copy of any document or report that is to be considered at the meeting (as far as this is practicable).
- c) Notice under clause ~~b) b)~~ may be given to a Board Member:
 - (a) personally;
 - (b) by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member;
 - (c) electronically via email to an email address approved by the Board Member;
 - (d) by leaving the notice at the principal office of the Constituent Council which appointed the Board Member; or
 - (e) by a means authorised in writing by the Board Member being an available means of giving notice.
- d) A notice that is not given in accordance with clause ~~c) c)~~ will be taken to have been validly given if the Chief Executive Officer considers it impracticable to give the notice in accordance with that

clause and takes action that the Chief Executive Officer considers reasonably practicable in the circumstances to bring the notice to the Board Member's attention.

- e) The Chief Executive Officer may indicate on a document or report provided to Board Members that any information or matter contained in or arising from the document or report is confidential until such time as the Board determines whether the document or report will be considered in confidence under clause ~~3.10.b)3.10.b)3.10.b)~~.

3.5. Minutes

- a) The Chief Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board.
- b) Where the Chief Executive Officer is excluded from attendance at a meeting of the Board pursuant to clause ~~3.10.b)3.10.b)3.10.b)~~, the person presiding at the meeting shall cause the minutes to be kept.

3.6. Quorum

- a) A quorum of Board Members is constituted by dividing the total number of Board Members for the time being in office by two, ignoring any fraction resulting from the division and adding one.
- b) No business will be transacted at a meeting unless a quorum is present ~~and maintained during the meeting.~~

3.7. Meeting procedure

- a) ~~The Board~~EHA may determine its own procedures for the conduct of its meetings provided they are not inconsistent with the Act or the charter.
- b) Meeting procedures determined by ~~the Board~~EHA must be documented and be made available to the public.
- c) Where the Board has not determined a procedure to address a particular circumstance, the provisions of Part 2 of the *Local Government (Procedures at Meetings) Regulations 2000* (SA) shall apply.

3.8. Voting

- a) Board Members including the Chair, shall have a deliberative vote. The Chair shall not in the event of a tied vote, have a second or casting vote.
- b) All matters will be decided by simple majority of votes of the Board Members present. In the event of a tied vote the matter will lapse.

- c) Each Board Member present at a meeting, including Board Members attending a meeting by electronic means must vote on a question arising for decision at the meeting.

3.9. Circular resolutions

- ~~a)~~ A valid decision of the Board may be obtained by a proposed resolution in writing given to all Board Members in accordance with procedures determined by the Board, and a resolution made in accordance with such procedures is as valid and effectual as if it had been passed at a meeting of the Board where a simple majority of Board Members vote in favour of the resolution by signing and returning the resolution to the Chief Executive Officer or otherwise giving written notice of their consent and setting out the terms of the resolution to the Chief Executive Officer.

A resolution consented to under clause a) is as valid and effectual as if it had been passed at a meeting of the Board.

3.10. Meetings to be held in public except in special circumstances

- a) Subject to this clause, meetings of the BoardEHA must be conducted in a place open to the public.
- b) The BoardEHA may order that the public be excluded from attendance at any meeting in accordance with the procedure under sections 90(2) and 90(3) of the Act.
- c) An order made under clause ~~b)b)b)~~ must be recorded in the minutes of the meeting including describing the grounds on which the order was made.

3.11. Public inspection of documents

- a) Subject to clause ~~c)c)c)~~, a person is entitled to inspect, without payment of a fee:
- (a) minutes of a Board Meeting;
 - (b) reports received by the Board Meeting; and
 - (c) recommendations presented to the Board in writing and adopted by resolution of the Board.
- b) Subject to clause ~~c)c)c)~~, a person is entitled, on payment to the Board of a fee fixed by the Board, to obtain a copy of any documents available for inspection under clause ~~a)a)a)~~.
- c) Clauses ~~a)a)a)~~ and ~~b)b)b)~~ do not apply in relation to a document or part of a document if:

- (a) the document or part of the document relates to a matter of a kind considered by the Board in confidence under clause ~~3.10.b)3.10.b)3.10.b)~~; and
- (b) the Board orders that the document or part of the document be kept confidential (provided that in so ordering the Board must specify the duration of the order or the circumstances in which it will cease to apply or a period after which it must be reviewed).

3.12. Saving provision

- a) No act or proceeding of EHA is invalid by reason of:
 - (a) a vacancy or vacancies in the membership of the Board; or
 - (b) a defect in the appointment of a Board Member.

4. CHIEF EXECUTIVE OFFICER

4.1. Appointment

- a) ~~The Board~~EHA shall appoint a Chief Executive Officer to manage the business of EHA on a fixed term performance based employment contract, which does not exceed five years in duration.
- b) At the expiry of a Chief Executive Officer's contract, the Board may reappoint the same person as Chief Executive Officer on a new contract of no greater than five years duration.

4.2. Responsibilities

- a) The Chief Executive Officer is responsible to ~~the Board~~EHA for the execution of decisions taken by ~~the Board~~EHA and for the efficient and effective management of the affairs of EHA.
- b) The Chief Executive Officer shall cause records to be kept of all activities and financial affairs of EHA in accordance with the charter, in addition to other duties provided for by the charter and those specified in the terms and conditions of appointment.

4.3. Functions of the Chief Executive Officer

The functions of the Chief Executive Officer ~~shall be specified in the terms and conditions of appointment and will include to: terms to the effect that the Chief Executive Officer's functions may:~~

- a) ensure that the policies, procedures, codes of conduct and any lawful decisions of EHA are implemented and promulgated in a timely and efficient manner;

- b) undertake responsibility for the day to day operations and affairs of EHA;
- c) provide advice, assistance and reports to EHA through the Board in the exercise and performance of its powers and functions under the charter and the Act;
- d) initiate and co-ordinate proposals for consideration by EHA for developing objectives, policies and programs for the Constituent Council areas;
- e) provide information to EHA to assist EHA to assess performance against EHA plans;
- f) ensure that timely and accurate information about EHA policies and programs is regularly provided to the communities of the Constituent Councils;
- g) ensure that appropriate and prompt responses are given to specific requests for information made to EHA and, where appropriate, the Constituent Councils;
- h) ensure that the assets and resources of EHA are properly managed and maintained;
- i) maintain records that EHA and the Constituent Councils are required to maintain under the charter, the Act or another Act in respect of EHA;
- j) ensure sound principles of human resource management, health and safety to the employment of staff by EHA, including the principles listed in section 107(2) of the Act;
- k) ensure compliance with the obligations under *Work Health and Safety Act 2012* (SA) of both EHA and the Chief Executive Officer (as an 'officer' of EHA within the meaning of the WHS Act); and
- l) exercise, perform or discharge other powers, functions or duties conferred on the Chief Executive Officer by the charter, and to perform other functions lawfully directed by [the BoardEHA](#);
- l)m) [such other functions as may be specified in the terms and conditions of appointment of the Chief Executive Officer.](#)

4.4. Acting Chief Executive Officer

- a) Where an absence of the Chief Executive Officer is foreseen, the Chief Executive Officer may appoint a suitable person to act as Chief Executive Officer, [provided that the BoardEHA may determine to revoke the Acting Chief Executive Officer's appointment and appoint an alternative person as Acting Chief Executive Officer.](#)

- b) If the Chief Executive Officer does not make or is incapable of making an appointment under clause ~~a)a)a)~~, a suitable person will be appointed by ~~the Board~~EHA.

5. STAFF OF EHA

- a) ~~_____~~ EHA may employ any staff required for the fulfilment of its functions.
- b) ~~_____~~ ~~The Chief Executive Officer is responsible for appointing, managing, suspending and dismissing the other employees of EHA (on behalf of EHA).~~
- ~~conditions on which staff are employed will be determined by the Chief Executive Officer.~~
- c) ~~_____~~ The Chief Executive Officer must ensure that an appointment under ~~this clause~~ is consistent with strategic policies and budgets approved by EHA.
- d) ~~_____~~ The Chief Executive Officer must, in acting under ~~this clause~~ comply with any relevant Act, award or industrial agreement.
- e) ~~_____~~ Suspension of an employee by the Chief Executive Officer does not affect a right to remuneration in respect of the period of suspension.

6. REGIONAL PUBLIC HEALTH PLAN

6.1. ~~Obligation to prepare~~

- a) ~~_____~~ EHA must prepare for the Constituent Councils a draft regional public health plan for the purposes of the South Australian Public Health Act.
- b) ~~_____~~ The draft Regional Public Health Plan must be:
- (a) ~~_____~~ in the form determined or approved by the Minister; and
- (b) ~~_____~~ consistent with the State Public Health Plan.
- c) ~~_____~~ In drafting the Regional Public Health Plan, EHA will take into account:
- (a) ~~_____~~ any guidelines prepared or adopted by the Minister to assist councils prepare regional public health plans; and
- (b) ~~_____~~ in so far as is reasonably practicable give due consideration to the regional public health plans of other councils where relevant to issues or activities under the Regional Public Health Plan.

6.2. ~~Contents~~

~~The Regional Public Health Plan must:~~

- a) ~~comprehensively assess the state of public health in the areas of the Constituent Councils;~~
- b) ~~identify existing and potential public health risks and provide for strategies for addressing and eliminating or reducing those risks;~~
- c) ~~identify opportunities and outline strategies for promoting public health in the areas of the Constituent Councils;~~
- d) ~~address any public health issues specified by the Minister; and~~
- e) ~~include information as to:

 - (a) ~~the state and condition of public health within the area of the Constituent Councils and related trends;~~
 - (b) ~~environmental, social, economic and practical considerations relating to public health within the area of the Constituent Councils; and~~
 - (c) ~~other prescribed matters; and~~~~
- f) ~~include such other information or material contemplated by the SA Public Health Act or regulations made under that Act.~~

6.3. ~~Consultation~~

- a) ~~EHA will submit the draft Regional Public Health Plan to the Constituent Councils for approval for the plan to be provided, on behalf of the Constituent Councils, to:

 - (a) ~~the Minister;~~
 - (b) ~~any incorporated hospital established under the *Health Care Act 2008* (SA) that operates a facility within the area of the Constituent Councils;~~
 - (c) ~~any relevant Public Health Authority Partner; and~~
 - (d) ~~any other person prescribed by regulation made under the SA Public Health Act.~~~~
- b) ~~Once approved by the Constituent Councils, EHA will, on behalf of the Constituent Councils, submit a copy of the draft Regional Public Health Plan to the entities listed in clause a) and consult with the Chief Public Health Officer and the public on the draft Public Health Authority Partner.~~
- c) ~~EHA will provide an amended copy of the Regional Public Health Plan to the Constituent Councils which takes into account comments received through consultation under clause b).~~

~~6.4. Adoption of a Regional Public Health Plan~~

~~Each Constituent Council will determine whether or not to adopt the draft Regional Public Health Plan submitted to it by EHA under clause 6.3.c).~~

6.5.6.1. Implementation of a Regional Public Health Plan

EHA is responsible for undertaking any strategy and for attaining any priority or goal which the Regional Public Health Plan specifies as EHA's responsibility.

6.6.6.2. Review

EHA will, in conjunction with the Constituent Councils, review the ~~current~~ Regional Public Health Plan every five years or at shorter time intervals as directed by the Constituent Councils.

6.7.6.3. Reporting

a) EHA will on a biennial basis, on behalf of the Constituent Councils, ~~prepare coordinate the preparation of~~ a draft report that contains a comprehensive assessment of the extent to which, during the reporting period, EHA and the Constituent Councils have succeeded in implementing the Regional Public Health Plan.

~~b) The reporting period for the purposes of clause a) is the two years ending on 30 June preceding the drafting of the report.~~

~~c)b) EHA will comply with guidelines issued by the Chief Public Health Officer in respect of the preparation of reports on regional public health plans.~~

~~d)c) EHA will submit the draft report to the Constituent Councils for approval for the draft report to be provided to the Chief Public Health Officer by 30 June 2014 on behalf of the constituent councils as required.~~

7. FUNDING AND FINANCIAL MANAGEMENT

7.1. Financial management

- a) EHA shall keep proper books of account. Books of account must be available for inspection by any Board Member or authorised representative of any Constituent Council at any reasonable time on request.
- b) EHA must meet the obligations set out in the *Local Government (Financial Management) Regulations 2011* (SA).
- c) The Chief Executive Officer must act prudently in the handling of all financial transactions for EHA and must provide financial reports to the Board at its meetings and if requested, the Constituent Councils.

7.2. **Bank account**

- a) EHA must establish and maintain a bank account with such banking facilities and at a bank to be determined by the Board.
- b) All cheques must be signed by two persons authorised by resolution of the Board.
- c) Any payments made by electronic funds transfer must be made in accordance with procedures approved by the external auditor.

7.3. **Budget**

- a) EHA must prepare a proposed budget for each financial year in accordance with clause 25, Schedule 2 to the Act.
- b) The proposed budget must be referred to the Board at its April meeting and to the Chief Executive Officers of the Constituent Councils by 30 April each year.
- c) A Constituent Council may comment in writing to EHA on the proposed budget by 31 May each year.
- d) EHA must, after 31 May but before the end of June in each financial year, finalise and adopt an annual budget for the ensuing financial year in accordance with clause 25, Schedule 2 to the Act.

7.4. **Funding contributions**

- a) Constituent Councils shall be liable to contribute monies to EHA each financial year for its proper operation.
- b) The contribution to be paid by a Constituent Council for any financial year shall be determined by calculating the Constituent Council's proportion of EHA's overall activities in accordance with the Funding Contribution Calculation Formula (see Schedule 1).
- c) Constituent Council contributions shall be paid in two equal instalments due respectively on 1 July and 1 January each year.
- d) The method of determining contributions can be changed with the written approval of not less than two thirds of the Constituent Councils. Where the method for calculating contributions is changed, the revised methodology will apply from the date determined by not less than two thirds of the Constituent Councils.
- e) If a council becomes a new Constituent Council after the first day of July in any financial year, the contribution payable by that council for that year will be calculated on the basis of the number of whole months (or part thereof) remaining in that year.

7.5. **Financial reporting**

- a) The Board shall present a balance sheet and the audited financial statements for the immediately previous financial year to the Constituent Councils by 31 August each year.
- b) The financial year for EHA is 1 July of a year to 30 June in the subsequent year.

7.6. **Audit**

- a) The Board shall appoint an external auditor in accordance with the *Local Government (Financial Management) Regulations 2011 (SA)*.
- b) The audit of financial statements of EHA, together with the accompanying report from the external auditor, shall be submitted to the Chief Executive Officer and the Board.
- c) The books of account and financial statements shall be audited at least once per year.
- d) EHA will maintain an audit committee as required by, and to fulfil the functions set out in, clause 30, Schedule 2 to the Act.

7.7. **Liability**

The liabilities incurred and assumed by EHA are guaranteed by all Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula.

7.8. **Insolvency**

In the event of EHA becoming insolvent, the Constituent Councils will be responsible for all liabilities of EHA in proportion to the percentage contribution calculated for each Constituent Council for the financial year prior to the year of the insolvency.

7.9. **Insurance and superannuation requirements**

- a) EHA shall register with the LGA Mutual Liability Scheme and comply with the rules of that scheme.
- b) EHA shall register with the LGA Asset Mutual Fund or otherwise advise the Local Government Risk Services of its insurance requirements relating to local government special risks in respect of buildings, structures, vehicles and equipment under the management, care and control of EHA.
- c) ~~If EHA employs any person it~~As an employer, EHA shall register with Statewide Super and the LGA Workers Compensation Scheme and comply with the rules of those schemes.

8. BUSINESS PLAN

8.1. Contents of the Business Plan

- a) EHA must each year develop in accordance with this clause a business plan which supports and informs its annual budget.
- b) In addition to the requirements for the Business Plan set out in clause 24(6) of Schedule 2 to the Act, the Business Plan will include:
 - (a) a description of how EHA's functions relate to the delivery of the Regional Public Health Plan and the Business Plan;
 - (b) financial estimates of revenue and expenditure necessary for the delivery of the Regional Public Health Plan;
 - (c) performance targets which EHA is to pursue in respect of the Regional Public Health Plan.
- c) A draft of the Business Plan will be provided to the Constituent Councils ~~on a date to be determined~~ for the endorsement of the majority of those councils.
- d) The Board must provide a copy of the adopted annual Business Plan and budget to the Chief Executive Officers of each Constituent Council within five business days of its adoption.

8.2. Review and assessment against the Business Plan

- a) The Board must:
 - (a) compare the achievement of the Business Plan against performance targets for EHA at least once every financial year;
 - (b) in consultation with the Constituent Councils review the contents of the Business Plan on an annual basis; and
 - (c) consult with the Constituent Councils prior to amending the Business Plan.
- b) EHA must submit to the Constituent Councils, by 30 September each year in respect of the immediately preceding financial year, an annual report on the work and operations of EHA detailing achievement of the aims and objectives of its Business Plan and incorporating any other information or report as required by the Constituent Councils.

9. MEMBERSHIP

9.1. New Members

The charter may be amended by the unanimous agreement of the Constituent Councils and the approval of the Minister to provide for the admission of a new Constituent Council or Councils, with or without conditions of membership.

9.2. Withdrawal of a member

- a) Subject to any legislative requirements, including but not limited to ministerial approval, a Constituent Council may resign from EHA at any time by giving a minimum 12 months notice to take effect from 30 June in the financial year after which the notice period has expired, unless otherwise agreed by unanimous resolution of the other Constituent Councils.
- b) Valid notice for the purposes of clause ~~a)a)a)~~ is notice in writing given to the Chief Executive Officer and each of the Constituent Councils.
- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.
- d) Payment of monies outstanding under the charter, by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal occurs unless there is a unanimous agreement as to alternative payment arrangements by the Constituent Councils.
- e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.
- d)f) The withdrawing Constituent Council is not automatically entitled to any retained equity upon exit, and any financial distribution shall be unanimously agreed by the remaining Constituent Councils.

10. DISPUTE RESOLUTION

- a) The procedure in this clause must be applied to any dispute that arises between EHA and a Constituent Council concerning the affairs of EHA, or between the Constituent Councils concerning the affairs of EHA, including a dispute as to the meaning or effect of the charter and whether the dispute concerns a claim in common law, equity or under statute.
- b) EHA and a Constituent Council must continue to observe the charter and perform its respective functions despite a dispute.
- c) This clause does not prejudice the right of a party:
 - (a) to require the continuing observance and performance of the charter by all parties: or

- (b) to institute proceedings to enforce payment due under the charter or to seek injunctive relief to prevent immediate and irreparable harm.
- d) Subject to clause ~~c)c)c)~~, pending completion of the procedure set out in clauses ~~e)e)e)~~ to ~~i)i)i)~~, a dispute must not be the subject of legal proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this clause, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause 10.
- e) **Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute of:
- (a) the nature of the dispute, giving reasonable details;
- (b) what action (if any) the party giving notice seeks to resolve the dispute.
- A failure to give notice under this clause ~~e)e)~~ does not entitle any other party to damages.
- f) **Step 2: Request for a meeting of the parties:** A party providing notice of a dispute under clause ~~e)e)~~ may at the same or a later time notify each other party to the dispute that the notifying party requires a meeting within 14 business days.
- g) **Step 3: Meeting of senior managers:** Where a meeting is requested under clause ~~f)f)f)~~, a senior manager of each party must attend a meeting with the Board in good faith to attempt to resolve the dispute.
- h) **Step 4: Meeting of chief executive officers:** Where a meeting of senior managers held under clause ~~g)g)g)~~ fails to resolve the dispute, the chief executive officers of EHA and each of the Constituent Councils must attend a meeting in good faith to attempt to resolve the dispute.
- i) **Step 5: Mediation:** If the meeting held under clause ~~h)h)h)~~ fails to resolve the dispute, then the dispute may be referred to mediation by any party to the dispute.
- j) Where a dispute is referred to mediation under clause ~~i)i)i)~~:
- (a) the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 days, a mediator nominated by the President of the South Australian Bar Association (or equivalent office of any successor organisation);

- (b) the role of the mediator is to assist in negotiating a resolution of a dispute;
- (c) a mediator may not make a decision binding on a party unless the parties agree to be so bound either at the time the mediator is appointed or subsequently;
- (d) the mediation will occur at EHA's principal office or any other convenient location agreed by both parties;
- (e) a party is not required to spend more than the equivalent of one business day in mediation of a dispute;
- (f) each party to a dispute will cooperate in arranging and expediting the mediation, including by providing information in the possession or control of the party reasonably sought by the mediator in relation to the dispute;
- (g) each party will send a senior manager authorised to resolve the dispute to the mediation;
- (h) the mediator may exclude lawyers acting for the parties in dispute;
- (i) the mediator may retain persons to provide expert assistance to the mediator;
- (j) a party in dispute may withdraw from mediation if in the reasonable opinion of that party, the mediator is not acting in confidence or with good faith, or is acting for a purpose other than resolving the dispute;
- (k) unless otherwise agreed in writing:
 - (i) everything that occurs before the mediator is in confidence and in closed session;
 - (ii) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent legal proceedings by a party;
 - (iii) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party; and
 - (iv) the parties in dispute must report back to the mediator within 14 days on actions taken based on the outcomes of the mediation; and

- (l) each party to the dispute must bear its own costs in respect of the mediation, plus an equal share of the costs and expenses of the mediator.

11. WINDING UP

- a) EHA may be wound up by the Minister acting upon a unanimous resolution of the Constituent Councils or by the Minister in accordance with clause 33(1)(b), Schedule 2 of the Act.
- b) In the event of EHA being wound up, any surplus assets after payment of all expenses shall be returned to the Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.
- c) If there are insufficient funds to pay all expenses due by EHA on winding up, a levy shall be imposed on all Constituent Councils in the proportion determined under the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.

12. MISCELLANEOUS

12.1. Action by the Constituent Councils

The obligations of EHA under the charter do not derogate from the power of the Constituent Councils to jointly act in any manner prudent to the sound management and operation of EHA, provided that the Constituent Councils have first agreed by resolution of each Constituent Council as to the action to be taken.

12.2. Direction by the Constituent Councils

Any direction given to EHA by the Constituent Councils must be jointly given by the Constituent Councils to the Board of EHA by a notice or notices in writing.

12.3. Alteration and review of charter

- a) The charter will be reviewed by the Constituent Councils acting jointly at least once in every four years.
- b) The charter can only be amended by unanimous resolution of the Constituent Councils.
- c) Notice of a proposed alteration to the charter must be given by the Chief Executive Officer to all Constituent Councils at least four weeks prior to the Council meeting at which the alteration is proposed.
- d) The Chief Executive Officer must ensure that [a copy of the charter, as amended, is published on a website \(or websites\) determined by the chief executive officers of the Constituent Councils, a notice of the fact](#)

~~of the amendment and a website address at which the charter is available for inspection is published in the Gazette and a copy of the charter, as amended, is provided to the Minister, the amended charter is published in the *South Australian Government Gazette*, a copy of the amended charter is provided to the Minister and a copy is tabled for noting at the next Board meeting.~~

12.4. Access to information

A Constituent Council and a Board Member each has a right to inspect and take copies of the books and records of EHA for any proper purpose.

12.5. Circumstances not provided for

- a) If any circumstances arise about which the charter is silent or which are, incapable of taking effect or being implemented the Board or the Chief Executive Officer may decide the action to be taken to ensure achievement of the objects of EHA and its effective administration.
- ~~b)~~ Where the Chief Executive Officer acts in accordance with clause ~~a) a)~~ he or she shall report that decision at the next Board meeting.

12.6. Civil liability Protection for Subsidiary employees

- ~~a) No civil liability attaches to an employee of EHA for an honest act or omission in the exercise performance or discharge or purported exercise performance or discharge of powers functions and duties of the employee under the Local Government Act 1999 or any other Act.~~
- ~~b) EHA must indemnify its employees against any civil liability incurred by the employee of for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of powers, functions or duties under the Local Government Act 1999 or any other Act.~~

13. INTERPRETATION

13.1. Glossary

Term	Definition
Act	<i>Local Government Act 1999 (SA)</i>
Board	board of management of EHA
Board Member	a member of EHA board appointed for the purposes of clause 2.2 of the charter.
Business Plan	a business plan compiled in accordance with part 8 of the charter
Chief Executive Officer	The chief executive officer of EHA
Chief Public Health Officer	the officer of that name appointed under the SA Public Health Act
Constituent Council	a council listed in clause 1.2 of the charter or admitted under clause 9.1.
EHA	Eastern Health Authority
Funding Contribution Calculation Formula	the formula set out in Schedule 1 to the charter.
LGA	Local Government Association of SA
LGA Asset Mutual Fund	means the fund of that name provided by Local Government Risk Services
LGA Mutual Liability Scheme	means the scheme of that name conducted by the LGA.
LGA Workers Compensation Scheme	a business unit of the Local Government Association of South Australia.
Minister	South Australian Minister for Health and Aging
Periodic Election	has the meaning given in the <i>Local Government (Elections) Act 1999 (SA)</i> .

Public Health Authority Partner	is an entity prescribed or declared to be a public health authority partner pursuant to the SA Public Health Act
Regional Public Health Plan	the plan prepared under part 6 of the charter for the areas of the Constituent Councils.
SA Public Health Act	<i>South Australian Public Health Act 2011 (SA)</i>
State Public Health Plan	means the plan of that name under the SA Public Health Act
Statewide Super	Statewide Superannuation Pty Ltd ABN 62 008 099 223
Supported Residential Facility	has the meaning given in the <i>Supported Residential Facilities Act 1992 (SA)</i> .

13.2. Interpreting the charter

- a) The charter will come into effect on the date it is published in the *South Australian Government Gazette*.
- b) The charter supersedes previous charters of the Eastern Health Authority.
- c) The charter must be read in conjunction with Schedule 2 to the Act.
- d) EHA shall conduct its affairs in accordance with Schedule 2 to the Act except as modified by the charter as permitted by Schedule 2 to the Act.
- e) Despite any other provision in the charter:
 - (a) if the Act prohibits a thing being done, the thing may not be done;
 - (b) if the Act requires a thing to be done, that thing must be done; and
 - (c) if a provision of the charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from the charter to the extent of the inconsistency.

Schedule 1 – Funding Contribution Calculation Formula

The funding contribution required from each Constituent Council is based on an estimated proportion of EHA's overall activities occurring within its respective area.

The estimated proportion is determined using the Funding Contribution Calculation Formula which is detailed on the following page.

In the formula, activities conducted by EHA on behalf of Constituent Councils have been weighted according to their estimated proportion of overall activities (see table below).

It should be noted that the weighted proportion allocated to administration is divided evenly between the Constituent Councils.

A calculation of each Constituent Councils proportion of resources used for a range of different activities is made. This occurs annually during the budget development process and is based on the best available data from the preceding year.

The formula determines the overall proportion of estimated use for each council by applying the weighting to each activity.

Activity	Weighted % of Activities
Administration – (5% Fixed and 7.5% Variable)	12.5%
Food Safety Activity	35.0%
Environmental Health Complaints	7.0%
Supported Residential Facilities	6.5%
Cooling Towers	6.5%
Skin Penetration	0.5%
Swimming Pools	2%
Number of Year 8 & 9 Enrolments	15.0%
Number of clients attending clinics	15.0%
Total	100%

Activity Description	Code	Activity weighting	Constituent Council -1	Constituent Council - 2	Constituent Council - 3	Constituent Council - 4	Constituent Council - 5	Total
Administration – Fixed Allocation (to be shared evenly.)	A1	12.5%	12.5%/ CC	12.5%/ CC	12.5%/ CC	12.5%/ CC	512.5%/ CC	12.5%
Administration – Variable Allocation	A2	7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	7.5%
Food Safety Activity.	B	35%	(N/B) x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	(N/B) x AW(N/B)x AW	35%2 8.5%
Environmental Health Complaints	C	7%	(N/C) x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	(N/C) x AW(N/C)x AW	7%11 %
Supported Residential Facilities.	D	6.5%	(N/D) x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	(N/D) x AW(N/D)x AW	6.5%1 0%
High Risk Manufactured Water Systems	E	6.5%	(N/E) x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	(N/E) x AW(N/E)x AW	6.5%3 %
Skin Penetration	F	0.5%	(N/F) x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	(N/F) x AW(N/F)x AW	0.5%2 %
Public Access Swimming Pools.	G	2%	(N/G) x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	(N/G) x AW(N/G)x AW	2%3%
School enrolments vaccinated	H	15.0%	(N/H) x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	(N/H) x AW(N/H)x AW	15.0% 15%
Clients attending public clinics	I	15.0%	(N/I) x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	(N/I) x AW(N/I)x AW	15.0% 15%
Total Proportion of contribution			Sum A-I	Sum A-I	Sum A-I	Sum A-I	Sum A-I	100%

- N = Number in Constituent Council area.
- B through to I = Total number in all Constituent Councils.
- AW = Activity weighting.
- CC = Number of Constituent Councils (example provided uses five (5) Constituent Councils)



eha EASTERN
HEALTH
AUTHORITY

Charter 2021



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1. EASTERN HEALTH AUTHORITY

1.1. Regional subsidiary

Eastern Health Authority (EHA) is a regional subsidiary established under section 43 of the Act.

1.2. Constituent Councils

The Constituent Councils of EHA are:

- a) City of Norwood Payneham & St Peters;
- b) City of Burnside;
- c) Campbelltown City Council;
- d) City of Prospect; and
- e) The Corporation of the Town of Walkerville,

(Constituent Councils).

1.3. Preamble

The field of Environmental health continues to increase in complexity and diversity, making it difficult for small to medium size councils to attract and retain staff who are experienced and fully skilled across the legislative demands placed on Local Government.

EHA's size, structure and sole focus on environmental health puts it in an ideal position to provide high quality, specialist services to the community on behalf of its Constituent Councils. This in turn ensures Constituent Councils are meeting their broad environmental health legislative responsibilities.

1.4. Purpose

EHA is established by the Constituent Councils for the purpose of providing public and environmental health services primarily to and within the areas of the Constituent Councils.

1.5. Functions

For, or in connection with its purpose, EHA may undertake the following functions:

- a) take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils;
- b) cooperate with other authorities involved in the administration of public and environmental health;
- c) promote and monitor public and environmental health whether in or, so far as the Act and the charter allows, outside the area of the Constituent Councils;

- d) assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act, the *Food Act 2001* (SA), the *Supported Residential Facilities Act 1992* (SA), the *Expiation of Offences Act 1996* (SA), the *Housing Improvement Act 1940* (SA) (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA;
- e) establish objectives and policy priorities for the promotion and protection of public and environmental health within the areas of the Constituent Councils;
- f) provide immunisation programs for the protection of public health within the areas of the Constituent Councils or to ensure that such programs are provided;
- g) promote and monitor standards of hygiene and sanitation;
- h) promote and monitor food safety standards;
- i) identify risks to public and environmental health within the areas of the Constituent Councils;
- j) monitor and regulate communicable and infectious disease control;
- k) licence and monitor standards in Supported Residential Facilities;
- l) ensure that remedial action is taken to reduce or eliminate adverse impacts or risks to public and environmental health;
- m) provide, or support the provision of, educational information about public and environmental health and provide or support activities within the areas of the Constituent Councils to preserve, protect or promote public health;
- n) keep the Constituent Councils abreast of any emerging opportunities, trends and issues in public and environmental health; and
- o) any other functions described in the Charter or assigned by the Constituent Councils to EHA consistent with EHA's purpose.

1.6. Powers

EHA has the powers necessary for the carrying out of its functions, and may:

- a) enter into contracts or arrangements with any government agency or authority, or councils, including the Constituent Councils;
- b) appoint, employ, remunerate, remove or suspend officers, managers, employees and agents;

- c) enter into contracts with any person for the acquisition or provision of goods and services;
- d) receive financial contributions from the Constituent Councils;
- e) publish information;
- f) acquire, hold, deal with and dispose of any real or personal property, subject to the requirements of the Constituent Councils;
- g) open and operate bank accounts;
- h) acquire funds for the purpose of its functions or operations by entering into loan agreements;
- i) invest any of the funds of EHA in any investment with the LGA Finance Authority, provided that in exercising this power of investment EHA must:
 - (a) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and
 - (b) avoid investments that are speculative or hazardous in nature;
- j) raise revenue by applying for grants and other funding from the State of South Australia or the Commonwealth of Australia and their respective agencies or instrumentalities on behalf of the Constituent Councils or on its own behalf.

1.7. Area of activity

- a) EHA may undertake an activity, including in relation to one or more of its functions and powers set out in clauses 1.5 and 1.6 outside the area of the Constituent Councils where that activity has been approved by a resolution supported unanimously by all the Board Members of EHA present at the relevant meeting on the basis EHA considers the activity is necessary or expedient to the performance by EHA of its functions subject to:
 - (a) the relevant activity being included in the EHA business plan;
 - (b) there being no material impact on EHA's ability to undertake its functions set out in clause 1.5;
 - (c) the relevant activity is determined to have a positive impact on EHA and its Constituent Council;

- (d) EHA obtaining the concurrence of the Chief Executive Officers of the Constituent Councils to EHA undertaking the relevant activity.

1.8. **Common seal**

- a) EHA shall have a common seal upon which its corporate name shall appear in legible characters.
- b) The common seal shall be kept in the custody of the Chief Executive Officer or such other person as EHA may from time to time decide.

2. **BOARD OF MANAGEMENT**

2.1. **Functions**

The Board is the governing body of EHA and is responsible for the administration of the affairs of EHA. A decision of the Board is a decision of EHA.. In addition to the functions of the Board set out in the LG Act the Board will:

- a) take all reasonable and practicable steps to ensure that EHA acts in accordance with the Charter;
- b) formulate plans and strategies aimed at improving the activities of EHA;
- c) provide input and policy direction to EHA;
- d) monitor, oversee and evaluate the performance of the Chief Executive Officer;
- e) ensure that ethical behaviour and integrity is maintained in all activities undertaken by EHA;
- f) subject to clause 3.10, ensure that the activities of EHA are undertaken in an open and transparent manner;
- g) participate in the development of the Business Plan, and
- h) exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons.

2.2. **Membership of the Board**

- a) Each Constituent Council must appoint:
 - (a) one elected member; and
 - (b) one other person who may be an officer, employee or elected member of that Constituent Council or an independent person, to be Board members and may at any time revoke these appointments and appoint other persons on behalf of that Constituent Council.

- b) A Board Member shall be appointed for the term of office specified in the instrument of appointment, and at the expiration of the term of office will be eligible for re-appointment by the Constituent Council that appointed that Board Member.
- c) Each Constituent Council must give notice in writing to EHA of the persons it has appointed as Board Members and of any revocation of any of those appointments.
- d) Any person authorised by a Constituent Council may attend (but not participate in) a Board meeting and may have access to papers provided to Board Members for the purpose of the meeting.
- e) The provisions regarding the office of a board member becoming vacant as prescribed in the Act apply to all Board Members.
- f) Where the office of a board member becomes vacant, the relevant Constituent Council will appoint another person as a Board member for the balance of the original term or such other term as the Constituent Council determines.
- g) The Board may by a two thirds majority vote of the Board Members present (excluding the Board Member who is the subject of a recommendation under this clause g)) make a recommendation to the relevant Constituent Council requesting that the Constituent Council terminate the appointment of a Board Member in the event of:
 - (a) any behaviour of the Board Member which in the opinion of the Board amounts to impropriety;
 - (b) serious neglect of duty in attending to their responsibilities as a Board Member;
 - (c) breach of fiduciary duty to EHA, a Constituent Council or the Constituent Councils;
 - (d) breach of the duty of confidentiality to EHA, a Constituent Council or the Constituent Councils;
 - (e) breach of the conflict of interest provisions of the Act; or
 - (f) any other behaviour that may, in the opinion of the Board, discredit EHA a Constituent Council or the Constituent Councils.
- h) The members of the Board shall not be entitled to receive any remuneration in respect of their appointment as a Board Member including their attendance at meetings of the Board or on any other business of EHA.

2.3. **Conduct of Board Members**

- a) Subject to clauses 20(6) and 20(7), Schedule 2 to the Act, the provisions regarding conflict of interest prescribed in the Act apply to Board Members.
- b) Board Members are not required to comply with Division 2, Part 4, Chapter 5 (Register of Interests) of the Act.
- c) Board Members must at all times act in accordance with their duties under the Act.

2.4. **Board policies and codes**

- a) EHA must, ensure that appropriate policies, practices and procedures are implemented and maintained in order to:
 - (a) ensure compliance with any statutory requirements; and
 - (b) achieve and maintain standards of good public administration.
- b) EHA will adopt a code of conduct for Board Members.
- c) The Board must, as far as it is reasonable and practicable, ensure that EHA's policies are complied with in the conduct of the affairs of EHA and are reviewed at regular intervals to be determined by the Board on the recommendation of the audit committee.
- d) The audit committee will develop a schedule for the periodic review of EHA policies by 30 June each year and provide this to the Board for approval.

2.5. **Chair of the Board**

- a) A Chair and Deputy Chair shall be elected at the first meeting of the Board after a Periodic Election.
- b) The Chair and Deputy Chair shall hold office for a period of one year from the date of the election by the Board.
- c) Where there is more than one nomination for the position of Chair or Deputy Chair, the election shall be decided by ballot.
- d) Both the Chair and Deputy Chair shall be eligible for re-election to their respective offices at the end of the relevant one year term.
- e) If the Chair should cease to be a Board Member, or resign their position as chair, the Deputy Chair may act as the Chair until the election of a new Chair.
- f) In the event the Chair is absent the Deputy Chair shall act as the Chair.

2.6. Powers of the Chair and Deputy Chair

- a) The Chair shall preside at all meetings of the Board and, in the event of the Chair being absent from a meeting, the Deputy Chair shall preside. In the event of the Chair and Deputy Chair being absent from a meeting, the Board Members present shall appoint a member from among them, who shall preside for that meeting or until the Chair or Deputy Chair is present.
- b) The Chair and the Deputy Chair individually or collectively shall have such powers as may be decided by EHA.

2.7. Committees

- a) EHA may establish a committee for the purpose of:
 - (a) enquiring into and reporting to the Board on any matter within EHA's functions and powers and as detailed in the terms of reference given by the Board to the committee; or
 - (b) exercising, performing or discharging delegated powers, functions or duties.
- b) A member of a committee established under this clause holds office at the pleasure of EHA.
- c) The Chair of the Board is an *ex-officio* member of any committee established by EHA.

3. MEETINGS OF THE BOARD

3.1. Ordinary meetings

- a) Ordinary meetings of the Board will take place at such times and places as may be fixed by the Board or where there are no meetings fixed by the Board, by the Chief Executive Officer in consultation with the Chair from time to time, so that there are no less than five ordinary meetings per financial year.
- b) Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and the chief executive officer of each Constituent Council at least three clear days prior to the holding of the meeting.

3.2. Special meetings

- a) Any two Board Members may by delivering a written request to the Chief Executive Officer require a special meeting of the Board to be held.

- b) The request must be accompanied by the proposed agenda for the meeting and any written reports intended to be considered at the meeting (if the proposed agenda is not provided the request is of no effect).
- c) On receipt of the request, the Chief Executive Officer must send a notice of the special meeting to all Board Members and Chief Executive Officers of the Constituent Councils at least four hours prior to the commencement of the special meeting.
- d) The Chair may convene special meetings of the Board at the Chair's discretion without complying with the notice requirements prescribed in clause 3.4 provided always that there is a minimum four hours notice given to Board members.

3.3. Telephone or video conferencing

- a) Special meetings of the Board convened under clause 3.2 may occur by electronic means in accordance with procedures determine by the EHA Board of Management and provided that at least a quorum is present at all times.

3.4. Notice of meetings

- a) Except where clause 3.2 applies, notice of Board meetings must be given in accordance with this clause.
- b) Notice of any meeting of the Board must:
 - (a) be in writing;
 - (b) set out the date, time and place of the meeting;
 - (c) be signed by the Chief Executive Officer;
 - (d) contain, or be accompanied by, the agenda for the meeting; and
 - (e) be accompanied by a copy of any document or report that is to be considered at the meeting (as far as this is practicable).
- c) Notice under clause b) may be given to a Board Member:
 - (a) personally;
 - (b) by delivering the notice (whether by post or otherwise) to the usual place of residence of the Board Member or to another place authorised in writing by the Board Member;
 - (c) electronically via email to an email address approved by the Board Member;

- (d) by leaving the notice at the principal office of the Constituent Council which appointed the Board Member; or
 - (e) by a means authorised in writing by the Board Member being an available means of giving notice.
- d) A notice that is not given in accordance with clause c) will be taken to have been validly given if the Chief Executive Officer considers it impracticable to give the notice in accordance with that clause and takes action that the Chief Executive Officer considers reasonably practicable in the circumstances to bring the notice to the Board Member's attention.
- e) The Chief Executive Officer may indicate on a document or report provided to Board Members that any information or matter contained in or arising from the document or report is confidential until such time as the Board determines whether the document or report will be considered in confidence under clause 3.10.b).

3.5. Minutes

- a) The Chief Executive Officer must cause minutes to be kept of the proceedings at every meeting of the Board.
- b) Where the Chief Executive Officer is excluded from attendance at a meeting of the Board pursuant to clause 3.10.b), the person presiding at the meeting shall cause the minutes to be kept.

3.6. Quorum

- a) A quorum of Board Members is constituted by dividing the total number of Board Members for the time being in office by two, ignoring any fraction resulting from the division and adding one.
- b) No business will be transacted at a meeting unless a quorum is present .

3.7. Meeting procedure

- a) EHA may determine its own procedures for the conduct of its meetings provided they are not inconsistent with the Act or the charter.
- b) Meeting procedures determined by EHA must be documented and be made available to the public.
- c) Where the Board has not determined a procedure to address a particular circumstance, the provisions of Part 2 of the *Local Government (Procedures at Meetings) Regulations 2000* (SA) shall apply.

3.8. Voting

- a) Board Members including the Chair, shall have a deliberative vote. The Chair shall not in the event of a tied vote, have a second or casting vote.
- b) All matters will be decided by simple majority of votes of the Board Members present. In the event of a tied vote the matter will lapse.
- c) Each Board Member present at a meeting, including Board Members attending a meeting by electronic means must vote on a question arising for decision at the meeting.

3.9. Circular resolutions

A valid decision of the Board may be obtained by a proposed resolution in writing given to all Board Members in accordance with procedures determined by the Board, and a resolution made in accordance with such procedures is as valid and effectual as if it had been passed at a meeting of the Board..

3.10. Meetings to be held in public except in special circumstances

- a) Subject to this clause, meetings of EHA must be conducted in a place open to the public.
- b) EHA may order that the public be excluded from attendance at any meeting in accordance with the procedure under sections 90(2) and 90(3) of the Act.
- c) An order made under clause b) must be recorded in the minutes of the meeting including describing the grounds on which the order was made.

3.11. Public inspection of documents

- a) Subject to clause c), a person is entitled to inspect, without payment of a fee:
 - (a) minutes of a Board Meeting;
 - (b) reports received by the Board Meeting; and
 - (c) recommendations presented to the Board in writing and adopted by resolution of the Board.
- b) Subject to clause c), a person is entitled, on payment to the Board of a fee fixed by the Board, to obtain a copy of any documents available for inspection under clause a).
- c) Clauses a) and b) do not apply in relation to a document or part of a document if:

- (a) the document or part of the document relates to a matter of a kind considered by the Board in confidence under clause 3.10.b); and
- (b) the Board orders that the document or part of the document be kept confidential (provided that in so ordering the Board must specify the duration of the order or the circumstances in which it will cease to apply or a period after which it must be reviewed).

3.12. Saving provision

- a) No act or proceeding of EHA is invalid by reason of:
 - (a) a vacancy or vacancies in the membership of the Board; or
 - (b) a defect in the appointment of a Board Member.

4. CHIEF EXECUTIVE OFFICER

4.1. Appointment

- a) EHA shall appoint a Chief Executive Officer to manage the business of EHA on a fixed term performance based employment contract, which does not exceed five years in duration.
- b) At the expiry of a Chief Executive Officer's contract, the Board may reappoint the same person as Chief Executive Officer on a new contract of no greater than five years duration.

4.2. Responsibilities

- a) The Chief Executive Officer is responsible to EHA for the execution of decisions taken by EHA and for the efficient and effective management of the affairs of EHA.
- b) The Chief Executive Officer shall cause records to be kept of all activities and financial affairs of EHA in accordance with the charter, in addition to other duties provided for by the charter and those specified in the terms and conditions of appointment.

4.3. Functions of the Chief Executive Officer

The functions of the Chief Executive Officer include to::

- a) ensure that the policies, procedures, codes of conduct and any lawful decisions of EHA are implemented and promulgated in a timely and efficient manner;
- b) undertake responsibility for the day to day operations and affairs of EHA;

- c) provide advice, assistance and reports to EHA through the Board in the exercise and performance of its powers and functions under the charter and the Act;
- d) initiate and co-ordinate proposals for consideration by EHA for developing objectives, policies and programs for the Constituent Council areas;
- e) provide information to EHA to assist EHA to assess performance against EHA plans;
- f) ensure that timely and accurate information about EHA policies and programs is regularly provided to the communities of the Constituent Councils;
- g) ensure that appropriate and prompt responses are given to specific requests for information made to EHA and, where appropriate, the Constituent Councils;
- h) ensure that the assets and resources of EHA are properly managed and maintained;
- i) maintain records that EHA and the Constituent Councils are required to maintain under the charter, the Act or another Act in respect of EHA;
- j) ensure sound principles of human resource management, health and safety to the employment of staff by EHA, including the principles listed in section 107(2) of the Act;
- k) ensure compliance with the obligations under *Work Health and Safety Act 2012* (SA) of both EHA and the Chief Executive Officer (as an 'officer' of EHA within the meaning of the WHS Act); and
- l) exercise, perform or discharge other powers, functions or duties conferred on the Chief Executive Officer by the charter, and to perform other functions lawfully directed by EHA;
- m) such other functions as may be specified in the terms and conditions of appointment of the Chief Executive Officer.

4.4. **Acting Chief Executive Officer**

- a) Where an absence of the Chief Executive Officer is foreseen, the Chief Executive Officer may appoint a suitable person to act as Chief Executive Officer.
- b) If the Chief Executive Officer does not make or is incapable of making an appointment under clause a), a suitable person will be appointed by EHA.

5. STAFF OF EHA

- a) EHA may employ any staff required for the fulfilment of its functions.
- b) The Chief Executive Officer is responsible for appointing, managing, suspending and dismissing the other employees of EHA (on behalf of EHA).
- c) The Chief Executive Officer must ensure that an appointment under this clause is consistent with strategic policies and budgets approved by EHA.
- d) The Chief Executive Officer must, in acting under this clause comply with any relevant Act, award or industrial agreement.
- e) Suspension of an employee by the Chief Executive Officer does not affect a right to remuneration in respect of the period of suspension.

6. REGIONAL PUBLIC HEALTH PLAN

6.1. Implementation of a Regional Public Health Plan

EHA is responsible for undertaking any strategy and for attaining any priority or goal which the Regional Public Health Plan specifies as EHA's responsibility.

6.2. Review

EHA will, in conjunction with the Constituent Councils, review the Regional Public Health Plan every five years or at shorter time intervals as directed by the Constituent Councils.

6.3. Reporting

- a) EHA will on a biennial basis, on behalf of the Constituent Councils, coordinate the preparation of a draft report that contains a comprehensive assessment of the extent to which, during the reporting period, EHA and the Constituent Councils have succeeded in implementing the Regional Public Health Plan.
- b) EHA will comply with guidelines issued by the Chief Public Health Officer in respect of the preparation of reports on regional public health plans.
- c) EHA will submit the draft report to the Chief Public Health Officer on behalf of the constituent councils as required.

7. FUNDING AND FINANCIAL MANAGEMENT

7.1. Financial management

- a) EHA shall keep proper books of account. Books of account must be available for inspection by any Board Member or authorised representative of any Constituent Council at any reasonable time on request.
- b) EHA must meet the obligations set out in the *Local Government (Financial Management) Regulations 2011 (SA)*.
- c) The Chief Executive Officer must act prudently in the handling of all financial transactions for EHA and must provide financial reports to the Board at its meetings and if requested, the Constituent Councils.

7.2. Bank account

- a) EHA must establish and maintain a bank account with such banking facilities and at a bank to be determined by the Board.
- b) All cheques must be signed by two persons authorised by resolution of the Board.
- c) Any payments made by electronic funds transfer must be made in accordance with procedures approved by the external auditor.

7.3. Budget

- a) EHA must prepare a proposed budget for each financial year in accordance with clause 25, Schedule 2 to the Act.
- b) The proposed budget must be referred to the Board at its April meeting and to the Chief Executive Officers of the Constituent Councils by 30 April each year.
- c) A Constituent Council may comment in writing to EHA on the proposed budget by 31 May each year.
- d) EHA must, after 31 May but before the end of June in each financial year, finalise and adopt an annual budget for the ensuing financial year in accordance with clause 25, Schedule 2 to the Act.

7.4. Funding contributions

- a) Constituent Councils shall be liable to contribute monies to EHA each financial year for its proper operation.
- b) The contribution to be paid by a Constituent Council for any financial year shall be determined by calculating the Constituent Council's proportion of EHA's overall activities in accordance with the Funding Contribution Calculation Formula (see Schedule 1).

- c) Constituent Council contributions shall be paid in two equal instalments due respectively on 1 July and 1 January each year.
- d) The method of determining contributions can be changed with the written approval of not less than two thirds of the Constituent Councils. Where the method for calculating contributions is changed, the revised methodology will apply from the date determined by not less than two thirds of the Constituent Councils.
- e) If a council becomes a new Constituent Council after the first day of July in any financial year, the contribution payable by that council for that year will be calculated on the basis of the number of whole months (or part thereof) remaining in that year.

7.5. Financial reporting

- a) The Board shall present a balance sheet and the audited financial statements for the immediately previous financial year to the Constituent Councils by 31 August each year.
- b) The financial year for EHA is 1 July of a year to 30 June in the subsequent year.

7.6. Audit

- a) The Board shall appoint an external auditor in accordance with the *Local Government (Financial Management) Regulations 2011 (SA)*.
- b) The audit of financial statements of EHA, together with the accompanying report from the external auditor, shall be submitted to the Chief Executive Officer and the Board.
- c) The books of account and financial statements shall be audited at least once per year.
- d) EHA will maintain an audit committee as required by, and to fulfil the functions set out in, clause 30, Schedule 2 to the Act.

7.7. Liability

The liabilities incurred and assumed by EHA are guaranteed by all Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula.

7.8. Insolvency

In the event of EHA becoming insolvent, the Constituent Councils will be responsible for all liabilities of EHA in proportion to the percentage contribution calculated for each Constituent Council for the financial year prior to the year of the insolvency.

7.9. Insurance and superannuation requirements

- a) EHA shall register with the LGA Mutual Liability Scheme and comply with the rules of that scheme.
- b) EHA shall register with the LGA Asset Mutual Fund or otherwise advise the Local Government Risk Services of its insurance requirements relating to local government special risks in respect of buildings, structures, vehicles and equipment under the management, care and control of EHA.
- c) As an employer, EHA shall register with Statewide Super and the LGA Workers Compensation Scheme and comply with the rules of those schemes.

8. BUSINESS PLAN

8.1. Contents of the Business Plan

- a) EHA must each year develop in accordance with this clause a business plan which supports and informs its annual budget.
- b) In addition to the requirements for the Business Plan set out in clause 24(6) of Schedule 2 to the Act, the Business Plan will include:
 - (a) a description of how EHA's functions relate to the delivery of the Regional Public Health Plan and the Business Plan;
 - (b) financial estimates of revenue and expenditure necessary for the delivery of the Regional Public Health Plan;
 - (c) performance targets which EHA is to pursue in respect of the Regional Public Health Plan.
- c) A draft of the Business Plan will be provided to the Constituent Councils for the endorsement of the majority of those councils.
- d) The Board must provide a copy of the adopted annual Business Plan and budget to the Chief Executive Officers of each Constituent Council within five business days of its adoption.

8.2. Review and assessment against the Business Plan

- a) The Board must:
 - (a) compare the achievement of the Business Plan against performance targets for EHA at least once every financial year;
 - (b) in consultation with the Constituent Councils review the contents of the Business Plan on an annual basis; and
 - (c) consult with the Constituent Councils prior to amending the Business Plan.

- b) EHA must submit to the Constituent Councils, by 30 September each year in respect of the immediately preceding financial year, an annual report on the work and operations of EHA detailing achievement of the aims and objectives of its Business Plan and incorporating any other information or report as required by the Constituent Councils.

9. MEMBERSHIP

9.1. New Members

The charter may be amended by the unanimous agreement of the Constituent Councils and the approval of the Minister to provide for the admission of a new Constituent Council or Councils, with or without conditions of membership.

9.2. Withdrawal of a member

- a) Subject to any legislative requirements, including but not limited to ministerial approval, a Constituent Council may resign from EHA at any time by giving a minimum 12 months notice to take effect from 30 June in the financial year after which the notice period has expired, unless otherwise agreed by unanimous resolution of the other Constituent Councils.
- b) Valid notice for the purposes of clause a) is notice in writing given to the Chief Executive Officer and each of the Constituent Councils.
- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.
- d) Payment of monies outstanding under the charter, by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal occurs unless there is a unanimous agreement as to alternative payment arrangements by the Constituent Councils.
- e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.
- f) The withdrawing Constituent Council is not automatically entitled to any retained equity upon exit, and any financial distribution shall be unanimously agreed by the remaining Constituent Councils.

10. DISPUTE RESOLUTION

- a) The procedure in this clause must be applied to any dispute that arises between EHA and a Constituent Council concerning the affairs of EHA,

or between the Constituent Councils concerning the affairs of EHA, including a dispute as to the meaning or effect of the charter and whether the dispute concerns a claim in common law, equity or under statute.

- b) EHA and a Constituent Council must continue to observe the charter and perform its respective functions despite a dispute.
- c) This clause does not prejudice the right of a party:
 - (a) to require the continuing observance and performance of the charter by all parties: or
 - (b) to institute proceedings to enforce payment due under the charter or to seek injunctive relief to prevent immediate and irreparable harm.
- d) Subject to clause c), pending completion of the procedure set out in clauses e) to i), a dispute must not be the subject of legal proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this clause, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause 10.
- e) **Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute of:
 - (a) the nature of the dispute, giving reasonable details;
 - (b) what action (if any) the party giving notice seeks to resolve the dispute.

A failure to give notice under this clause e) does not entitle any other party to damages.
- f) **Step 2: Request for a meeting of the parties:** A party providing notice of a dispute under clause e) may at the same or a later time notify each other party to the dispute that the notifying party requires a meeting within 14 business days.
- g) **Step 3: Meeting of senior managers:** Where a meeting is requested under clause f), a senior manager of each party must attend a meeting with the Board in good faith to attempt to resolve the dispute.
- h) **Step 4: Meeting of chief executive officers:** Where a meeting of senior managers held under clause g) fails to resolve the dispute, the chief executive officers of EHA and each of the Constituent Councils must attend a meeting in good faith to attempt to resolve the dispute.

- i) **Step 5: Mediation:** If the meeting held under clause h) fails to resolve the dispute, then the dispute may be referred to mediation by any party to the dispute.
- j) Where a dispute is referred to mediation under clause i):
 - (a) the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 days, a mediator nominated by the President of the South Australian Bar Association (or equivalent office of any successor organisation);
 - (b) the role of the mediator is to assist in negotiating a resolution of a dispute;
 - (c) a mediator may not make a decision binding on a party unless the parties agree to be so bound either at the time the mediator is appointed or subsequently;
 - (d) the mediation will occur at EHA's principal office or any other convenient location agreed by both parties;
 - (e) a party is not required to spend more than the equivalent of one business day in mediation of a dispute;
 - (f) each party to a dispute will cooperate in arranging and expediting the mediation, including by providing information in the possession or control of the party reasonably sought by the mediator in relation to the dispute;
 - (g) each party will send a senior manager authorised to resolve the dispute to the mediation;
 - (h) the mediator may exclude lawyers acting for the parties in dispute;
 - (i) the mediator may retain persons to provide expert assistance to the mediator;
 - (j) a party in dispute may withdraw from mediation if in the reasonable opinion of that party, the mediator is not acting in confidence or with good faith, or is acting for a purpose other than resolving the dispute;
 - (k) unless otherwise agreed in writing:
 - (i) everything that occurs before the mediator is in confidence and in closed session;
 - (ii) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent legal proceedings by a party;

- (iii) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party; and
- (iv) the parties in dispute must report back to the mediator within 14 days on actions taken based on the outcomes of the mediation; and
- (l) each party to the dispute must bear its own costs in respect of the mediation, plus an equal share of the costs and expenses of the mediator.

11. WINDING UP

- a) EHA may be wound up by the Minister acting upon a unanimous resolution of the Constituent Councils or by the Minister in accordance with clause 33(1)(b), Schedule 2 of the Act.
- b) In the event of EHA being wound up, any surplus assets after payment of all expenses shall be returned to the Constituent Councils in the proportions specified in the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.
- c) If there are insufficient funds to pay all expenses due by EHA on winding up, a levy shall be imposed on all Constituent Councils in the proportion determined under the Funding Contribution Calculation Formula prior to the passing of the resolution to wind up.

12. MISCELLANEOUS

12.1. Action by the Constituent Councils

The obligations of EHA under the charter do not derogate from the power of the Constituent Councils to jointly act in any manner prudent to the sound management and operation of EHA, provided that the Constituent Councils have first agreed by resolution of each Constituent Council as to the action to be taken.

12.2. Direction by the Constituent Councils

Any direction given to EHA by the Constituent Councils must be jointly given by the Constituent Councils to the Board of EHA by a notice or notices in writing.

12.3. Alteration and review of charter

- a) The charter will be reviewed by the Constituent Councils acting jointly at least once in every four years.

- b) The charter can only be amended by unanimous resolution of the Constituent Councils.
- c) Notice of a proposed alteration to the charter must be given by the Chief Executive Officer to all Constituent Councils at least four weeks prior to the Council meeting at which the alteration is proposed.
- d) The Chief Executive Officer must ensure that a copy of the charter, as amended, is published on a website (or websites) determined by the chief executive officers of the Constituent Councils, a notice of the fact of the amendment and a website address at which the charter is available for inspection is published in the Gazette and a copy of the charter, as amended, is provided to the Minister.

12.4. Access to information

A Constituent Council and a Board Member each has a right to inspect and take copies of the books and records of EHA for any proper purpose.

12.5. Circumstances not provided for

- a) If any circumstances arise about which the charter is silent or which are, incapable of taking effect or being implemented the Board or the Chief Executive Officer may decide the action to be taken to ensure achievement of the objects of EHA and its effective administration.
- b) Where the Chief Executive Officer acts in accordance with clause a) he or she shall report that decision at the next Board meeting.

12.6. Civil liability Protection for Subsidiary employees

- a) No civil liability attaches to an employee of EHA for an honest act or omission in the exercise performance or discharge or purported exercise performance or discharge of powers functions and duties of the employee under the Local Government Act 1999 or any other Act.
- b) EHA must indemnify its employees against any civil liability incurred by the employee of for an honest act or omission in the exercise, performance or discharge, or purported exercise, performance or discharge, of powers, functions or duties under the Local Government Act 1999 or any other Act.

13. INTERPRETATION

13.1. Glossary

Term	Definition
Act	<i>Local Government Act 1999 (SA)</i>
Board	board of management of EHA
Board Member	a member of EHA board appointed for the purposes of clause 2.2 of the charter.
Business Plan	a business plan compiled in accordance with part 8 of the charter
Chief Executive Officer	The chief executive officer of EHA
Chief Public Health Officer	the officer of that name appointed under the SA Public Health Act
Constituent Council	a council listed in clause 1.2 of the charter or admitted under clause 9.1.
EHA	Eastern Health Authority
Funding Contribution Calculation Formula	the formula set out in Schedule 1 to the charter.
LGA	Local Government Association of SA
LGA Asset Mutual Fund	means the fund of that name provided by Local Government Risk Services
LGA Mutual Liability Scheme	means the scheme of that name conducted by the LGA.
LGA Workers Compensation Scheme	a business unit of the Local Government Association of South Australia.
Minister	South Australian Minister for Health and Aging
Periodic Election	has the meaning given in the <i>Local Government (Elections) Act 1999 (SA)</i> .

Public Health Authority Partner	is an entity prescribed or declared to be a public health authority partner pursuant to the SA Public Health Act
Regional Public Health Plan	the plan prepared under part 6 of the charter for the areas of the Constituent Councils.
SA Public Health Act	<i>South Australian Public Health Act 2011 (SA)</i>
State Public Health Plan	means the plan of that name under the SA Public Health Act
Statewide Super	Statewide Superannuation Pty Ltd ABN 62 008 099 223
Supported Residential Facility	has the meaning given in the <i>Supported Residential Facilities Act 1992 (SA)</i> .

13.2. Interpreting the charter

- a) The charter will come into effect on the date it is published in the *South Australian Government Gazette*.
- b) The charter supersedes previous charters of the Eastern Health Authority.
- c) The charter must be read in conjunction with Schedule 2 to the Act.
- d) EHA shall conduct its affairs in accordance with Schedule 2 to the Act except as modified by the charter as permitted by Schedule 2 to the Act.
- e) Despite any other provision in the charter:
 - (a) if the Act prohibits a thing being done, the thing may not be done;
 - (b) if the Act requires a thing to be done, that thing must be done; and
 - (c) if a provision of the charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from the charter to the extent of the inconsistency.

Schedule 1 – Funding Contribution Calculation Formula

The funding contribution required from each Constituent Council is based on an estimated proportion of EHA's overall activities occurring within its respective area.

The estimated proportion is determined using the Funding Contribution Calculation Formula which is detailed on the following page.

In the formula, activities conducted by EHA on behalf of Constituent Councils have been weighted according to their estimated proportion of overall activities (see table below).

It should be noted that the weighted proportion allocated to administration is divided evenly between the Constituent Councils.

A calculation of each Constituent Councils proportion of resources used for a range of different activities is made. This occurs annually during the budget development process and is based on the best available data from the preceding year.

The formula determines the overall proportion of estimated use for each council by applying the weighting to each activity.

Activity	Weighted % of Activities
Administration – (5% Fixed and 7.5% Variable)	12.5%
Food Safety Activity	35.0%
Environmental Health Complaints	7.0%
Supported Residential Facilities	6.5%
Cooling Towers	6.5%
Skin Penetration	0.5%
Swimming Pools	2%
Number of Year 8 & 9 Enrolments	15.0%
Number of clients attending clinics	15.0%
Total	100%

Activity Description	Code	Activity weighting	Constituent Council -1	Constituent Council - 2	Constituent Council - 3	Constituent Council - 4	Constituent Council - 5	Total
Administration – Fixed Allocation	A1	5%	5%/ CC	5%/ CC	5%/ CC	5%/ CC	5%/ CC	5%
Administration – Variable Allocation	A2	7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	(Sum B-I / 87.5%) x 7.5%	7.5%
Food Safety Activity.	B	35%	(N/B) x AW	(N/B) x AW	(N/B) x AW	(N/B) x AW	(N/B) x AW	35%
Environmental Health Complaints	C	7%	(N/C) x AW	(N/C) x AW	(N/C) x AW	(N/C) x AW	(N/C) x AW	7%
Supported Residential Facilities.	D	6.5%	(N/D) x AW	(N/D) x AW	(N/D) x AW	(N/D) x AW	(N/D) x AW	6.5%
High Risk Manufactured Water Systems	E	6.5%	(N/E) x AW	(N/E) x AW	(N/E) x AW	(N/E) x AW	(N/E) x AW	6.5%
Skin Penetration	F	0.5%	(N/F) x AW	(N/F) x AW	(N/F) x AW	(N/F) x AW	(N/F) x AW	0.5%
Public Access Swimming Pools.	G	2%	(N/G) x AW	(N/G) x AW	(N/G) x AW	(N/G) x AW	(N/G) x AW	2%
School enrolments vaccinated	H	15.0%	(N/H) x AW	(N/H) x AW	(N/H) x AW	(N/H) x AW	(N/H) x AW	15.0%
Clients attending public clinics	I	15.0%	(N/I) x AW	(N/I) x AW	(N/I) x AW	(N/I) x AW	(N/I) x AW	15.0%
Total Proportion of contribution			Sum A-I	Sum A-I	Sum A-I	Sum A-I	Sum A-I	100%

- N = Number in Constituent Council area.
B through to I = Total number in all Constituent Councils.
AW = Activity weighting.
CC = Number of Constituent Councils (example provided uses five (5) Constituent Councils)

7.4 RISK AND OPPORTUNITY MANAGEMENT – UPDATED CORPORATE RISK SUMMARY

Author: Michael Livori
Ref: AF18/81

Summary

The Risk and Opportunity Management Policy and Framework for Eastern Health Authority (EHA) contemplate the analysis of organisational risks. A Corporate Risk Summary has been developed to assist with the assessment and maintenance of organisational risk.

A review of the Corporate Risk Summary has been undertaken by administrative staff and a revised risk summary was considered by the Audit Committee at its meeting held on 18 August 2021. A number of further changes were made to the revised risk summary which is now provided to the Board of Management for information.

Report

It is important that EHA is pursuing its objectives and fulfilling its responsibilities with due diligence and accountability. To this end EHA must manage its risks in order to protect its employees, assets, liabilities and Constituent Councils against potential losses. Managing risks also assists in minimising uncertainty in achieving EHA goals and objectives and to maximise EHA opportunities.

A copy of the current Corporate Risk Summary with suggested changes detailed as tracked changes is provided as attachment 1.

Items of note include:

- Service Review has been completed and report provided to Board and Audit Committee (out of session).
- CIT Disaster Recovery Plan completed.
- A number of timing changes.

A copy of an amended Corporate Risk Summary with these changes accepted is provided as attachment 2.

RECOMMENDATION

That:

1. The Risk and Opportunity Management – Updated Corporate Risk Summary Report is received.
2. The updated Corporate Risk Summary marked as attachment 2 to this report is endorsed.



Eastern Health Authority Corporate Risk Summary

Corporate Risk Summary

	Risk Description	Initial Risk Rating	Revised Consequence	Revised Likelihood	Revised Risk Rating
1.	Serious breach of legislation (other than WH&S) ¹ duty of care, standards and agreements threatening operations.	HIGH	4	A	MODERATE
2.	WH&S system fails to prevent serious WHS injury	HIGH	4	C	HIGH
3.	Business Plan objectives not appropriate or not achieved.	MODERATE	3	C	MODERATE
4.	Unfavourable financial impact due to changes in government policy, or changes to service provision arrangements.	MODERATE	3	C	MODERATE
5.	Inability to recruit and retain appropriately qualified staff.	HIGH	3	C	HIGH
6.	A significant, unplanned, adverse event threatens the continued operations of the organisation.	MODERATE	3	B	MODERATE
7.	Inadequate business processes and systems to deliver services.	HIGH	3	B	MODERATE

Risk Assessment

¹ WH&S addressed in Risk Description No 2.

Ref: MT – Management Team

Relevant Docs: Risk and Opportunity Management Policy – D15/5720[v5] & EHA Risk and Opportunity Framework D13/629[v2]

D13/630[v9] [9]

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Corporate Strategic Risks – Documentation of Key Risks and Opportunities

Date Updated: 18 October 2022

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
1.	Serious breach of legislation, duty of care, standards and agreements threatening operations	<ul style="list-style-type: none"> Staff trained in key legislation where appropriate. Clear reporting to Board on legislative requirements Delegations Register External Audit Charter Review Use of legal firms familiar with Local Government Operations. Professional Indemnity (PI) and Public liability (PL) Insurances in place and also built into all contracts. Business Plan contemplates the monitoring of compliance of statutory requirements identified in the Charter. Required staff subject to DCSI employment screening checks. 	4	A	MODERATE							

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> National Police Checks for staff that are not subjected to DCSI employment screening checks. Enforcement Policy Completion of Enforcement Matrix to assist with decision of most appropriate enforcement strategy with consideration of the Enforcement Policy. Code of Conduct for Board Members and Staff Application of the Food Business Risk Classification System Policy Register including regular reviews Regular meetings with staff regarding use of delegated authority. Maintain and distribute list of applicable legislation & legal obligations. All non-compliance and best practice recommendations resulting from Governance Review have been implemented. Date Completed: 22/08/2019. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> LGA Member Access – appropriate staff provided with individual login access. Date completed: 18/10/2022. Distribution of LG Circulars is broadened to appropriate staff. Service Review Completed and copy of report provided to BoM and Audit Committee. Date completed 16/06/2021 										
2.	WH&S system fails to prevent serious WHS injury.	<p><i>Safety and Security</i></p> <ul style="list-style-type: none"> Building Security Procedures in place including monitored security alarm and access tags which are audited. Duress alarms at reception. Worksafe Guardian – offsite duress monitoring system. Minimal cash on site at all times. 	5	B	HIGH	<ul style="list-style-type: none"> Ongoing Review and development of WH&S policies. Response team to be developed to deal with aggressive situations in short timeframe. Review of EH WHS Procedures to align with industry standards. 	4	C	HIGH	1	MT	Ongoing
										2	MT	June 2023 2
										1	NC	June 2023 2

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> Staff training and awareness including dealing with aggressive people and Fire Safety. Regular inspection audits undertaken of all equipment. Internal Audit process conducted every 3 years. WHS System reviewed in regard to legislative changes. Annual Capital budget to provide for capital replacements as needed. (building and equipment maintenance). WH&S 3 year plan. Participation in Emergency Management Planning Committee meetings for St Peters Town Hall Complex. Emergency Management Plan. Working Remotely policy and checklist. Operational COVID-19 Safe Plan. Updated WHS staff induction presentation. 				<ul style="list-style-type: none"> Development of 3 Step WHS Risk Assessment. All staff to be educated in the implementation of the tool. 				2	MT	June 2023 2

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<p><i>Staff Health</i></p> <p>Health policy in place including:</p> <ul style="list-style-type: none"> o All staff offered annual flu vaccinations. o At risk staff offered Hepatitis A & B and Diphtheria, Tetanus and Pertussis vaccinations as required. o Immunisation History of all staff requested, and vaccinations offered. o Inform staff to stay home if sick. o Participation in CHG Health Lifestyle Programs including Health Assessments and Skin o Ergonomic Workstation Assessments o Personal Protective Equipment. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> o WHS on all Team Meeting Agendas. o First Aid Kits in office and all motor vehicles. o Safe Operating Procedures specific for each area. o Annual CPR training. o Manual Handling Update. o WHS Training Register. <p><i>Other.</i></p> <ul style="list-style-type: none"> • Risk Assessments undertaken for all function activities. • Maintain and distribute list of applicable WHS legislation & legal obligations. 										
3.	Business Plan objectives not appropriate or not achieved.	<ul style="list-style-type: none"> • Annual Business Plan in place. • Annual Business Plan supported by appropriate Budget. • Annual review of Annual Business Plan undertaken 	3	C	MODERATE	Review and implement service review recommendations as agreed with the BoM and Constituent Councils.	3	C	MODERATE	1	CEO	June 20222023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		including requests for input from Constituent Councils. <ul style="list-style-type: none"> Annual Report detailing activities and achievements. Annual evaluation of EHA's performance against the performance measures contained within the Business Plan Organisational structure provides effective leadership. Benchmarking/Comparison Report developed and presented to the Board of Management. Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. Service Review finalised. 										
4.	Unfavourable financial impact due to changes in government	<ul style="list-style-type: none"> Report to Board and Constituent Councils on financial and operational impact 	3	C	MODERATE	<ul style="list-style-type: none"> Continue to identify opportunities for other board membership and 	3	C	MODERATE	4	MT	Ongoing

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
	policy or changes to service provision arrangements.	of changes to government policy. • Regular financial reporting to the Board and Audit Committee. • Statutory Budget reviews undertaken. • Long Term Financial Plan (LTFP) in place and reviewed annually. • Annual Capital budget to provide for capital replacements as needed and for building and equipment maintenance. • External Audit conducted annually. • Grant funding opportunities monitored. • Public image/Reputation maintained through: <ul style="list-style-type: none"> ○ Internet Web site. Revision of information material. ○ Promotion of services at Constituent Councils. 				participation on other committees for networking. •						

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> • Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. • Ongoing exploration of new/expanded income opportunities (subject to Charter compliance). • Participation on Committees for Networking and education including: <ul style="list-style-type: none"> ○ Eastern Hoarding and Squalor Regional Public Health Planning Committee. ○ Immunisation Providers Network. ○ Immunisation Administration Network. ○ Environmental Health Managers Forum including sub-committees. ○ Environmental Health Australia state conference committee. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> ○ LGA/SIP Providers Strategic Working Group ○ Annual Food Auditors Forum ○ LGA/SIP Providers Strategic Working Group ○ COVID-19 LGRS operational Briefings • <u>Continue to identify opportunities for other board membership and participation on other committees for appropriate networking opportunities.</u> 										
5.	Inability to recruit and retain appropriately qualified staff.	<ul style="list-style-type: none"> • Appropriate Staff recruitment process. • Appropriate Staff induction process. • Use of SEEK.COM for ongoing recruitment. • Comply with Awards and annual Award wage increases. 	4	C	HIGH	<ul style="list-style-type: none"> • Conduct formal exit interviews. • Succession Plan for CEO in place. 	3	C	MODERATE	1	MTAG	<p>Dec 2024</p> <p>June 2023</p> <p>June 2022</p> <p>June 2023</p>

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> Professional development opportunities provided including study. Create team work ethos/innovative culture. Establish an intranet for internal communication. Code of Conduct and other staff policies in place. General Staff Meetings held bi-monthly – Agenda item 'Successes and Achievements'. Individual Performance Development process including identification of training needs. Staff Social Club functions. Annual Review of Job Descriptions. Continue to engage with tertiary providers of EHOs. Use of skilled agency staff for Immunisation roles. Staff engagement survey offered to all staff. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
6.	A significant, unplanned, adverse event threatens operations of the organisation.	<ul style="list-style-type: none"> Business Continuity Plan (BCP). Public Health Functional Emergency Management Plan (currently under review). St Peters Town Hall Complex Facility Emergency Management Plan (EMP). Monitored fire alarm in place. Building evacuation and situation drills. Cloud based CIT environment including Disaster Recovery Module. IT back-up tapes off site and offsite storage of records. Preventative Maintenance Plans in place for building and equipment and regular inspections. Appropriate building, asset and business insurance in place. Key staff have mobile phones. Call diversion facility with Optus for business phones. 	3	B	MODERATE	<ul style="list-style-type: none"> Review BCP Note: Revised BCP provided by LGRS. Revised document currently being reviewed to align with COVID-19 implications. Test of the BCP to be undertaken affecting whole organisation (COVID 19). Review of Functional Emergency Management Plan (currently under review). CIT Disaster Recovery Plan in final stage of development. 	3	C	MODERATE	1 3 4 2 2	MT MT MT CEO CEO	<p>June 2022 June 2023</p> <p>Dec 2020 June 2023</p> <p>June 2024 June 2023</p> <p>Dec 2020 June 2023</p>

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> • Active monitoring of CIT environment by Comunet. • Fraud/Cyber Awareness Training • Cyber Risk Assessment Action Plan – All High risk resolved and moderate risks in process of being resolved. Small number of low risks outstanding. • Business Interruption Insurance Limits Review conducted. • Independent review of risk environment conducted. • CIT Disaster Recovery Plan in final stage of development. 										<p>Dec 2020</p> <p>June 2023</p>

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
7.	Inadequate business processes and systems to deliver services.	<ul style="list-style-type: none"> Policy Manual. Internal Controls Register to manage risks. eg. fraud Standard Operating Procedures. Induction program to ensure all staff trained in correct use of organisational systems, Policies and Standard Operating Procedures. EHA High Performance Framework and Individual Performance Management Plan for all staff. Use of LGCS purchasing arrangements. Legal advice available when needed. Corporate Risk Summary. External Financial Audit undertaken. Service Agreement in place for maintenance of CIT systems. Gap analysis undertaken on all policies and procedures 	4	C	HIGH	<ul style="list-style-type: none"> Service Improvement Review for all programs, services, activities. (rescheduled to 2020/2021)Efficiency and Effectiveness Review. (rescheduled to 2022/2023)Explore the implementation of the Lean principles to identify areas of improvement and efficiencies. 	3	B	MODERATE	4	GEO	June 2021
										2	MT	June 2021
										2	MT	June 2021, June 2023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timefram
		<ul style="list-style-type: none"> Service Improvement Review conducted 2021. 										

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Corporate Risk Summary

	Risk Description	Initial Risk Rating	Revised Consequence	Revised Likelihood	Revised Risk Rating
1.	Serious breach of legislation (other than WH&S) ¹ duty of care, standards and agreements threatening operations.	HIGH	4	A	MODERATE
2.	WH&S system fails to prevent serious WHS injury	HIGH	4	C	HIGH
3.	Business Plan objectives not appropriate or not achieved.	MODERATE	3	C	MODERATE
4.	Unfavourable financial impact due to changes in government policy, or changes to service provision arrangements.	MODERATE	3	C	MODERATE
5.	Inability to recruit and retain appropriately qualified staff.	HIGH	3	C	HIGH
6	A significant, unplanned, adverse event threatens the continued operations of the organisation.	MODERATE	3	B	MODERATE
7.	Inadequate business processes and systems to deliver services.	HIGH	3	B	MODERATE

Risk Assessment

¹ WH&S addressed in Risk Description No 2.

Ref: MT – Management Team

Relevant Docs: Risk and Opportunity Management Policy – D15/5720[v5] & EHA Risk and Opportunity Framework D13/629[v2]

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Corporate Strategic Risks – Documentation of Key Risks and Opportunities

Date Updated: 18 October 2022

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
1.	Serious breach of legislation, duty of care, standards and agreements threatening operations	<ul style="list-style-type: none"> Staff trained in key legislation where appropriate. Clear reporting to Board on legislative requirements Delegations Register External Audit Charter Review Use of legal firms familiar with Local Government Operations. Professional Indemnity (PI) and Public liability (PL) Insurances in place and also built into all contracts. Business Plan contemplates the monitoring of compliance of statutory requirements identified in the Charter. Required staff subject to DCSI employment screening checks. 	4	A	MODERATE							

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> National Police Checks for staff that are not subjected to DCSI employment screening checks. Enforcement Policy Completion of Enforcement Matrix to assist with decision of most appropriate enforcement strategy with consideration of the Enforcement Policy. Code of Conduct for Board Members and Staff Application of the Food Business Risk Classification System Policy Register including regular reviews Regular meetings with staff regarding use of delegated authority. Maintain and distribute list of applicable legislation & legal obligations. All non-compliance and best practice recommendations resulting from Governance Review have been implemented. Date Completed: 22/08/2019. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> LGA Member Access – appropriate staff provided with individual login access. Date completed: 18/10/2022. Distribution of LG Circulars is broadened to appropriate staff. Service Review Completed and copy of report provided to BoM and Audit Committee. Date completed 16/06/2021 										
2.	WH&S system fails to prevent serious WHS injury.	<p><i>Safety and Security</i></p> <ul style="list-style-type: none"> Building Security Procedures in place including monitored security alarm and access tags which are audited. Duress alarms at reception. Worksafe Guardian – offsite duress monitoring system. Minimal cash on site at all times. 	5	B	HIGH	<ul style="list-style-type: none"> Ongoing Review and development of WH&S policies. Response team to be developed to deal with aggressive situations in short timeframe. Review of EH WHS Procedures to align with industry standards. 	4	C	HIGH	1	MT	Ongoing
										2	MT	June 2023
										1	NC	June 2023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> • Staff training and awareness including dealing with aggressive people and Fire Safety. • Regular inspection audits undertaken of all equipment. • Internal Audit process conducted every 3 years. • WHS System reviewed in regard to legislative changes. • Annual Capital budget to provide for capital replacements as needed. (building and equipment maintenance). • WH&S 3 year plan. • Participation in Emergency Management Planning Committee meetings for St Peters Town Hall Complex. • Emergency Management Plan. • Working Remotely policy and checklist. • Operational COVID-19 Safe Plan. • Updated WHS staff induction presentation. 				<ul style="list-style-type: none"> • Development of 3 Step WHS Risk Assessment. All staff to be educated in the implementation of the tool. 				2	MT	June 2023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<p><i>Staff Health</i> Health policy in place including:</p> <ul style="list-style-type: none"> ○ All staff offered annual flu vaccinations. ○ At risk staff offered Hepatitis A & B and Diphtheria, Tetanus and Pertussis vaccinations as required. ○ Immunisation History of all staff requested, and vaccinations offered. ○ Inform staff to stay home if sick. ○ Participation in CHG Health Lifestyle Programs including Health Assessments and Skin ○ Ergonomic Workstation Assessments ○ Personal Protective Equipment. 										

Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> ○ WHS on all Team Meeting Agendas. ○ First Aid Kits in office and all motor vehicles. ○ Safe Operating Procedures specific for each area. ○ Annual CPR training. ○ Manual Handling Update. ○ WHS Training Register. <p><i>Other.</i></p> <ul style="list-style-type: none"> ● Risk Assessments undertaken for all function activities. ● Maintain and distribute list of applicable WHS legislation & legal obligations. 										
3.	Business Plan objectives not appropriate or not achieved.	<ul style="list-style-type: none"> ● Annual Business Plan in place. ● Annual Business Plan supported by appropriate Budget. ● Annual review of Annual Business Plan undertaken 	3	C	MODERATE	Review and implement service review recommendations as agreed with the BoM and Constituent Councils.	3	C	MODERATE	1	CEO	June 2023

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Eastern Health Authority Corporate Risk Summary

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		including requests for input from Constituent Councils. <ul style="list-style-type: none"> • Annual Report detailing activities and achievements. • Annual evaluation of EHA's performance against the performance measures contained within the Business Plan • Organisational structure provides effective leadership. • Benchmarking/Comparison Report developed and presented to the Board of Management. • Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. • Service Review finalised. 										
4.	Unfavourable financial impact due to changes in government	<ul style="list-style-type: none"> • Report to Board and Constituent Councils on financial and operational impact 	3	C	MODERATE	•	3	C	MODERATE			

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Eastern Health Authority Corporate Risk Summary

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	policy or changes to service provision arrangements.	<p>of changes to government policy.</p> <ul style="list-style-type: none"> • Regular financial reporting to the Board and Audit Committee. • Statutory Budget reviews undertaken. • Long Term Financial Plan (LTFP) in place and reviewed annually. • Annual Capital budget to provide for capital replacements as needed and for building and equipment maintenance. • External Audit conducted annually. • Grant funding opportunities monitored. • Public image/Reputation maintained through: <ul style="list-style-type: none"> ○ Internet Web site. Revision of information material. ○ Promotion of services at Constituent Councils. 										

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Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> • Quarterly meeting with Constituent Council Contacts to maintain communication and provide updates. Minutes taken and distributed. • Ongoing exploration of new/expanded income opportunities (subject to Charter compliance). • Participation on Committees for Networking and education including: <ul style="list-style-type: none"> ○ Eastern Hoarding and Squalor Regional Public Health Planning Committee. ○ Immunisation Providers Network. ○ Immunisation Administration Network. ○ Environmental Health Managers Forum including sub-committees. ○ Environmental Health Australia state conference committee. 										

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> ○ LGA/SIP Providers Strategic Working Group ○ Annual Food Auditors Forum ○ LGA/SIP Providers Strategic Working Group ○ COVID-19 LGRS operational Briefings ● Continue to identify appropriate networking opportunities. 										
5.	Inability to recruit and retain appropriately qualified staff.	<ul style="list-style-type: none"> ● Appropriate Staff recruitment process. ● Appropriate Staff induction process. ● Use of SEEK.COM for ongoing recruitment. ● Comply with Awards and annual Award wage increases. ● Professional development opportunities provided including study. 	4	C	HIGH	<ul style="list-style-type: none"> ● Conduct formal exit interviews. ● Succession Plan for CEO in place. 	3	C	MODERATE	1	MT	June 2023
										2	CEO	June 2023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> • Create team work ethos/innovative culture. • Establish an intranet for internal communication. • Code of Conduct and other staff policies in place. • General Staff Meetings held bi-monthly – Agenda item ‘Successes and Achievements’. • Individual Performance Development process including identification of training needs. • Staff Social Club functions. • Annual Review of Job Descriptions. • Continue to engage with tertiary providers of EHOs. • Use of skilled agency staff for Immunisation roles. • Staff engagement survey offered to all staff. 										
6.	A significant, unplanned, adverse event threatens	<ul style="list-style-type: none"> • Business Continuity Plan (BCP). 	3	B	MODERATE	<ul style="list-style-type: none"> • Review BCP Note: Revised BCP provided by LGRS. 	3	C	MODERATE	1	MT	June 2023

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	operations of the organisation.	<ul style="list-style-type: none"> Public Health Functional Emergency Management Plan (currently under review). St Peters Town Hall Complex Facility Emergency Management Plan (EMP). Monitored fire alarm in place. Building evacuation and situation drills. Cloud based CIT environment including Disaster Recovery Module. IT back-up tapes off site and offsite storage of records. Preventative Maintenance Plans in place for building and equipment and regular inspections. Appropriate building, asset and business insurance in place. Key staff have mobile phones. Call diversion facility with Optus for business phones. 				<ul style="list-style-type: none"> Revised document currently being reviewed to align with COVID-19 implications. Test of the BCP to be undertaken affecting whole organisation (COVID 19). Review of Functional Emergency Management Plan (currently under review). 				3	MT	June 2023
										4	MT	June 2023
										2	CEO	June 2023
												June 2023

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		<ul style="list-style-type: none"> Active monitoring of CIT environment by Comunet. Fraud/Cyber Awareness Training Cyber Risk Assessment Action Plan – All High risk resolved and moderate risks in process of being resolved. Small number of low risks outstanding. Business Interruption Insurance Limits Review conducted. Independent review of risk environment conducted. CIT Disaster Recovery Plan in final stage of development. 										

Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
7.	Inadequate business processes and systems to deliver services.	<ul style="list-style-type: none"> Policy Manual. Internal Controls Register to manage risks. eg. fraud Standard Operating Procedures. Induction program to ensure all staff trained in correct use of organisational systems, Policies and Standard Operating Procedures. EHA High Performance Framework and Individual Performance Management Plan for all staff. Use of LGCS purchasing arrangements. Legal advice available when needed. Corporate Risk Summary. External Financial Audit undertaken. Service Agreement in place for maintenance of CIT systems. Gap analysis undertaken on all policies and procedures 	4	C	HIGH	<ul style="list-style-type: none"> (rescheduled to 2022/2023) Explore the implementation of the Lean principles to identify areas of improvement and efficiencies. 	3	B	MODERATE	2	MT	June 2023

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Eastern Health Authority Corporate Risk Summary

Ref	Risk Description	Current Controls in place	Consequence	Likelihood	Rating	Future Controls to be put in place	Consequence	Likelihood	Revised Rating	Priority	Resp	Timeframe
		<ul style="list-style-type: none"> • Service Improvement Review conducted 2021. • 										

7.5 REVIEW OF EASTERN HEALTH AUTHORITY INTERNAL CONTROLS REGISTER

Author: Kristen Paparella

Ref: AF17/83

Summary

The Eastern Health Authority (EHA) Internal Controls Register has been reviewed and an amended document is presented for consideration and comment.

Report

The Internal Controls Register is a generic financial procedure's manual specifically designed for smaller organisations such as EHA. The generic procedures detailed in the manual clearly document the actions required to address identified risks and who is the responsible officer.

The document has now been reviewed and some minor amendments have been made. These amendments are marked in red within the document for ease of reference and a copy is provided as attachment 1 for your consideration.

The table below provides a summary of the changes made to the document:

Summary of changes are detailed below:

3.0 Management reporting		
	1 (c)	Annual timetable for 2023 to be drafted by Kristen Paparella. Completed by EOM April 2023.
	1 (d)	Amended for current practice.
4.0 Ledgers and Journals		
	2 (a)	Amended for current practice.
5.0 Fixed Assets		
	1 (c)	Amended for current practice.
	1 (f)	Last reconciled 30/06/2022.
	3 (a)	Annual timetable for 2023 to be drafted by Kristen Paparella. Completed by EOM April 2023.
7.0 Receipting		
	3 (a)	Amended for current practice.
8.0 Payroll		
	2 (i)	Amended for current practice.
9.0 Purchases and Payments		
	1 (d)	Amended for current practice.
	7 (b)	The long-term financial plan last went to the audit committee in August 22 and the board in November 22.

RECOMMENDATION

That:

The report regarding the Review of Eastern Health Authority Internal Controls Register is received.

Last updated:

Eastern Health Authority
0/01/1900

9.0 Purchases and payments

9.1 **Objective**

Operation of a purchasing and payment function for EHA.

9.2	Risks:		Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
1	Petty cash is inadequately safeguarded.	a	Petty cash is stored in secured facilities (e.g. safes, registers).		Receiving Staff	Cash Float is stored in locked cabinet at desk of Finance Administration Officer.
		b	Access (i.e. passwords or keys) to the petty cash safes/registers is limited to appropriately designated staff.		Administration Officer	Finance Administration Officer manages all areas of Petty Cash. Keys for petty cash tin are kept in a locked drawer at the desk of Finance Administration Officer, with the spare key held with the Team Leader - Administration and Immunisation.
		c	Petty cash is maintained by Finance Administration Officer.		Administration Officer	Electronic petty cash records kept. All documents are scanned into electronic records management system.
		d	Petty cash is reconciled on a regular basis (i.e. as funds are depleted as part of EOM process) and these reconciliations are reviewed by Chief Executive Officer.	Reviewed by:	Chief Executive Officer	Reconciliation of petty cash records are completed as part of the replenishment process. Completed as part of EOM. All reimbursements completed and approval by CEO by day TBC of next month.
2	Bank payments are either inaccurately recorded or not recorded at all.	a	EHA ensures an appropriate level of authority when advised of account numbers and account number changes for electronic transfers.	Checked by:	Team Leader - Administration and Immunisation	Finance Administration Officer will request formal notification in writing of the account changes. This is then authorised by team Leader - Administration and Immunisation.
		b	Access to the creditor masterfile data is restricted to minimise the likelihood of unauthorised bank account number changes.	Restricted to:	Team Leader - Administration and Immunisation	MYOB user access has been created with limited restrictions per USER access.

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9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:		Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)	
			Access to the electronic banking system requires two appropriately designated personnel.	1st approval:	Chief Executive Officer	Michael Livori	
				2nd approval:	Team Leader - Environmental Health	Team Leader - Environmental Health: Nadia Conci Note: Kristen Paparella alternative	
		d	Bank statements are reviewed frequently so any unauthorised access can be identified in a timely manner (phishing).	Reviewed by:	Team Leader - Administration and Immunisation	Weekly reviews of bank statement are performed. Cash flow monitored to identify any variances.	
		e	Bank reconciliations are performed on a regular basis and are reviewed by an independent person. Any identified discrepancies are investigated immediately.	Performed by:	Team Leader - Administration and Immunisation	Bank reconciliations are completed as part of EOM process.	
				Reviewed by:	Chief Executive Officer	Evidence of independent review.	
	3	Accounts payable amounts are either inaccurately recorded or not recorded at all	a	Statements received from suppliers are reconciled to the supplier accounts in the accounts payable sub-ledger regularly and differences are investigated.	Reconciled by:	Finance Administration Officer	
			b	Actual expenditures are compared to budget regularly; management reviews and approves significant variances.	Compared by:	Chief Executive Officer	Expenditure investigated against budget each EOM and review as part of the budget review process. Any variances over \$5k to be explained to the board.
			c	Invoices for services received are authorised and accompanied by appropriate supporting documentation.	Authorised by:	Chief Executive Officer	Purchase Orders required for purchases.

Last updated:

Eastern Health Authority
0/01/1900

9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:		Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)	
			d	Goods received are matched with purchase order details and/or invoices.	Matched by:	Finance Administration Officer	Invoices are checked for Goods Received stamp prior to authorisation and payment.
	4	Creditor disbursements are not valid.	a	All disbursements must be approved by management in accordance with Delegations of Authority.	Approved by:	Chief Executive Officer	
			b	Management reviews supporting documentation before approving payments.	Reviewed by:		Each individual invoice is approved by Chief Executive Officer prior to the payment batch being processed via Bank SA portal.
			c	There is a robust procedure for electronic funds transfer payments to reduce the likelihood of monies being credited to the wrong bank accounts.	Processed by:	Finance Administration Officer	Advices of bank accounts filed in EHA's Records Management System.
	5	Accounts payable are not paid on a timely basis	a	Invoice authorisation is obtained in a timely manner (2 days prior to payment).	Approved by:	Chief Executive Officer	Account Payments processed twice monthly.

Last updated:

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0/01/1900

9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:		Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
	6	Accrued expenses are either inaccurately recorded or not recorded at all	a	Actuals are compared to budget on a regular basis.	Compared by:	Expenditure investigated against budget each EOM and as part of the budget review process. Any variances over \$5k to be explained to the board.
			b	Accrued expenses reconciliations are prepared on a regular basis and are reviewed by an independent person.	Prepared by: Team Leader - Administration and Immunisation	Accrued expenses are not recognised in the general ledger before they have been paid.
				Reviewed by:	Financial Consultant	At EOFY any adjustments required are processed by our external accountant.
	7	EHA's cash reserves run out.	a	Management reviews cash position of EHA on an on-going basis, involving comparison to budgets; significant variances investigated by management.	Reviewed by: Chief Executive Officer	
			b	The Long Term Financial Plans are updated annually for actual income and expenditure.	Updated by: Financial Consultant	The long term financial plan last went to the audit committee in August 2022 and the board in November 2022.

Last updated: Eastern Health Authority
0/01/1900

9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:		Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)	
	8	EHA does not obtain value for money i.e. non preferred supplier in its purchasing and procurement	a	There is a robust selection process of preferred suppliers.			Refer to EHA Procurement Policy
			b	Significant contracts periodically re-tendered to ensure that Authority achieves value for money from suppliers.			
			c	Staff are provided clear guidance and instructions on the process for purchasing goods and services (including appropriate approval and obtaining appropriate number of quotes, where applicable).			
			d	Staff are provided clear guidance and instructions as to the importance of using preferred suppliers for the purchase of goods and services.			
			e	An exception report generated detailing all purchases made from non-preferred suppliers; management regularly reviews this report and investigates significant/unusual items.	Reviewed by:	Chief Executive Officer	

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9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:			Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
	9	Good and services are purchased without an approved purchase order	a	A purchase order authorisation list (Delegations of Authority) is maintained, specifying the amounts up to which individuals are authorised to approve purchase requisitions.	Approved by:	Chief Executive Officer	Refer to EHA's Procurement Policy
			b	Employees must approve all purchase orders in accordance with the Delegations of Authority	Approved by:		
			c	Access to unissued purchase orders is restricted to authorised individuals.	Restricted by:	Team Leader - Administration and Immunisation	
			d	Staff are provided clear guidance and instructions on the process for purchasing goods and services (including appropriate approval).	Approved by:	Chief Executive Officer	

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9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:			Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
	10	Supplier masterfile does not remain pertinent	a	Supplier masterfile data is periodically reviewed independently for accuracy and ongoing pertinence.	Reviewed by:	Team Leader - Administration and Immunisation	Evidence of periodic review.
			b	Significant changes to the supplier masterfile are approved by management.	Approved by:	Team Leader - Administration and Immunisation	Evidence of approval.
			c	Access to the supplier masterfile is restricted to appropriately designated personnel.	Restricted to:	Team Leader - Administration and Immunisation	List of approved user access.
			d	Supplier masterfile is edited and validated; identified errors are corrected promptly.	Corrected by:	Team Leader - Administration and Immunisation	Document identified errors.
			e	Suppliers that have not been used for a significant period of time are reviewed and marked for deletion by the application.	Deleted by:	Team Leader - Administration and Immunisation	Evidence of review.

Last updated:

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9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:			Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
	11	Credit Cards are used for inappropriate purchases	a	The issue of all Credit Cards to employees is approved prior to release.	Approved by:	Chief Executive Officer	CEO is the only Credit Card holder for EHA
			b	Credit Card holders are provided with a copy of the policy and procedures associated with the issue and use of Credit Cards.			N/A
			c	Employees sign declaration confirming compliance with Authority policy and procedures prior to release of Credit Card.	Approved by:		N/A
			d	Usage restrictions placed on Credit card (i.e. only used for approved purchases from pre-approved businesses).	Reviewed by:	Team Leader - Administration and Immunisation	
			e	All credit card statements sent directly to person independent from the credit card holder, who reviews the nature and amounts of items on the statements; any unusual items are investigated.	Reviewed by:	Team Leader - Administration and Immunisation	Monthly reconciliation of credit card. Approved and Signed by Team Leader - Administration and Immunisation and CEO.

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9.0 Purchases and payments

9.1 **Objective** Operation of a purchasing and payment function for EHA.

9.2	Risks:			Procedure:	Action	Position Title	Commentary and/or Actions Required including Due Date (if applicable)
	12	Employees are reimbursed for expenses of a personal nature	a	All employees' reimbursements must be submitted on a signed pro-forma claim form confirming that the employee is claiming only valid expenses.	Approved by:	Chief Executive Officer	
			b	All claims for employee reimbursements are approved by management in accordance with Delegations of Authority. Management focus on the nature (i.e. type of expense) as well as the amount of the claim.	Approved by:		Evidence of management approval
			c	All claims for Employee Reimbursements are submitted for approval along with supporting documentary evidence (i.e. receipts).	Approved by:		

7.6 UPDATE ON AUDIT FINDING RECOMENDATIONS

Author: Kristen Paparella
Ref: AF21/41

Summary

This report provides an update on management responses to the 2021/2022 Audit Finding recommendations.

Report

In the EHA Auditors' Report of Audit Finding for 2021/2022 the only current year matter raised by the Auditor was in relation to a suggestion to implement Enterprise Resource Planning which would integrate timesheets with the payroll system

Management is currently making enquiries in relation to suitable potential systems to enable a risk-benefit analysis to be undertaken.

If a suitable system is identified, a proposal will be developed for the Board to consider as part of the 2023/2024 budget development process.

RECOMMENDATION

That:

The Update on Audit Findings Recommendations report is received.