



Board of Management

26 February 2020



local councils working together to protect the health of the community



**EASTERN HEALTH AUTHORITY
BOARD OF MANAGEMENT MEETING**

WEDNESDAY – 26 February 2020

Notice is hereby given that a meeting of the Board of Management of the Eastern Health Authority will be held at the EHA Offices, **101 Payneham Road, St Peters** on Wednesday 26 February 2020 commencing at 6.30 pm.

A light meal will be served at 6.00 pm.

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 BOARD OF MANAGEMENT MEETING

WEDNESDAY – 26 February 2020

Commencing at 6.30 pm

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5.1 ELECTION OF THE EASTERN HEALTH AUTHORITY BOARD OF MANAGEMENT CHAIR AND DEPUTY CHAIR

Author: Michael Livori

Ref: AF11/65

Summary

Eastern Health Authority's (EHA) Charter requires a Chair and Deputy Chair to be elected at the first meeting of its Board of Management after a Local Government General Election and annually thereafter.

The Chief Executive Officer (CEO) must preside over the meeting until the matter of the selection of the Chairperson is decided.

Background

The Local Government Association has developed Guidelines for Choosing a Chairperson (or Deputy Mayor, Deputy Chairperson) (The Guidelines). The Guidelines are provided as attachment 1.

Section 5 of the Guidelines (detailed below) specifically deals with the Presiding Member of a Board of Management of Council Subsidiaries.

"All subsidiaries, whether single Council subsidiaries or regional subsidiaries, are administered by a board of management whose membership is determined by the Council(s) and may consist of, or include, persons who are not members of the Council(s).

Clause 4(4) of Schedule 2 of the Act provides that a board member must be appointed to chair meetings of the board of management and that board members will preside at meetings of the board of management at which she/he is present.

The Council(s) may, when establishing a subsidiary and determining the membership of the board of management of the subsidiary, appoint a member as the presiding member. This may be specifically set out in the subsidiary's Charter. Alternatively, the Council may leave the appointment of the presiding member to the board of management and similarly make provision for this in the subsidiary's Charter. In such circumstances the members of the board of management should appoint one of its members to preside at the first meeting until a presiding member has been appointed, subject to any provisions in the subsidiary's Charter."

Clause 2.5 and 2.6 of EHA's Charter provides for the following in relation to the Chair of the Board of Management:

2.5 *Chair of the Board*

- 2.5.1 *A Chair and Deputy Chair shall be elected at the first meeting of the Board after a Periodic Election.*
- 2.5.2 *The Chair and Deputy Chair shall hold office for a period of one year from the date of the election by the Board.*
- 2.5.3 *Where there is more than one nomination for the position of Chair or Deputy Chair, the election shall be decided by ballot.*
- 2.5.4 *Both the Chair and Deputy Chair shall be eligible for re-election to their respective offices at the end of their respective one year term.*
- 2.5.5 *If the Chair should cease to be a Board Member, the Deputy Chair may act as the Chair until the election of a new Chair.*

2.6 *Powers of the Chair and Deputy Chair*

- 2.6.1 *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 amongst them, who shall preside for that meeting or until the Chair or Deputy Chair is present.*
- 2.6.2 *The Chair and the Deputy Chair individually or collectively shall have such powers as may be decided by the Board.*

Appendix 4 of the Guidelines provides information in relation to qualities to consider when choosing a chairperson.

Report

As EHA is currently constituted, it is required to choose a Chair as its principal member and a Deputy Chair. These persons must be chosen from amongst the members of the Board of Management.

At the Board of Management meeting held on 20 February 2019 the following was resolved.

Cr S Whittington moved:

That:

- 1 The Election of the EHA Board of Management Chair and Deputy Chair report is received.

- 2 The term of Office for the position of Chairperson and Deputy Chairperson of EHA is 1 year in accordance with clause 2.5.2 of the EHA Charter.
- 3 EHA determines that the method of choosing a Chairperson and Deputy Chairperson be by an election process.
- 4 The method of election is by secret ballot.
- 5 EHA adopt a first past the post method of voting.
- 6 The CEO be appointed Returning Officer for the election.
- 7 If at any stage during the process there is an equal number of votes the Returning Officer will decide the issue by the drawing of lots. The name of the candidate/s withdrawn will be the one/s excluded from the ballot.
- 8 Upon the completion of the election, the Returning Officer be authorised to declare the successful candidate elected to the position of Chairperson and Deputy Chairperson.
- 9 Upon the declaration of the Returning Officer the candidate is appointed to the position of Chairperson and Deputy Chairperson respectively for the term of office determined by this resolution.

Seconded by Cr J Kennedy

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The CEO subsequently called for nominations for the position of Chairperson. Cr S Whittington nominated Cr P Cornish, who accepted the nomination. As no further nominations were received, the CEO announced that Cr P Cornish had been elected to the position of Chairperson.

The CEO called for nominations for the position of Deputy Chairperson. Cr G Knoblauch nominated Cr S Whittington, who accepted the nomination. As no further nominations were received, the CEO announced that Cr S Whittington had been elected to the position of Deputy Chairperson.

RECOMMENDATION

That:

- 1 The Election of the EHA Board of Management Chair and Deputy Chair report is received.
- 2 The term of Office for the position of Chairperson and Deputy Chairperson of EHA is 1 year in accordance with clause 2.5.2 of the EHA Charter.

- 3 EHA determines that the method of choosing a Chairperson and Deputy Chairperson be by an election process.
- 4 The method of election is by secret ballot.
- 5 EHA adopt a first past the post method of voting.
- 6 The CEO be appointed Returning Officer for the election.
- 7 If at any stage during the process there is an equal number of votes the Returning Officer will decide the issue by the drawing of lots. The name of the candidate/s withdrawn will be the one/s excluded from the ballot.
- 8 Upon the completion of the election, the Returning Officer be authorised to declare the successful candidate elected to the position of Chairperson and Deputy Chairperson.
- 9 Upon the declaration of the Returning Officer the candidate is appointed to the position of Chairperson and Deputy Chairperson respectively for the term of office determined by this resolution.

Guidelines for Choosing a Chairperson (or Deputy Mayor, Deputy Chairperson)

Process, Options and Implications

The *Guidelines for Choosing a Chairperson – Process, Options and Implications* document has been prepared by the Local Government Association of SA (LGA) for the guidance of and use by member councils. The LGA is the statutory peak body for Local Government in South Australia.

Last revised or updated:

- December 2011
- January 2013 – minor re-formatting
- July 2016 – substantial revision
- December 2016 – minor improvements and addition of appendix 4

Enquiries regarding this publication should be directed to the LGA on 08 8224 2000

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1. Introduction

These guidelines address the process, options and implications of choosing a Chairperson of the council. It is intended to be a document that can be adapted and adopted by those councils whose principal member is chosen from amongst the council membership as “Chairperson”.

A model agenda (see Appendix 1) has been prepared setting out the steps to be taken at a meeting to choose a Chairperson.

The processes described here for the election of the Chairperson can equally be applied by councils for choosing a Deputy Mayor or Deputy Chairperson.

These guidelines also address the processes and options for choosing a presiding member of a council committee or a chairperson of the board of management of a subsidiary. The guidelines also include some of the qualities that are important to performing the role of chairperson of a council or presiding member of a council committee, for consideration by councillors prior to choosing a person for the role (see Appendix 4).

Please note that a council may have as its principal member a person elected by the people as a representative of the area as a whole in which case the principal member will be called a Mayor. These Guidelines do not apply to the election of a Mayor.

2. Methods of Choosing a Chairperson (or Deputy Chairperson or Deputy Mayor)

The methods for choosing a Chairperson apply equally to choosing a Deputy Chairperson or Deputy Mayor and are either by:

- Resolution of the council; or
- An election process determined by the council.

Whichever method council chooses, it must first decide the term of office for the position of Chairperson.

Irrespective of the method for choosing a Chairperson and the term of office determined by the council, all members need to clearly understand the process that is to be used before selection proceedings commence.

For further information regarding the details, key elements and supporting resolutions required for each method, see Appendix 2 and Appendix 3 to these guidelines.

By resolution of the council

This method enables an appointment of a Chairperson by direct resolution of the council. A council should first determine the length of the term of appointment for the Chairperson, which must not exceed their term of office.

If there is more than one nomination for appointment, each nomination would need to be considered by way of a motion and addressed independently as a resolution of the council, seeking those 'for' and those 'against'. After the first nomination is dealt with by the council further nominations may only be considered if the first motion is lost.

An alternative process which may be considered under this option is that of taking an indicative ballot amongst the members (in an agreed manner) to determine the preferred member for appointment. The ballot is then confirmed by resolution. While this process is based on the principles of election, it stops short of an actual election.

By an election process (and resolution) determined by the council

A council may choose a Chairperson by an election process confirmed by resolution.

Where an election is held, the resolution should be made to hold an election at the *beginning of the process and include all the steps of the process* (see Appendix 3 for a model resolution). This means that the initial resolution would resolve:

- to hold an election
- the process that the election will follow
- the appointment of a returning officer and
- that the returning officer is authorised to declare the successful candidate elected at the outcome of the election.

From this point of the meeting the CEO hands the conduct of the balance of the meeting and all future meetings to the new Chairperson.

This process eliminates the need for a second resolution to confirm the outcome of the election.

The reason for making a resolution at the beginning of the process, incorporating all the steps, is to avoid a situation in which a tight election outcome may be affected by the loss the Mayor's vote in the final resolution, or by an amendment moved after the outcome of the election is known. However, it is open to a council to carry out a two-step process, by a resolution to hold an election and then a resolution to confirm the outcome of the election.

Both the resolution method and the election process are outlined in the model report of the Chief Executive Officer which is to be submitted to the first meeting of the new council (see Appendix 2 and Appendix 3).

3. Conflict of Interest Issues

The identification of a preferred member for the position of Chairperson (or a Deputy Mayor/Chairperson or a presiding member of a council '**prescribed committee**')* through the taking of an indicative vote or an election process does not attract the application of the conflict of interest provisions. In other words, all persons nominated for such a position are able to participate in the indicative ballot or election process.

However, an appointment by motion and resolution or the confirmation of the outcome of an indicative ballot by motion and resolution will result in the nominated person receiving payment of an allowance greater than that set for council members of the council. This means that the council member whom it is proposed to appoint will receive a direct financial benefit by way of an increased allowance payment. In these circumstances, the conflict of interest provisions operate to require the council member who is to be nominated by the motion to declare a 'material conflict of interest' and to remove themselves from the decision making process as required by section 74(1) of the Act.

For appointment to a position on a committee that is not a prescribed committee, a nominee has the option of declaring an 'actual or perceived conflict of interest' and deal with the matter in accordance with section 75A of the Act.

* A '**prescribed committee**' is defined in the determination of the Remuneration Tribunal as:

A committee that endures, irrespective of whether the council has assigned any particular work to the committee to perform and assists the council or provides advice to the council in any of the following areas or any combination thereof:

- Audit
- Chief Executive Officer performance review
- Corporate Services
- Finance
- Governance
- Infrastructure and works
- Risk management
- Strategic planning and development

4. Chairperson of Council Committees

Section 41 of the Act enables a council to establish committees. The council will determine the membership of a committee including the term of office of committee members, which may include or consist of, persons who are not members of the council.

The principal member of a council may be appointed by the council as an ex officio member of a committee.

Section 41(4) of the Act requires a council to appoint a person as the presiding member of the committee or make provision for the appointment of a presiding member. Where a council does not itself appoint a person as the presiding member, the committee itself must appoint a person from amongst its members as the presiding member. The term of office of a presiding member of a committee is at the discretion of the council or, if the council determines, at the discretion of the committee.

Where the council leaves the appointment of a presiding member of a committee up to the committee itself, the committee should determine the presiding member at the first meeting of the committee. However, the council may still provide for conditions of appointment and the committee must comply with those conditions, such as:

- the manner in which the appointment is to be made ie. the appointment process;
- term of office of the presiding member;

- the members eligible to be the presiding member (eg. holding certain qualifications, a member not being an council member); or
- such other matters as the council determines.

The appointment can be revoked by subsequent resolution in compliance with the rules relating to revoking resolutions.

5. Presiding Member of Board of Management of Council Subsidiaries

All subsidiaries, whether single council subsidiaries or regional subsidiaries, are administered by a board of management whose membership is determined by the councils and may consist of, or include, persons who are not members of the councils.

Clause 4(4) of Schedule 2 to the Act provides that a board member must be appointed to chair meetings of the board of management and that board members will preside at meetings of the board of management at which she/he is present.

The council may, when establishing a subsidiary and determining the membership of the board of management of the subsidiary, appoint a member as the presiding member. This may be specifically set out in the subsidiary's Charter. Alternatively, the council may leave the appointment of the presiding member to the board of management and similarly make provision for this in the subsidiary's Charter. In such circumstances the members of the board of management should appoint one of its members to preside at the first meeting until a presiding member has been appointed, subject to any provisions in the subsidiary's Charter.

6. Presiding Member of Council Development Assessment Panel

Section 56A(1) of the *Development Act 1993* requires a council to establish a council Development Assessment Panel (CDAP). In addition section 56A(3)(b) requires a council to appoint a presiding member of a CDAP taking into account the following requirements:

- “(i) the presiding member must not be a member or officer of the council;*
- (ii) the presiding member must be a fit and proper person to be a member of a development assessment panel;*
- (iii) subject to any provision made by the Regulations, the presiding member must be a person who is determined by the council to have a reasonable knowledge of the operation and requirements of this Act, and appropriate qualifications or experience in a field that is relevant to the activities of the panel.”*

Accordingly, the presiding member must be appointed by the council itself and cannot be appointed by the CDAP. However a deputy presiding member of a CDAP will be appointed by the members of the CDAP.

Appendix 1

Model Agenda - First Council Meeting Following an Election

Notice of Meeting

A meeting of the _____ Council, formed following the general election which took place on _____, will be held on _____ commencing at _____ in the Council Chamber, _____

.....

Chief Executive Officer

.....

Date

Agenda

(The Chief Executive Officer chairs the meeting at this stage)

- **Welcome**
- **Apologies**
- **Announcement of candidates elected**
(This may include documentation tabled advising of the voting, which most probably will be incorporated within the Returning Officer's report, see below.)
- **Taking of oath/declaration of office** *(refer s.60, LG Act 1999)*
- **Chief Executive Officer's Report**
*(See **Appendix 2**)*
- **Selection of Chairperson** *(See **Appendix 3**)*
- **Handover to Chairperson to conduct the balance of the meeting**
(This could include the re-affirmation of the title of Chairperson or the decision of an alternative title, selection of deputy Chairperson from amongst the Members for a term decided by Council, and various other Council business issues which are the subject of other reports. See CEO Checklist - [http://www.lga.sa.gov.au/webdata/resources/files/CEO Checklist 2010.doc](http://www.lga.sa.gov.au/webdata/resources/files/CEO_Checklist_2010.doc))
- **Report of Returning Officer**
(This report will probably include several aspects associated with the election and it will confirm within the minutes of the first meeting those Council Members elected in the recent elections.)

Appendix 2

Model - Chief Executive Officer's Report

As the _____ Council is currently constituted, it is required to choose a Chairperson as its principal member. This person must be chosen from amongst the members of council.

The Chief Executive Officer (CEO) must preside over the meeting until the matter of the selection of the Chairperson is decided. There are a number of procedural and incidental matters that need to be considered prior to that selection taking place.

Listed below are those matters which the meeting is asked to consider, and where listed, decide the matter. While some aspects will only apply infrequently, nevertheless this report seeks to establish the rules to apply if those circumstances prevail, rather than debating such an issue during the process.

1. Term of Office of Chairperson

The council can make an appointment for a 4 year period or such lesser period as it chooses, say 1 or 2 years. A shorter period requires the council to make a further appointment or re-appointment when the term expires. The normal practice has been *<insert council's normal practice>*.

2. Choosing a Chairperson

The *Local Government Act 1999* does not stipulate a method to use in choosing a Chairperson.

If council chooses to appoint:

- (a) by resolution, or
- (b) an election process, with the appointment made or confirmed by resolution.

Irrespective of which format council chooses, it must first decide the term of office for the position of Chairperson.

Choosing a Chairperson by resolution

An appointment by resolution can be complicated if there is more than one candidate. It is necessary for each motion nominating a member to be considered individually and voted upon before any further motion is considered. The CEO would have to ascertain those voting for, those against and declare the result.

If the first candidate is successful then no further nominations can be considered (except through the process of revoking, in which case the meeting procedure rules relating to revoking a resolution would need to be complied with). This also means that no other candidate could be considered if the first nomination is successful.

Choosing a Chairperson by an indicative vote followed by a resolution

A variation to the option of resolution only, is that of the CEO taking a vote of Members present at the meeting to determine the preferred person and then the council - by resolution – appointing that person as the Chairperson. Council would need to agree on this method by

resolution as it is not within the ambit of the CEO to decide the process. As above, the term of office must be determined first.

Choosing a Chairperson by election – either by a show of hands or a secret ballot

This method enables one or more nominations to be considered at the same time.

Nominations will be invited by the CEO from amongst the members. They do not have to be in writing nor do they have to be seconded. Nomination will be achieved simply by indicating “I nominate council member _____”.

The CEO will then enquire as to whether the person nominated is prepared to accept the nomination. While that person may agree to accept the nomination, s/he has the right to withdraw at any time before the matter is put to a vote. If a member is absent from the meeting this would not preclude them from being nominated. They would need to have advised the CEO prior to the meeting as to whether or not they are prepared to accept the nomination.

If only one person is nominated then that person will be declared elected and the meeting will proceed with the Chairperson presiding.

If more than one person is nominated then the matter will proceed to a vote. All Members present are required to vote in the election. It is not a conflict of interest to vote for yourself if you have been nominated.

Council must determine the method of voting, which can be by show of hands or by secret ballot.

Should only two nominations be received then the successful candidate will be the one with the greater number of votes.

Method of voting in the event of an election

Council must determine the method of voting to be used in the event that more than two nominations are received. Note that using a show of hands effectively rules out the option of preferential voting.

The following examples outline the potential difference in outcome in a council of 11 members. Different methods can produce different results.

Example 1 - First past the post

Candidate 1	5 votes
Candidate 2	4
Candidate 3	<u>2</u>
	<u>11</u>

Candidate 1 has the most votes and would be elected, but with a minority of the votes cast.

Example 2 - A preferential system with the elimination of the candidate with the lowest vote.

Candidate 1	5
Candidate 2	4

Candidate 3 2

Candidate 3 is eliminated and those votes are distributed to 3's second preference. Assume 3's supporters prefer 2 over 1, then the result will be:

Candidate 1 5

Candidate 2 6

Candidate 2 would be elected with a majority of the total votes cast.

Note:

1. If four candidates contested the election then the votes of the one with the lowest number of votes would be allocated to their second preference first, with this process continuing, to the next preferred candidate until only two remained and a majority of votes were allocated to one member.
2. *If at any stage during the process* there is an equal number of votes the CEO will decide the issue by the drawing of lots – eg placing the names of the candidates on an identical slip of paper and drawing the required number, in the case of two equal parties one slip, from a receptacle so that no party present, including the person withdrawing the name, has a view of the name on the slip until it is opened in the presence of the meeting. The name of the candidate/s withdrawn will be the one/s excluded from the ballot.

Given the potential variations if more than two nominations are received, council should determine the method to be used in those circumstances.

Appendix 3

Appendix 3 outlines the key elements of the supporting resolutions in the appointment of a Chairperson. Note the need to appoint the Chief Executive Officer as the Returning Officer for the election; the authorisation for the Returning Officer to declare the successful candidate elected to the position of Chairperson; and the appointment of the Chairperson for the term of office determined by the resolution.

A. Choosing a Chairperson by motion and resolution

Key elements of a resolution

- The term of office for the Chairperson
- Method of choosing a Chairperson is by motion and resolution
- Appointment of Chairperson is confirmed by resolution

Model Resolution

That:

1. *the term of office for the position of Chairperson for the _____ Council be _____ (months/years).*
2. *Council determine that the method of choosing a Chairperson be by motion and resolution.*

Subsequent resolution:

That Council Member _____ be appointed Chairperson of the _____ Council.

B. Choosing a Chairperson by indicative vote and resolution

Key elements of a resolution

- The term of office for the Chairperson
- Method of choosing a Chairperson is by taking an indicative vote to determine the preferred person
- Motion and resolution to appoint that person to the position of Chairperson.

Model Resolution

That:

1. *the term of office for the position of Chairperson for the _____ Council be _____ (months/years).*
2. *Council determine that the method of choosing a Chairperson be by an indicative vote to determine the preferred person.*
3. *Upon completion of the vote Council will, by resolution, appoint the successful Council member as its Chairperson.*

Subsequent resolution:

That Council Member _____ be appointed Chairperson of the _____ Council.

C. Choosing a Chairperson by election – either by a show of hands or secret ballot

Key elements of a resolution

- Term of office for the Chairperson (months/years)
- Method of choosing a Chairperson is an election process
- Method of election (show of hands/secret ballot)
- Method of voting (in the case of a secret ballot, a choice can be made between first past the post/preferential/or other method. Note that using a show of hands effectively rules out the option of preferential voting). In the case of a secret ballot the CEO will invite staff members present to assist in the process by distributing voting slips, collecting slips and scrutinising the votes.
- Appointment of the Chief Executive Officer as the Returning Officer for the election
- Procedure to be followed when there is an equal number of votes (the Returning Officer will decide the issue by the drawing of lots. The name of the candidate/s drawn will be the one/s **excluded** from the ballot)
- The authorisation for the Returning Officer to declare the successful candidate elected to the position of Chairperson
- The appointment of the Chairperson for the term of office determined by the resolution, subject to any further resolution of the Council.

Model Resolution

That:

- 1. the term of office for the position of Chairperson for the _____ council be _____ (months/years).*
- 2. council determines that the method of choosing a Chairperson be by an election process.*
- 3. the method of election be by (show of hands/secret ballot).*
- 4. council adopt a (first past the post/preferential/other) method of voting.*
- 5. the Chief Executive Officer be appointed Returning Officer for the election.*
- 6. if at any stage during the process there is an equal number of votes the Returning Officer will decide the issue by the drawing of lots. The name of the candidate drawn will be the one excluded from the ballot.*
- 7. on completion of the election, the Returning Officer be authorised to declare the successful candidate elected to the position of Chairperson.*
- 8. on the declaration of the Returning Officer the candidate is appointed to the position of Chairperson for the term of office determined by this resolution.*

Appendix 4

Qualities to consider when choosing a Chairperson

The Chairperson is in a position to facilitate good decision making through skilful chairing of the Council meeting and through facilitating and encouraging all points of view to be expressed and respected. The role of Chairperson should go to a Council Member with the necessary skills to facilitate participation and inclusion of all Members.

The Chairperson should be provided with the opportunity and encouraged to undertake training to equip them with the skills, or update their existing skills, to properly chair Council meetings. In addition, the meeting procedures rules and requirements under the Act and the *Local Government (Procedures at Meetings) Regulations 2000* specific to the role of the Chairperson need to be understood and followed. Accordingly, training and re-training in this area should be an integral part of every Chairperson's 'induction' and the Council's training and development plan.

While the decision to publicly identify or agree a list of desirable qualities of a Chairperson rests with the Council, Members may nevertheless wish to consider various factors prior to the selection taking place.

Factors could include a person's:

- Expertise in chairing meetings of Council (if past experience exists), committee, and other organisations, public and private;
- Understanding of the prescribed meeting procedures as they relate to Councils;
- Ability to preside efficiently, firmly and fairly over Council meetings;
- Ability to manage conflict and differing opinions;
- General understanding or an ability to quickly gain an understanding of relevant legislation, strategic and operational plans and business that Council deals with;
- Ability and availability to represent and have an affinity with the community as a whole;
- Ability and availability to represent the Council in the presence of members of Parliament, dignitaries and peers;
- Interest and availability in attending functions, activities and seminars to assist in the social and economic promotion and growth of the community;
- Leadership, social and communication skills;
- Ability to be impartial and fair to all speakers when chairing meetings; and
- Relationship with the CEO, directors/departmental managers and staff of the Council. While the roles of each are quite separate, good communication between the parties assists in the smooth running of the Council.

This list is not exhaustive and there may be others that individual Councils may wish to add.

148 Frome St
Adelaide SA 5000
GPO Box 2693
Adelaide SA 5001
T (08) 8224 2000
F (08) 8232 6336
E lgasa@lga.sa.gov.au

www.lga.sa.gov.au

6.1 FIRST (SEPTEMBER 2019) BUDGET REVIEW FOR 2019/2020

Author: Michael Livori
Ref: AF19/6

Summary

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 finalises the first of the budget reviews required in accordance with regulation 9 (1) (a).

Report

The first review of Eastern Health Authority's (EHA) budget for the 2019/2020 financial year was presented to Board Members at the meeting of 20 November 2019 where the following resolution was made.

N Cunningham moved:

That:

1. The Finance Report and First (September 2019) Budget Review for 2019/2020 report be received.

2. Correspondence is forwarded to EHA's Constituent Councils requesting that the amendments to the Budgeted Financial Statements as detailed in Attachment 8 are approved.

Seconded by M Heinrich

CARRIED UNANIMOUSLY 2: 20112019

Four Constituent Councils have approved the requested budget variations. A copy of correspondence received is provided to members as attachment 2.

Campbelltown City Council (CCC) will consider the request at their meeting to be held on 3 March 2020.

If CCC approve the requested variations, EHA will have complied with clause 25 (3) of Schedule 2 of the *Local Government Act 1999*, in seeking approval from its Constituent Councils before amending its budget.

The recommendation is that EHA resolve to amend its budget, subject to confirmation that CCC have approved the variations requested. Upon making the resolution, the amended budget as detailed in the financial statements provided as attachment 1 will be effective (subject to City of Campbelltown's approval).

Town of Walkerville Communications

There have been a number of communications with Town of Walkerville (ToW) in relation to their consideration of this budget review and which are detailed below.

On 13 December 2019, EHA accessed (via the ToW website) the Town of Walkerville Council Agenda for their meeting to be held on 16 December 2019 which included Report Item 14.4.1 – Eastern Health Authority Budget Review One and a Delegates Report authored by Cr Joshi.

The Chair of EHA, Cr Cornish emailed Mayor Fricker from ToW to make her aware that EHA had significant concerns in relation to the content of the ToW Report Item 14.4.1 in relation to the Eastern Health Authority Budget Review One and the Delegates Report authored by Cr Joshi. In particular, the concerns related to inaccurate and incomplete information contained within the reports and material that breached the confidentiality provisions of the *Local Government Act 1999* (email provided as attachment 3).

Mayor Fricker subsequently responded via email to inform Cr Cornish that the Delegates Report authored by Cr Joshi would be withdrawn but the Budget Review Report would still be considered (email provided as attachment 4).

EHA remained concerned with the fact that Item 14.4.1 in relation to the EHA Budget Review One contained inaccurate and incomplete information. Subsequently, on 16 December 2019 EHA provided correspondence to ToW outlining its concerns with their report.

EHA requested that ToW Elected Members be provided with the correspondence it had provided ToW detailing its concerns when considering the report so that they can be fully informed in relation to EHA operations (a copy of the correspondence is provided as attachment 5). A copy of previous correspondence to ToW (minus attachments) referred to in the latest correspondence is provided as attachment 6.

On 16 December 2019 the CEO of ToW informed EHA via email that the report in relation to Eastern Health Authority Budget Review 1 would be deferred until January 2020.

On 3 February 2020 the ToW Audit Committee considered report Item 4.2 – Eastern Health Authority Budget Review One. While the report has had some minor changes and corrections made, it contains much of the same content that was in the deferred December 2019 report.

The Audit Committee recommended to ToW Council:

1. That the Chair and CEO of Eastern Health Authority be invited to attend a meeting of the Audit Committee in order for the Committee to interrogate costings and service delivery.
2. That Council authorise Administration to undertake an independent review of EHA services to determine if Council is receiving value for money;
3. That Council approves the EHA's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.
4. That Council requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting. The time being 4.38pm Mayor Fricker entered the meeting.

Subsequently, at a meeting of ToW council on 17 October 2020 the Eastern Health Authority Budget Review Report was considered at Item 14.4.3 (provided as attachment 7). The recommendations contained within the report were:

That Council:

1. authorise Administration to undertake an independent review of EHA services to determine if Council is receiving value for money;
2. approves Eastern Health Authority's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.
3. requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting.

As the ToW reports to their Audit Committee and Council did not contain EHA's detailed correspondence in relation to the concerns with the deferred report, it is unclear as to

whether the Audit Committee and/or Council was provided with this information in relation to EHA operations when considering their reports.

A previous query regarding cash flow has been fully explained in the latest correspondence to ToW, yet still appears as a query in recommendation 4 from the ToW Audit Committee.

The ToW reports may provide the reader with a sense that there are, and have been, issues with a range of governance/finance issues and the quality of financial information received from EHA by its Constituent Councils. The majority of the information requested or queried by ToW has been previously provided to ToW (and all Constituent Councils) in EHA Board/Audit Committee reports and correspondence (see attachment 5). EHA has requested ToW provide any factual evidence that supports its claims.

There have been no concerns received from any other Constituent Councils or the EHA Audit Committee in relation to the quality of financial information provided by EHA or in relation to other financial/governance matters raised by ToW.

As detailed in EHA's correspondence dated 16 December 2020 to ToW (attachment 5) EHA would welcome the opportunity to meet with ToW Audit Committee, Council and/or Administration to discuss the ToW report, EHA's subsequent responses and any outstanding matters. EHA looks forward to working with ToW towards a mutually beneficial outcome.

RECOMMENDATION

That:

1. The First (September 2019) Budget Review for 2019/2020 Report is received.
2. The amended budget for 2019/2020 as detailed in attachment 1 is adopted, subject to confirmation that Campbelltown City Council has approved the requested budget variations.

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDING 30 JUNE 2020				
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	REVISED BUDGET 2019/2020
	INCOME			
1,723,013	Council Contributions	1,757,120	-	1,757,120
-	Regional Public Health Plan Review / Service Review	50,000	40,000	90,000
150,360	Statutory Charges	180,000	-	180,000
394,577	User Charges	331,000	-	331,000
257,814	Grants, subsidies and contributions	244,000	-	244,000
16,316	Investment Income	15,000	-	15,000
15,841	Other Income	19,000	-	19,000
2,557,921	TOTAL INCOME	2,596,120	40,000	2,636,120
	EXPENSES			
1,767,577	Employee Costs	1,805,000	-	1,805,000
716,069	Materials, contracts and other expenses	758,000	40,000	798,000
12,811	Finance Charges	11,120	-	11,120
37,355	Depreciation	50,000	-	50,000
2,533,812	TOTAL EXPENSES	2,624,120	40,000	2,664,120
24,109	Operating Surplus/(Deficit)	(28,000)	-	(28,000)
	Net gain (loss) on disposal of assets	-	-	-
24,109	Net Surplus/(Deficit)	(28,000)	-	(28,000)
24,109	Total Comprehensive Income	(28,000)	-	(28,000)

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS				
FOR THE YEAR ENDING 30 JUNE 2020				
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	REVISED BUDGET 2019/2020
	CASH FLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,895,314	Council Contributions	1,807,120	40,000	1,847,120
157,878	Fees & other charges	180,000	-	180,000
372,381	User Charges	331,000	-	331,000
16,316	Investment Receipts	15,000	-	15,000
257,814	Grants utilised for operating purposes	244,000	-	244,000
18,497	Other	19,000	-	19,000
	Payments			
(1,779,142)	Employee costs	(1,805,000)	-	(1,805,000)
(974,102)	Materials, contracts & other expenses	(758,000)	(40,000)	(798,000)
(14,213)	Interest Expense	(11,120)	-	(11,120)
(49,257)	Net Cash Provided/(Used) by Operating Activities	22,000	-	22,000
	CASH FLOWS FROM FINANCING ACTIVITIES			
	Loans Received	-	-	-
(64,392)	Loan Repayments	(67,488)	-	(67,488)
	Repayment of Finance Lease Liabilities	-	-	-
(64,392)	Net Cash Provided/(Used) by Financing Activities	(67,488)	-	(67,488)
	CASH FLOWS FROM INVESTING ACTIVITIES			
	Receipts			
	Sale of Replaced Assets	-	-	-
	Payments			
(19,633)	Expenditure on renewal / replacements of assets	(30,000)	-	(30,000)
-	Expenditure on new / upgraded assets	-	-	-
-	Distributions paid to constituent Councils	-	-	-
(19,633)	Net Cash Provided/(Used) by Investing Activities	(30,000)	-	(30,000)
(133,282)	NET INCREASE (DECREASE) IN CASH HELD	(75,488)	-	(75,488)
876,554	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	852,161	(108,889)	743,272
743,272	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	776,673	(108,889)	667,784

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION				
FOR THE YEAR ENDING 30 JUNE 2020				
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	REVISED BUDGET 2019/2020
	CURRENT ASSETS			
743,272	Cash and Cash Equivalents	776,673	(108,889)	667,784
168,200	Trade & Other Receivables	122,329	45,871	168,200
911,472	TOTAL CURRENT ASSETS	899,002	(63,018)	835,984
	NON-CURRENT ASSETS			
324,192	Equipment	281,914	22,278	304,192
324,192	TOTAL NON-CURRENT ASSETS	281,914	22,278	304,192
1,235,664	TOTAL ASSETS	1,180,916	(40,740)	1,140,176
	CURRENT LIABILITIES			
149,195	Trade & Other Payables	197,380	(48,185)	149,195
322,578	Provisions	325,421	(2,843)	322,578
64,393	Borrowings	67,488	(3,095)	64,393
536,166	TOTAL CURRENT LIABILITIES	590,289	(54,123)	536,166
	NON-CURRENT LIABILITIES			
24,868	Provisions	38,690	(13,822)	24,868
186,350	Borrowings	115,766	3,096	118,862
211,218	TOTAL NON-CURRENT LIABILITIES	154,456	(10,726)	143,730
747,384	TOTAL LIABILITIES	744,745	(64,849)	679,896
375,306	NET CURRENT ASSETS/(CURRENT LIABILITIES)	308,713	(8,895)	299,818
488,280	NET ASSETS	436,171	24,109	460,280
	EQUITY			
488,280	Accumulated Surplus/(Deficit)	436,171	24,109	460,280
488,280	TOTAL EQUITY	436,171	24,109	460,280

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY				
FOR THE YEAR ENDING 30 JUNE 2020				
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	REVISED BUDGET 2019/2020
	ACCUMULATED SURPLUS			
464,171	Balance at beginning of period	464,171	24,109	488,280
24,109	Net Surplus/(Deficit)	(28,000)	-	(28,000)
488,280	BALANCE AT END OF PERIOD	436,171	24,109	460,280
	TOTAL EQUITY			
464,171	Balance at beginning of period	464,171	24,109	488,280
24,109	Net Surplus/(Deficit)	(28,000)	-	(28,000)
488,280	BALANCE AT END OF PERIOD	436,171	24,109	460,280

From: [Robert Dabrowski](#)
To: [Michael Livori](#)
Subject: Budget review resolution
Date: Monday, 17 February 2020 12:15:10 PM

As requested

Thanks
Rob

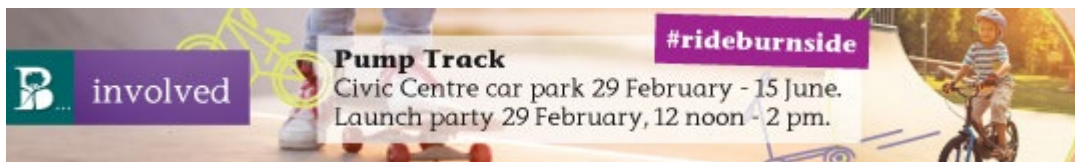
C12424 – 28 January 2020

That Council:

1. Defer consideration of the ERA Water Budget until the receipt of their 2020/21 Annual Plan and Budget anticipated in late March.
2. Approve the Eastern Health Authority First Budget Review for 2019/20, noting the Forecast result remains at \$28,000 Operating Deficit position.



Robert Dabrowski | Principal Executive Officer
City of Burnside | 401 Greenhill Road Tusmore SA 5065
P: 08 8366 4205 | M: 0477 228 844
RDabrowski@burnside.sa.gov.au
www.burnside.sa.gov.au



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*** Think before you print ***

This is one of Council's LA21 Sustainable Environmental Management initiatives.

File Number: S/00046 Folio 394351
Enquiries To: Mario Barone
Direct Telephone: 8366 4539



City of
Norwood
Payneham
& St Peters



30 December 2019

Mr Michael Livori
Chief Executive Officer
Eastern Health Authority
PO Box 275
STEPNEY SA 5069

**CHIEF
EXECUTIVE'S
OFFICE**

Dear Michael,

Thank you for your letter dated 3 December 2019, regarding the First Budget Review for 2019-2020.

175 The Parade,
Norwood SA 5067

PO Box 204
Kent Town SA 5071

The Council notes that EHA, as part of the Budget Review, is seeking an amendment to the 2019-2020 Budget of \$40,000 to undertake a service review.

Telephone
8366 4555

As previously advised in my letter dated 9 August 2019, the Council has no specific concerns regarding the scope of the review and it is pleasing to see that each of the Constituent Councils will be contributing equally to the cost of undertaking this review.

Facsimile
8332 6338

Given the Council's previous endorsement of the service review and the minimal impact on the City of Norwood Payneham & St Peters 2019-2020 Budget, I approve the amendment as requested on behalf of the City of Norwood Payneham & St Peters, pursuant to the delegated authority granted to me, as the Chief Executive Officer, by the Council.

Email
townhall@npsp.sa.gov.au

Website
www.npsp.sa.gov.au

Should you require any further information, please contact me on 8366 4539 or email mbarone@npsp.sa.gov.au.



With Kind Regards

Mario Barone, PSM
CHIEF EXECUTIVE OFFICER

- Community Well-being is...
- Social Equity
- Cultural Vitality
- Economic Prosperity
- Environmental Sustainability



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Ref. CR19/72734

18 December 2019

Michael Livori
Eastern Health Authority
PO Box 275
STEPNEY SA 5069

Dear Michael

EASTERN HEALTH AUTHORITY FIRST BUDGET REVIEW 2019-2020

Further to your correspondence dated 3 December 2019 requesting constituent council approval for budget amendments, I am pleased to advise that City of Prospect at its 17 December 2019 meeting resolved the following:

- (1) Council having considered Item 10.4 Eastern Health Authority First Budget Review 2019-2020, receive and note the report.
- (2) Council approves the adjustments to Eastern Health Authority's Budget (as presented in Attachments 4-14).

CARRIED

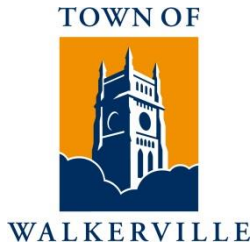
In addition, Council supported providing a commitment of \$8,000 toward the service review process proposed by the Eastern Health Authority Board.

Should you require further information, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Chris Birch".

Chris Birch
Manager Financial Services



The Corporation of the Town of Walkerville

ABN 49 190 949 882

66 Walkerville Terrace, Gilberton SA 5081

PO Box 55, Walkerville SA 5081

File Number: 11.14.1.1

Please Quote Ref: EM202039618

Contact Officer: Katy Bone Group Manager Corporate Services

Telephone: (08) 8342 7100

Facsimile: (08) 8269 7820

Email: walkerville@walkerville.sa.gov.au

www.walkerville.sa.gov.au

20 February 2020

Mr Michael Livori
Chief Executive Officer
Eastern Health Authority
PO Box 275
STEPNEY SA 5069

Via Email: MLivori@eha.sa.gov.au

Dear Mr Livori

Re: Eastern Health Authority Budget Review One

At Monday 17 February 2020, Council considered the information provided by Eastern Health Authority (EHA) regarding Budget Review One.

After considerable debate and discussion, Council, subsequently resolved as follows;

CNC280/19-20

That Council:

- 1. approves the Eastern Health Authority's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.*
- 2. requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting.*

Further, Councils Audit Committee would like to accept your previous offer to attend a future meeting, in order for the Committee to better understand EHA's costs and service delivery

I invite you to contact Katy Bone Group Manager Corporate Services on 8342 7134 should you have any questions.

Yours Sincerely

Katy Bone
Group Manager Corporate Service

From: Peter Cornish <PCornish@burnside.sa.gov.au>
Sent: Friday, December 13, 2019 4:42 pm
To: Elizabeth Fricker
Cc: mlivori@eha.sa.gov.au; 'BoardMembers'
Subject: Walkerville Agenda Concerns - EHA

Dear Mayor Fricker,

I am extremely concerned about the report that is currently in your agenda for the upcoming council meeting to be held on Monday 16 December 2019 concerning the Eastern Health Authority Budget review 1 (see attached).

It is my view that the report authored by Group Managers Corporate Services, Katy Bone contains inaccurate material that should not form part of the public record (see attached) .

In addition, the delegates report authored by Cr Joshi also provides inaccurate material and material that breaches the confidentiality provisions of the *Local Government Act 1999* (see attached).

In accordance with clause 10 of the Eastern Health Authority Charter which establishes the relationship between the Eastern Health Authority and the Corporation of the Town of Walkerville the Charter provides a process for managing disputes. I have included clause 10 as an attachment for you information.

I request that as a matter of urgency that the reports of both Katy Bone and Cr Joshi be removed from the agenda and the Town of Walkerville website and a meeting be convened with an appropriate mediator to discuss the process moving forward.

It must be remembered that from my perspective that these inaccuracies need to be corrected as a matter of accountability and good governance to avoid unnecessary misinformation being presented to both your members of Council and the public.

To be clear EHA, including myself, has absolutely no issue whatsoever with an independent review of EHA services/costs, in fact the Budget review presented for the consideration of all constituent Councils and as first requested by the Town of Walkerville was for this very purpose.

Could you please call me to discuss this as a matter of urgency.

Kind regards,

Peter Cornish
Chair
Eastern Health Authority

M 0417 871 155 • E pcornish@burnside.sa.gov.au • www.eha.sa.gov.au
101 Payneham Road, St Peters SA 5069

I acknowledge and respect Aboriginal peoples as South Australia's first peoples and nations, we recognise Aboriginal peoples as traditional owners and occupants of land and waters in South Australia and that their spiritual, social, cultural and economic practices come from their traditional lands and waters; and they maintain their cultural and heritage beliefs, languages and laws which are of ongoing importance; I pay respect to their ancestors and to their Elders.

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From: Elizabeth Fricker <efricker@walkerville.sa.gov.au>
Sent: Friday, 13 December 2019 5:24 PM
To: Peter Cornish <PCornish@burnside.sa.gov.au>
Cc: mlivori@eha.sa.gov.au; 'BoardMembers' <BoardMembers@eha.sa.gov.au>; Kiki Magro <kmagro@walkerville.sa.gov.au>; Vanessa Davidson <VDavidson@walkerville.sa.gov.au>
Subject: Re: Walkerville Agenda Concerns - EHA

Dear Peter

I am in receipt of your email regarding the concerns of EHA.

I have reviewed the 2 reports and agree that Cr Joshi's report should not have included a confidential item. We have withdrawn her report from the Agenda. We do apologise for this error.

In regard to the other item. No it stands. EHA is a subsidiary of our Council's and as such we have a duty to review, question and ensure we receive value for money from all our subsidiaries. We will continue to do so otherwise we are derelict in our duty as Councillors. There is nothing confidential in the item.

In regard to mediation, I will discuss that matter with both our representatives on the EHA board. It greatly disappointed me when both of our representatives felt they were not encouraged to ask questions regarding concerns they had about several agenda items.

Yours sincerely

Mayor Elizabeth Fricker

Town of Walkerville
PO Box 55 | Walkerville SA 5081
M +61 466 396 670
www.walkerville.sa.gov.au | efricker@walkerville.sa.gov.au

Our Ref: D19/18862

16 December 2019

Kiki Magro
Chief Executive Officer
Corporation of the Town of Walkerville
PO Box 55
WALKERVILLE SA 5081

Dear Kiki

RE: Town of Walkerville Council Agenda 16 December 2019 – Report Item 14.4.1

I write in relation to report Item 14.4.1 - Eastern Health Authority (EHA) Budget Review One, that will be considered at the Town of Walkerville (ToW) Council meeting this evening.

The EHA Budget Review One recommends amendment to the EHA budget so that an independent service/cost review can take place. The original suggestion for this review to occur came from ToW and EHA is fully supportive of this review.

On 13 December 2019 the Chair of EHA made Mayor Fricker aware that EHA has concerns in relation to the content of the ToW Report Item 14.4.1 in relation to the EHA Budget Review One and this correspondence seeks to outline those concerns.

EHA believes that it is important that ToW Elected Members be aware of these concerns when it considers this report and be provided with a copy of this correspondence so that they are fully informed in relation to EHA operations.

The Chair and Deputy Chair of EHA will attend this evening's ToW council meeting to observe the discussion in relation to this item and respond to any questions if requested.

Extract A from Town of Walkerville Item 14.4.1, 16 December 2019

Council first raised concerns with the quality of information received from Eastern Health Authority (EHA) at its Ordinary meeting held on the 20 May 2019. Council requested additional information from EHA relating to the treatment of budget surplus and deficits, as well as seeking the preparation of a long term plan, to ensure financial sustainability as well as a cost review of EHA to determine value for money (CNC 363/18-19).

EHA provided detailed responses in relation to all of Town of Walkerville's (ToW) queries of 24 May 2019 (see attachment A).

The paragraph (Extract A) of the ToW Item 14.4.1, 16 December 2019 report above suggests to the reader that EHA does not have Long Term Financial Plan (LTFP) in place. The response by EHA provided to ToW (see attachment A, page 1) indicated that an EHA LTFP was developed in 2013 and has been regularly reviewed since this time.

It should be noted that reports in relation to the development and subsequent reviews of the EHA LTFP have been considered by the EHA Board of Management and Audit Committee and provided to all Constituent Councils including ToW since 2013.

EHA provided a detailed response in relation to the query regarding the treatment of budget surplus and deficits (see attachment A, page 1). It should be noted that the information contained in the response has previously been considered by the EHA Board of Management and Audit Committee and provided to all Constituent Councils including ToW.

The response also included the following:

- Information in relation to levels of accumulated surplus (see attachment A, page 2)
- Information in relation to the maintenance of operating capital /cash management (see attachment A, page 2)

The paragraph of the ToW Item 14.4.1, 16 December 2019 report (Extract A) above would provide the reader with a sense that there are issues with the quality of financial information received from Eastern Health Authority (EHA) by its Constituent Councils. There have been no concerns received from other Constituent Councils in relation to the quality of financial information provided by EHA.

The concerns regarding quality of financial information and/or the information provided in response to its queries does not appear to be evidence based. EHA welcomes ToW providing any evidence that supports this claim.

Extract B from Town of Walkerville Item 14.4.1 16 December 2019

Council received a response from EHA on 30 July 2019 regarding Council's specific questions raised at the May 2019 Council meeting. Upon reviewing the information received by EHA, additional concerns were raised.

Subsequently Council resolved, having considered the Audit Committee's recommendation, (CNC45/19-20) that further clarification was needed on the long term financial plan, EHA risk register and feedback on the Request for Quote (RFQ) for the EHA service review, sought by the Constituent Councils.

The full response in relation to the additional queries is provided as attachment B. In relation to some of the specific queries EHA notes the following.

ToW Query - An explanation as to why the figures in the LTFP do not appear to have been updated; some refer to 13/14 and some to 2017

The EHA LTFP report referred to by ToW included updated figures and these figures have regularly been updated since 2013 and provided to Constituent Councils. The LTFP was last updated in September 2019.

ToW Query - An undertaking to examine the treatments in the risk register as a number of residual risks are unchanged post treatments.

The above query was supplementary to an original query relating to concerns about risk management.

EHA's Audit Committee regularly conducts Corporate Strategic Risk Assessments and has regularly reviewed EHA's Corporate Risk Register since its development in 2012. These reports are provided to Constituent Councils.

A review of the five previous versions of the Corporate Risk Summary reveals that many identified risks having reduced risk ratings post treatment.

There are however several risks, that when assessed against the Framework, will retain their current risk rating, irrespective of additional controls.

The latest Corporate Strategic Risk Assessment and updated Corporate Risk Summary was most recently considered by the Audit Committee on 28 August 2019. After being considered against the Framework, several risks still have ratings that remain unchanged. This is not uncommon in risk management practice.

ToW Query - That the EHA ensures that (in relation to the RFQ for the EHA Service Review):

- ***The review of the governance arrangements take account of the Local Government Act 1999.***

It was not intended that the Service Review consider governance arrangements at EHA. An extensive Governance Review was conducted in 2018 by Kelledy Jones Lawyers. Kelledy Jones found that EHA had a high degree of statutory compliance in relation to governance (see attachment B page 3).

Extract C from Town of Walkerville Item 14.4.1 16 December 2019 report.

On 31 July 2019 EHA requested feedback in relation to a draft RFQ on proposed service/cost review of EHA. Included in the feedback from City of Norwood Payneham and St Peters was that the cost for this review should be shared equally amongst Constituent Councils. This is on the basis that each Constituent Council will benefit equally.

EHA has estimated the cost of this review will be \$40,000 requiring each Council will need to contribute an additional \$8,000 to the cost of this review. This additional cost has not been included as an amendment to budget review one and it is unclear as to why EHA is unable to absorb these costs and to date, no justification has been formally provided for this position.

Extract C of the report states that the additional costs for the service/cost review is not included in the EHA budget review 1. The costs are however included as variations to the budgeted financial statements (see attachment B of ToW item 14.4.1) and this variation is explained in the correspondence to ToW relating to the budget review (see attachment A of ToW Item 14.4.1).

EHA is an operational based organisation focused on meeting the regulatory requirements of its member councils. EHA does not undertake capital projects and 70% of its expenditure is on

salaries. EHA generally aims to achieve a breakeven operating result and as a result has very little capacity to absorb the cost of this work.

Additionally, if costs for this service/cost review were absorbed into EHA's normal operations, ToW would contribute 5.83% of the cost of the review (based on the charter formula calculation of proportion of contribution/equity).

As a general observation, work of this nature which has equal benefit to all constituent council members should be shared in an equitable manner. This proposition was raised by the City of Norwood Payneham St Peters who have requested that the costs be shared equally (20% for each Constituent Council). I note that this approach was recently endorsed by all constituent councils for the development and review of the Regional Public Health Plan.

4 Extract D from ToW Item 14.4.1 16 December 2019 report.

Cash flow

Ordinarily a reduction in the cash balance, is a result of an increase in expenditure or reduction in liabilities. As EHA are not proposing an amendment to the operating results for 2019/20, the cash balance should have remained stable.

As a result, it is unclear why the end of year cash position has reduced as much as \$108,889 in one quarter. It is noted there are noticeable reductions in current liabilities which would explain partly why cash has reduced. However, no explanation has been provided in the papers received from EHA as to what the current liability reduction relates to and why it was not included in the projected cash flow for 2019/20. More information is required regarding cash forecast and movements.

The ToW assumption in relation to the Cash Flow Statement is incorrect. The 2019/20 September budget review provided to Constituent Councils reflects the audited financial statements for the 2018/19 year. The Net Surplus was \$24,109. At the time of the budget being prepared for the 2019/20 year the budgeted Net Surplus for 2018/19 was nil. The Statement of Position has been revised for this unbudgeted surplus.

The net change in the Statement of Financial Position is made up of movements in cash, debtors, assets, creditors and provisions. These are outlined in the report. The cash movement of \$108,889 is offset by changes in other assets and liabilities resulting in the net change of \$24,109.

5 Extract E from Town of Walkerville Item 14.4.1 16 December 2019 report.

Council has on a number of occasions, formally requested information from EHA to better understand the services provided to Council, including said costs, in order to be satisfied that we are getting value for money.

Each year during its budget development process, EHA seeks input on multiple occasions from its Constituent Councils in relation to the content of its Annual Business Plan (ABP). The ABP provides an overview of the service levels provided by EHA to its Constituent Councils in discharging their collective legislative responsibilities.

Questions were raised in relation to service levels and the response was provided to ToW is provided in Attachment A at page 4.

Since the last Local Government General Election, I have offered ToW representatives on a number of occasions both verbally and most recently via letter and email in September 2019 to meet with ToW's Audit Committee and /or Council to provide a presentation in relation to EHA's operations and answer any queries that they may have.

6 Extract F from Town of Walkerville Item 14.4.1 16 December 2019 report

The table below identifies the services provided to the Town of Walkerville for 2018/19 by EHA, some of which appear in the 2018/19 annual report. It should also be noted that we are unable to verify the data received as Council does not receive updated reports, nor does it receive any information on the premises visited by EHA as part of the 'food-related' inspections. The current 2019/20 cost to Council for these services is \$124,000 p.a.

It is unclear as to what ToW means when it says it does not receive updated reports. ToW and all Constituent Councils are provided with copies of:

- Board of Management Reports which provide financial, governance and operational reports and statistics.
- EHA Annual Report
- Food Act 2001 and Safe Drinking Water Act 2011 Annual Reports
- SA Public Health Act 2011 Annual Report
- Business Plan Performance Evaluation
- Biennial Regional Public Health Plan

In relation to operational matters councils are provided with the following:

- Notices and Orders issued under the Food Act or SA Public Health Act on properties are sent to the Constituent Councils rates department. Following compliance, a further notification is sent to the Constituent Council rates department.
- Direct contact made to Constituent Council Contacts to inform them on serious public health matters regarding:
 - Prohibition orders
 - Public Health outbreaks
 - Or other serious public health matters that EHA requires to communicate to the Constituent Councils.

In addition to Board of Management meetings, EHA administrative staff regularly meet with administrative staff from all Constituent Councils including ToW to discuss board reports and other operation matters.

The contributions requested from ToW towards EHA's operational services in 2019/2020 is \$102,500, a decrease of \$11,737 from the previous year. EHA is unclear as to what the figure of \$124,000 relates to.

7 Extract G from Town of Walkerville Item 14.4.1 16 December 2019 report

Council and Audit Committee have raised concerns regarding EHA's financial position and whether we are receiving value for money. The information received is often incomplete and confusing. Despite requests for further and better particulars, we are still unclear what level of service is provided to Walkerville. Undertaking an independent review of Councils contributions to EHA supports both good governance and financial accountability.

EHA is unclear as to what ToW concerns are in relation to EHA's financial position. ToW raised this concern in the context of ToW's contributions to EHA reducing by 10.27% to \$102,500 for 2019/2020 (ToW letter to EHA dated 24 May 2019).

The reason behind this reduction was the application of the EHA Charter formula which determines the proportion of contributions required from Constituent Councils based on proportion of activity. ToW's proportion of activity decreased, and this is reflected in the contributions requested. The total change in contributions from Constituent Councils to EHA for 2019/2020 was an increase of 1.98%.

As indicated previously, EHA is supportive of an independent service/cost review. To this end it developed a specification for this work and a Request for Quote document which was provided to Constituent Councils for input. The estimated costs associated with this work was the basis for the changes made to the EHA budget at its first review.

I note with interest that the ToW report Item 14.4.1 dated 16 December 2019 recommends that the ToW undertake an independent service/cost review by an external consultant at its own cost. It is difficult to understand the logic behind such a recommendation given that EHA and the one constituent councils who has responded thus far already support and agree that the service/cost review be undertaken with costs apportioned equally among the constituent councils. On the assumption that the other constituent councils share this view, the ToW would be incurring unnecessary additional expenses to undertake its own service/cost review by an external consultant.

EHA would welcome the opportunity to meet with ToW representatives in the New Year to discuss the ToW report, our subsequent response and any outstanding matters. This will also allow discussion in relation to any concerns that the ToW Board Members may have with the structure of EHA's Board meetings. We look forward to working collaboratively towards a mutually beneficial outcome.

If you have any queries in relation to the matters raised in this correspondence I invite you to contact me on 0400 102 077 or alternatively mlivori@eha.sa.gov.au.

Yours sincerely



Michael Livori
Chief Executive Officer

Ref: AF18/107

18 June 2019

Ms Kiki Magro
Chief Executive Officer
Corporation of the Town of Walkerville
PO Box 55
WALKERVILLE SA 5081

Dear Kiki

RE: Request for Information from Town of Walkerville Audit Committee

I write in response to your letter of 24 May 2019 which requested information in relation to a number of matters from Eastern Health Authority (EHA) and provide the following in relation to that request.

EHA Long Term Financial Plan

On 28 August 2013 the Board of Management adopted a Long-Term Financial Plan (LTFP) for the period 2014-2023. The LTFP was last reviewed on 29 August 2018 (report enclosed as attachment 1) and will next be reviewed on 18 September 2019 after the adoption of the 2019-2020 budget.

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 is the upgrade of office accommodation at EHA's St Peters office which occurred in 2012. A 10-year loan (final payment to be made in July 2022) from the LGFA was used to fund the required office accommodation.

The LTFP is, apart from the loan, simply a projection of current operating arrangements moving forward.

Treatment of Budget Surplus and Deficits

Due to the financial nature of the organisation (see comment regarding LTFP above) and its relationship with its Constituent Councils, EHA has either budgeted for a breakeven operational budget result or a breakeven cash result since 2010. Prior to this time EHA had funds allocated to reserves for funding one-off or non-recurring costs.

The Local Government Association Financial Sustainability Program Information Paper 15 – Treasury Management, states that *“council’s overall financing requirements should be met by a combination of fixed and variable interest rates borrowings for differing maturities and/or the utilisation of other cash resources, depending on the ebb and flow of Council’s cash resources.”*

In this context, it discourages the use of reserves. In 2011 EHA transferred all reserve funds into its Accumulated Surplus and ceased the practice of using cash reserves.

In the draft 2019/2020 budget a deficit of \$28,000 has been budgeted to fund the one-off IT support costs for an Electronic Records Management System version upgrade and desktop PC replacement. The decision was based on using part of the 2017/2018 Operational Surplus (\$138,552) which was transferred to the Accumulated Surplus.

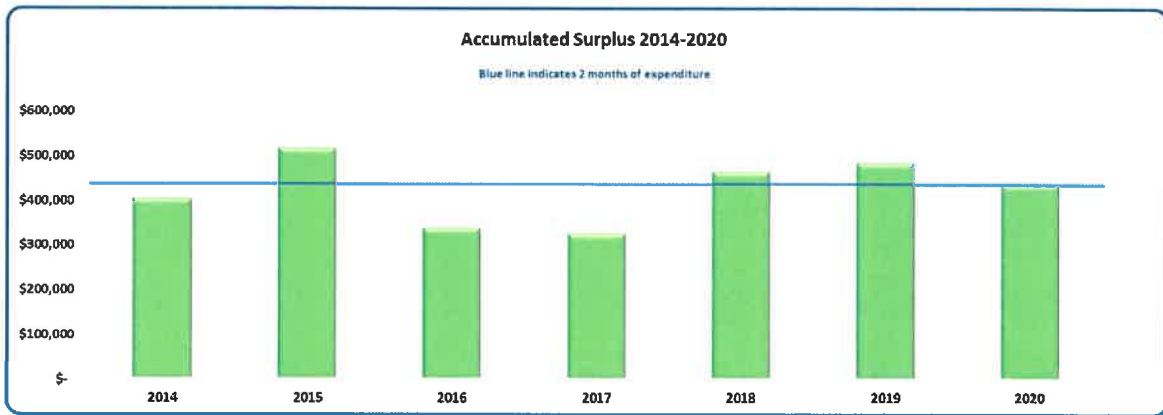
Level of Accumulated Surplus

A modest amount of surplus funds is retained by EHA in the form of an Accumulated Surplus to ensure it has appropriate cash flows. Any surplus funds retained by EHA on behalf of its Constituent Councils are recognised by each council in its own balance sheet in the proportion that it contributes to ongoing operations.

Graph 1 below illustrates the level of equity retained by EHA (on behalf of its Constituent Councils) in the form of an Accumulated Surplus over recent years. The level of equity is estimated to be \$436,171 at the end of the 2019/2020 financial year.

In 2016, following surplus results of \$124,697 and \$112,674 in 2014 and 2015 respectively a cash distribution of \$200,000 was made to Constituent Councils.

Graph 1



Maintaining Operating Capital (Cash Management)

EHA currently does not have any borrowing facilities enabling access to cash. Its only borrowing is a 10-year loan for the financing of the fit out of its current office facilities. Cash and cash equivalents are its only means of managing its finances.

The annual operating expenditure of EHA for 2020 is estimated to be \$2,624,120. Therefore, EHA requires working capital of \$218,677 a month to pay salaries and other operating costs.

Total annual Constituent Council contributions for 2020 are \$1,609,305, being \$146,426 a month. These contributions are payable six monthly in advance in January and July of each year.

The EHA Audit Committee in May 2015 endorsed a recommendation that two months operating expenditure be the target minimum cash on hand at EHA to ensure that it can fund its operations and that this level is continuously monitored.

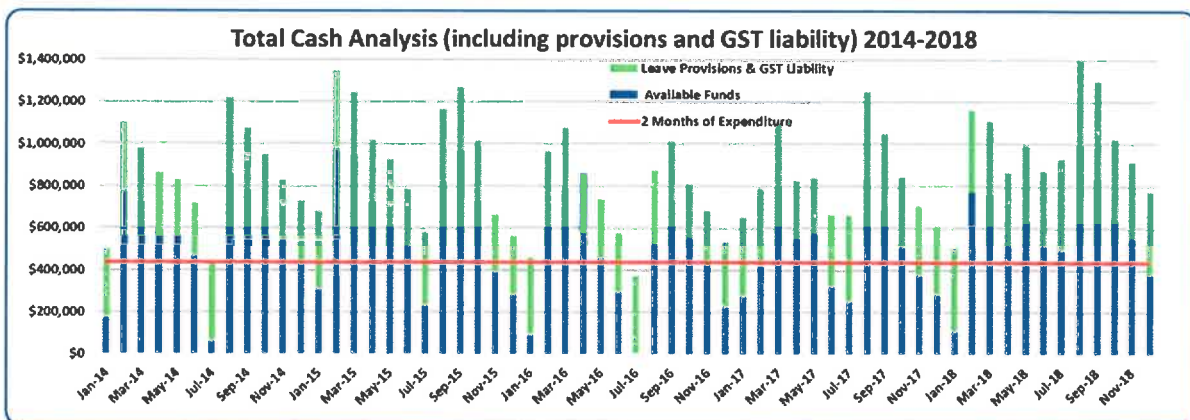
- (2) The board of management of a regional subsidiary must ensure as far as practicable
- (c) that the Constituent Councils are advised, as soon as practicable, of any material development that affects the financial or operating capacity of the subsidiary or gives rise to the expectation that the subsidiary may not be able to meet its debts as and when they fall due.

Due to the cyclical nature of EHA's cash flows (see graph 1), there will be times when EHA carries significant levels of cash. Councils who may not have a complete understanding of the nature of EHA cash flows have queried the reason EHA carries these high levels of cash at certain times of the year.

If EHA reduced cash levels to the extent that it does not have a reasonable safeguard (two months operating expenditure as endorsed by its Audit Committee) when cash is predicted to be at its lowest (July of each year) it would be necessary to put in place an overdraft facility to ensure it had the ability to pay its operating costs.

Previous enquiries have been made with the LGFA in relation to the ability of the Eastern Health Authority to arrange an overdraft facility of approximately \$350,000 to \$400,000. The LGFA has indicated that it would be possible for a facility to be arranged which was guaranteed by the Constituent Councils. The LGFA advised that an additional risk premium of up to 0.25% would apply to the facility but questioned the need to arrange such a small overdraft. A decision was made to not apply for an overdraft and to monitor cash thresholds.

Graph 2



Graph 2 above demonstrates the following:

- total level of cash on hand (stacked column)
- amount of cash on hand required for Leave Provisions and GST liability (green)
- amount of "Available Funds" – (total cash minus Leave Provisions and GST liability (blue))
- a trend line indicating 2 months of operational expenditure.

Observations that can be made from the graph include:

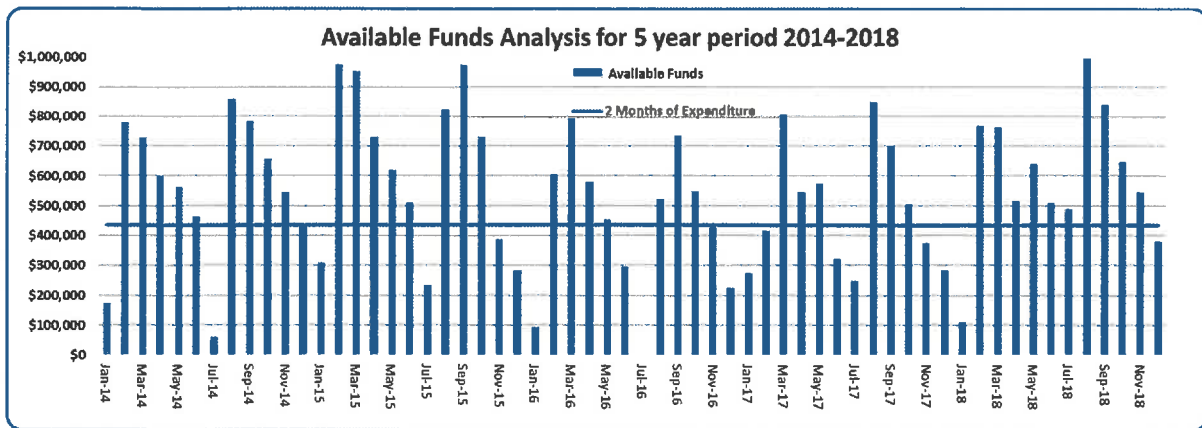
- the cyclical nature of cash levels.
- July and January are generally the months when cash levels are run down to their lowest prior to payments from Constituent Councils

- cash levels rise significantly in August and February when 6 monthly payments from Constituent Councils are received
- July of each year is the most critical month in terms of cash levels

As an example of the fluid nature of the cash position at EHA, the graphs show that while available funds in August 2018 were \$996,810, this amount reduced to \$380,374 at 31 December 2018, just under the two-month operating expenditure threshold.

Graph 3 below provides an analysis of available funds (total cash – minus leave provisions and GST liability) for the same period (2014-2018). It shows that the cash threshold (in relation to “available funds”) was met for approximately 75% of the 60-month period. It shows there are times when the cash buffer of Leave provisions and GST liabilities has been required to be utilised.

Graph 3



EHA Service Levels and Frequency of Inspection

The EHA Annual Business Plan (ABP) provides an overview of the service levels provided by EHA to its Constituent Councils in discharging their collective legislative responsibilities.

As outlined in the ABP two of the main areas of focus are Food Safety and Public Health. A number of activities relating to these areas specified in the ABP require regular monitoring to ensure compliance with the respective legislation (Food Act, 2001, SA Public Health Act 2011 and the SRF Act 1992). The frequency of this monitoring differs according to the specific activity and its inherent risk.

As an example, it is a legislative requirement to undertake annual inspections and sampling of cooling tower and warm water systems under the SA Public Health Act 2011. The frequency of food inspections however is determined by using the Food Business Risk Classification profiling framework (FBRC) developed by SA Health and adopted by local government in South Australia. The FBRC allows for the inspection frequency to be determined by the nature of the potential risk, inherent food safety risk and reliability of existing management actions.

Food businesses are classified a ‘priority’ which ranges from Priority 1 to Priority 4. This priority classification is based on the level of risk associated with the food handling activities undertaken at the business. For example, a bakery producing cakes with fresh cream is considered as high risk and would be assigned as a Priority 1, whereas the nature of the potential and inherent food safety risk of a retailer selling dried fruit and nuts is low and would be assigned a Priority 3 classification. A minimum and maximum inspection frequency range is applied to each risk classification. Each priority classification has an inspection frequency range: Priority 1 – 3 to 12 months; Priority 2 – 6-

18 months and Priority 3 – 12 to 24 months. Priority 4 businesses do not require an inspection as the food handling activities are considered low risk, for example sugared confectionary sold at pharmacies. Priority 4 businesses account for a small proportion of food businesses within EHA. The FBRC allows for inspections to be either increased or decreased within the above-mentioned ranges depending on whether or not compliance is satisfactory during inspections. This FBRC is reflected within the ABP actions and performance measures. This standardised tool has been a very useful to not only EHA but across the industry as it has enabled a consistent approach to the monitoring of food businesses.

Risk consideration and principles have also been applied to other environmental activities within EHA. Public outdoor swimming pools are inspected annually, however, indoor pools are inspected twice a year as there is an increase in the inherent risk associated with water at higher temperatures and indoor pools available for public use all year round.

Improved technology and equipment, limited regulation and public demand has seen a shift in the nature of potential and inherent risk associated within the personal care and body art industry. Traditionally, acupuncture was considered a high-risk activity, however, due to improved regulation and availability of single use needles the associated risk is considered low. Conversely, services provided at a beauty premises have considerably changed, with beauty technicians undertaking high risk skin penetration techniques such as permanent make-up. The requirement to undertake routine assessments of PCBA's are based on the activities and risk.

Additionally, the frequency of swimming pool, PCBA and cooling tower and warm water inspections may be increased depending on whether or not compliance is satisfactory or if enforcement action has been taken.

Formal Measurement Against Environmental Health Providers

In 2016 EHA administrative staff worked internally and externally to consider appropriate benchmarking/service comparison of activities with other environmental health providers to respond to a request from a constituent council.

To undertake the requested benchmarking of EHA a number of challenges were faced which included:

- Finding Suitable Organisations to Benchmark With

There is no like organisation in South Australia. EHA is the only Regional Subsidiary created to fulfil public health obligations on behalf of its Constituent Councils.

- Uniformity of Services Delivery and Risk Profile

Environmental Health units located within councils are responsible for delivering a broad range of health protection. These functions are not homogeneous from council to council. Councils will have differing proportions of Food Premises, Supported Residential Facilities, Waste Control Systems, High Risk Manufactured Water Systems, School Enrolment Numbers, Public Health complaints and Communicable Disease Investigations etc.

The risk profile and complexity of the public health work required in relation to these activities is also variable making holistic comparison very difficult. There are also significant differences in the way in which individual councils perceive environmental factors as causing a risk to public health. The problem can manifest in a reluctance of some councils to require rectification of defaults and, in some cases, to proceed to enforcement actions.

- Availability, quality and statistical relevance of data

Very little data was readily available at the commencement of the process. It was necessary to work with other councils to develop base data for analysis and then comparison.

Development of Comparative Data

In the absence of any relevant league tables or comparative data to undertake “results” benchmarking, other local government environmental health providers needed to be engaged to participate in the benchmarking/comparison work.

One of Environmental Health Australia’s professional networking groups is the Environmental Health Managers Forum. Councils represented at the forum were requested to consider participating in a benchmarking/comparison exercise. Subsequently, a data set measuring environmental health activities was developed, refined and agreed upon by participating member councils. Seven metropolitan councils and one rural council agreed to participate in addition to EHA, although not all councils completed the data set in its entirety.

The report in relation to the data comparison/benchmarking is enclosed as attachment 2 to this correspondence. It should be noted that the councils who have participated in the project have agreed that any public reporting should de-identify participants which is reflected in the report.

Thirty-one separate elements of Environmental Health Service provision were measured. The results for each element were ranked and then converted to a score for overall comparison between providers. The results were broken into subcategories to reflect and separate purely quantitative measures and measures that provide some qualitative comparison. EHO and Immunisation activities were also analysed separately. The resulting scores detailed that EHA ranked the highest of any participant in quantitative, qualitative and combined measurements in relation to both EHO and Immunisation activities.

Informal Best Practice Measurement

In the context of the definition of benchmarking “*comparing performance to peers, understanding gaps in operations, and taking steps to close the gap and improve performance*”, EHA is continually undertaking informal benchmarking activities internally and with its local government peers.

From an internal perspective this involves team based meetings where work practices are discussed and critically analysed to ensure best practice and consistency of application of legislation and service standards.

From a wider environmental health industry perspective most learning from informal benchmarking comes from networking with people from other organisations at conferences, seminars, and Special Interest Groups. EHA encourages its staff to be actively involved in informal benchmarking through these avenues.

From an external recognition and measurement perspective, SA Health in conjunction the Local Government Association initiated the ‘Public and Environmental Health Award – Metropolitan Council of the Year’. The award based on the annual reports submitted to the Minister for Health pursuant to the *Public and Environmental Health Act 1987* was presented between 2006 and 2012 for excellence in the provision of environmental health services. EHA were shortlisted for the award on six of the seven years that it was presented, were the inaugural winner of the award in 2006, in addition to being awarded the final award presented.

EHA was also awarded the Environmental Health Australia Award for Excellence in Leadership in 2017. This award, which is normally given to individuals, demonstrates EHA's leadership amongst its peers.

Risk Management

In 2012 the EHA Audit Committee identified the need for organisations risks to be analysed. Subsequently, a contemporary Risk and Opportunity Management Policy and Framework was developed and adopted by EHA on 18 December 2012.

A Corporate Risk Summary was also developed to assist with the assessment and maintenance of organisational risk. This risk summary is regularly monitored by the Audit Committee and the most recent version (August 2018) is enclosed as attachment 3.

The corporate risk controls included in the document contemplate a service/program review being undertaken in 2019. Once this body of work is completed it will be provided to Constituent Councils.

If you need any more information in relation to the request from your Audit Committee/Council or would like to discuss this further, please contact me on telephone 8132 3611.

Yours sincerely



Michael Livori
Chief Executive Officer



Item No: 14.4.3
 File No: 11.14.1.1
 Date: 17 February 2020
 Attachment: A, B

Meeting: Council

Title: Eastern Health Authority Budget Review One

Responsible Manager: Group Manager Corporate Services, Katy Bone

Author: Group Manager Corporate Services, Katy Bone

Key Focus Area: Strategic Community Plan Focus area 3- Transparent and accountable local tier of Government

Key Focus Area: Financial Guiding Principle 4 – Robust and transparent allocation and prioritisation of resources

Type of Report: **Decision Required**

Recommendation

That Council:

1. authorise Administration to undertake an independent review of EHA services to determine if Council is receiving value for money;
2. approves the Eastern Health Authority's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.
3. requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting.

Summary

Eastern Health Authority has provided its Constituent Councils with its first budget review for the 2019/2020 financial year as required under legislation for Council consideration and approval.

Background

The Eastern Health Authority first budget review was presented to the Audit Committee and reviewed on the 3 February 2020. The Committee resolved as follows;

AC20/19-20

That the Audit Committee recommend to Council:

1. *That the Chair and CEO of Eastern Health Authority be invited to attend a meeting of the Audit Committee in order for the Committee to interrogate costings and service delivery.*

2. *That Council authorise Administration to undertake an independent review of EHA services to determine if Council is receiving value for money;*
3. *That Council approves the Eastern Health Authority's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.*
4. *That Council requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting.*

Council first raised concerns with the quality of information received from Eastern Health Authority (EHA) at its Ordinary meeting held on the 20 May 2019. Council requested additional information from EHA relating to the treatment of budget surplus and deficits, as well as seeking the preparation of a long term financial plan, to ensure financial sustainability of the subsidiary as well as a cost review of EHA to determine value for money (**CNC 363/18-19**).

Council received a response from EHA on 30 July 2019 regarding Council's specific questions raised at the May 2019 Council meeting. Upon reviewing the information received by EHA, additional concerns were raised.

Subsequently Council resolved, having considered the Audit Committee's recommendation, (**CNC45/19-20**) that further clarification was needed on the long term financial plan, EHA risk register and feedback on the Request for Quote (RFQ) for the EHA service review, sought by the Constituent Councils.

Discussion/Issues for Consideration

The Budgeted Financial Statements were presented to the Eastern Health Authority Board of Management at the 20 November 2019 meeting. It was resolved at that meeting that the Board of Management seek approval of the amended budget from its Constituent Council members.

The proposed amendments have had no change to the operating results of the Eastern Health Authority's budget for year ended 30 June 2020.

If approval is received from all Constituent Councils a report to the Board of Management will be made requesting the official adoption of the amended budget.

Budget Review One Concerns

Benchmarking review

On 31 July 2019 EHA requested feedback in relation to a draft Request For Quote (RFQ) on proposed service/cost review of EHA. Included in the feedback from City of Norwood, Payneham and St Peters was that the cost for this review should be shared equally amongst Constituent Councils. This is on the basis that each Constituent Council will benefit equally.

EHA has estimated that the cost of this review will be \$40,000, requiring each Council to contribute an additional \$8,000 to the cost of this review. This additional cost has not been included as an amendment to budget review one and it is unclear as to why EHA is unable to absorb these costs and to date, no justification has been formally provided for this position.

Cash flow

Ordinarily a reduction in the cash balance, is a result of an increase in expenditure or reduction in liabilities. As EHA are not proposing an amendment to the operating results for 2019/20, the cash balance should have remained stable.

As a result it is unclear why the end of year cash position has reduced as much as \$108,889 in one quarter. It is noted there are noticeable reductions in current liabilities which would explain partly why cash has reduced. However, no explanation has been provided in the papers received from EHA as to what the current liability reduction relates to and why it was not included in the projected cash flow for 2019/20.

More information is required regarding cash forecast and movements.

Budget review process

The CEO of East Waste has shared legal advice received from Michael Kelledy of KelledyJones Lawyers, as it relates to budget review processes for Regional Subsidiaries. The advice received outlined that East Waste would only need the Constituent Councils approval for material changes to amend the approved budget.

EHA are seeking to apply the same legal advice received by East Waste to its own review process. As a result EHA will only seek approval for material budget amendments from Constituent Councils as they relate to the criteria outlined in the legal advice received from East Waste.

Value for money

Council has on a number of occasions, formally requested information from EHA to better understand the services provided to Council, including said costs, in order to be satisfied that we are getting value for money.

The table below identifies the services provided to the Town of Walkerville for 2018/19 by EHA, some of which appear in the 2018/19 annual report. It should also be noted that we are unable to verify the data received as Council does not receive updated reports, nor does it receive any information on the premises visited by EHA as part of the 'food-related' inspections.

Service	Volume
Public Immunisation	275
School Vaccines	210
School Swabs	132
Work place Vaccines	99
Public Health Complaints and Referrals	9
Non-compliances identified within personal care and body art practices	24
Cooling Towers and Warm Water Systems	4
Food Safety Inspections and Enforcement	76 inspections, 8 Enforcement
Food Safety Inspections non Compliance	298
Food safety audits Completed	6
Food- related complaints received	6
licensing authority for all Supported Residential Facilities	Nil.

The current 2019/20 cost to Council for these services is **\$102,500** p.a.

Independent review

Council and Audit Committee have raised concerns regarding EHA's financial position and whether we are receiving value for money. The information received is often incomplete and confusing. Despite requests for further and better particulars, we are still unclear what level of service is provided to

Walkerville. Undertaking an independent review of Council's contributions to EHA supports both good governance and financial accountability.

Options for Consideration

Option 1

That Council:

1. authorise Administration to undertake an independent review of EHA services to determine if Council is receiving value for money;
2. approves the Eastern Health Authority's Budget Review Report as at September 2019 and amendments made to the Budgeted Financial Statements for the year ended 30 June 2020 as detailed in Attachment B.
3. requests information from EHA regarding the lack of revenue from fines, the change to cash flow of \$109, 000 and expresses concern about the reference to the legal advice about budget reporting.

Option 2

1. That Council provides the following comments to Eastern Health Authority
 - a.
 - b.
 - c.
 - d.

Analysis of Options

The proposed variations will have no impact on Council's interest in the operating result of Eastern Health Authority as the amendments sought do not change the Council's budgeted operating result.

Option 1 also addresses the need for further clarification on EHA's long term financial position as raised by the Audit Committee and Council.

Financial Implications

Should Council support option 1, an independent provider will need to be engaged to complete the review. This cost will need to be absorbed within the 2019/20 budget through operating savings.

Community Implications

There is not impact to the community as Eastern Health Authority will continue to provide the same level of service to the Town of Walkerville community.

Regional Implications

There are no known regional implications should Council support option 1.

Governance Implications

As part of Council's Strategic Plan (focus area 3) Council's role is to ensure that services are clearly understood and Council's long term financial position is variable and sustainable. This extends to Council's subsidiaries such as EHA.

Preferred Option & Reasoning

Option 1 is the preferred option as it addresses the concerns raised by Council's Audit Committee and Council.

Attachments

Attachment A	Letter to CEO
Attachment B	Budget Review one details

6.2 FINANCE REPORT AND SECOND (DECEMBER 2019) BUDGET REVIEW FOR 2019/2020

Author: Michael Livori

Ref: AF19/6

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 second of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2019 and 31 December 2019. It provides the opportunity to amend the adopted budget in line with revised projections of income and expenditure for the 2019/2020 financial year.

Report

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

Eastern Health Authority - Financial Statement (Level 3)				
1 July 2019 to 31 December 2019				
	Actual	Budgeted	\$ Variation	% Variation
Total Income	\$ 1,072,491	\$ 1,080,448	\$ (7,957)	-1%
Total Expenditure	\$ 1,307,217	\$ 1,344,886	\$ (37,669)	-2.8%
Operating Result	\$ (234,727)	\$ (264,438)	\$ 29,711	-11%

The report shows that for the reporting period income was \$7,957 (-1.0%) less than budgeted and expenditure was \$37,669 (-3%) less than budgeted. The net result is a variation (positive) of **\$29,711** on the budgeted year to date comparative operating result.

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

Arrangements are currently being finalised with the Adelaide Public Health Network for funding to undertake a Commissioned Service Provider Engagement project in relation to immunisation. A tender was submitted to continue the provision of immunisation services to the City of Unley in December 2019. EHA was not selected as the successful tenderer. Adjustments to accommodate these changes to service delivery will be made to the budget in the third budget review.

There are no budget variation requested in this review. The budget is provided as attachment 2.

Summary Table of Funding Statement Variations				
Favourable variances are shown in green and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	Variation	Comment
Income				
Food Inspection	\$50,000	\$39,025	(\$10,975)	Inspections behind YTD target due to filling of vacancy and increase in auditing activities. No variation requested at this point in time.
Fines and Expiations	\$25,000	\$5,111	(\$19,889)	Decrease in YTD expiations issued. No variation requested at this point in time.
Fee for Service (non-funded) vaccines	\$22,500	\$46,330	\$23,830	Men B and other non-funded vaccines sold at clinics. No variation requested

				at this point in time.
Food Auditing	\$35,000	\$42,368	\$7,368	Additional auditing engagements. No variation requested at this point in time
Total of Income Variations Requested				0
Expenditure				
Employee Costs	\$909,506	\$890,248	(\$19,258)	Delay in staff replacement. No variation requested at this point in time
Vehicle Leasing - Maintenance	\$38,002	\$30,588	(\$7,414)	Timing of Invoice, reduced fuel usage. No variation requested at this point in time
Printing and Stationery	\$12,502	\$4,388	(\$8,114)	Less YTD expenditure. No variation requested at this point in time
Staff Training	\$11,002	\$5,442	(\$5,560)	Timing of Training. Less YTD expenditure. No variation requested at this point in time
Total of Expenditure Variations Requested				\$0
Net Result of Variation Requested				\$0

A Bank Reconciliation and Available Funds report for the period ending 31 December 2019 is provided as attachment 3. It shows that at 31 December 2019 available funds were \$67,331 in comparison with \$734,481 on 30 September 2019.

RECOMMENDATION

That:

1. The Finance Report and Second (December 2019) Budget Review Report for 2019/2020 be received.

Eastern Health Authority - Financial Statement (Level 3) July 2019 to 31 December 2019				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$ 218,511	\$ 218,511	\$ -	\$ -
City of Campbelltown	\$ 213,497	\$ 213,497	\$ -	\$ -
City of NPS	\$ 279,977	\$ 279,977	\$ -	\$ -
City of Prospect	\$ 115,325	\$ 115,325	\$ -	\$ -
Town of Walkerville	\$ 51,250	\$ 51,250	\$ -	\$ -
Total Constituent Council Contributions	\$ 878,560	\$ 878,560	\$ -	\$ -
Statutory Charges				
Food Inspection fees	\$ 39,025	\$ 50,000	-\$ 10,976	-22%
Legionella registration and Inspection	\$ 3,822	\$ 4,000	-\$ 178	-4%
Fines	\$ 5,111	\$ 25,000	-\$ 19,889	-80%
Total Statutory Charges	\$ 47,958	\$ 79,000	-\$ 31,042	-39%
User Charges				
Immunisation - non funded vaccines	\$ 46,330	\$ 22,500	\$ 23,830	103%
Immunisation - Worksites	\$ 90	\$ -	\$ 90	NA
Food Auditing	\$ 42,368	\$ 35,000	\$ 7,368	21%
City of Unley	\$ 27,260	\$ 26,750	\$ 510	2%
Total User Charges	\$ 116,048	\$ 84,250	\$ 31,798	38%
Grants, Subsidies, Contributions				
School Based immunisation Program	\$ -	\$ -	\$ -	\$ -
Child Immunisation register	\$ 19,694	\$ 21,638	-\$ 1,944	-9%
Total Grants, Subsidies, Contributions	\$ 19,694	\$ 21,638	-\$ 1,944	-9%
Investment Income				
Interest on investments	\$ 6,773	\$ 7,500	-\$ 727	-10%
Total Investment Income	\$ 6,773	\$ 7,500	-\$ 727	-10%
Other Income				
Motor Vehicle re-imburements	\$ 1,265	\$ 6,000	-\$ 4,735	-79%
Sundry Income	\$ 2,193	\$ 3,500	-\$ 1,307	-37%
Total Other Income	\$ 3,458	\$ 9,500	-\$ 6,042	-64%
Total of non Constituent Council Income	\$ 193,931	\$ 201,888	-\$ 7,957	-4%
Total Income	\$ 1,072,491	\$ 1,080,448	-\$ 7,957	-1%

Eastern Health Authority - Financial Statement (Level 3) July 2019 to 30 September 2019				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$ 809,379	\$ 830,502	-\$ 21,123	8%
Superannuation	\$ 71,944	\$ 70,500	\$ 1,444	2%
Workers Compensation	\$ 8,925	\$ 8,504	\$ 421	5%
Total Employee Costs	\$ 890,248	\$ 909,506	-\$ 19,258	-2%
Prescribed Expenses				
Auditing and Accounting	\$ 12,967	\$ 11,000	\$ 1,967	18%
Insurance	\$ 15,309	\$ 13,506	\$ 1,803	13%
Maintenance	\$ 22,234	\$ 22,506	-\$ 272	-1%
Vehicle Leasing/maintenance	\$ 30,588	\$ 38,002	-\$ 7,414	-20%
Total Prescribed Expenses	\$ 81,098	\$ 85,014	-\$ 3,916	-5%
Rent and Plant Leasing				
Electricity	\$ 4,540	\$ 5,002	-\$ 462	-9%
Plant Leasing Photocopier	\$ 1,742	\$ 1,748	-\$ 6	0%
Rent	\$ 52,933	\$ 53,002	-\$ 69	0%
Water	\$ 68	\$ 150	-\$ 82	-54%
Gas/Emergency Services Levy	\$ -	\$ 2,200	-\$ 1,500	-100%
Total Rent and Plant Leasing	\$ 59,284	\$ 62,102	-\$ 2,818	-5%
IT Licensing and Support				
IT Licences	\$ 37,469	\$ 38,988	-\$ 1,519	-4%
IT Support	\$ 30,062	\$ 30,642	-\$ 580	-2%
Internet	\$ 5,373	\$ 5,002	\$ 371	7%
IT Other	\$ 5,551	\$ 998	\$ 4,553	456%
Total IT Licensing and Support	\$ 78,454	\$ 75,630	\$ 2,824	4%
Administration				
Administration Sundry	\$ 2,545	\$ 3,502	-\$ 957	-27%
Accreditation Fees	\$ 1,736	\$ 1,500	\$ 236	16%
Board of Management	\$ 10,167	\$ 10,000	\$ 167	2%
Bank Charges	\$ 1,934	\$ 2,002	-\$ 68	-3%
Public Health Sundry	\$ 1,413	\$ 2,498	-\$ 1,085	-44%
Fringe Benefits Tax	\$ 4,379	\$ 5,000	-\$ 621	-12%
Health promotion	\$ 3,214	\$ 2,498	\$ 716	29%
Legal	\$ 6,541	\$ 9,998	-\$ 3,457	-35%
Printing & Stationery & Postage	\$ 4,388	\$ 12,502	-\$ 8,114	-65%
Telephone	\$ 10,522	\$ 10,504	\$ 18	0%
Work Health Safety & Injury Management	\$ 2,910	\$ 5,002	-\$ 2,092	-42%
Rodenticide	\$ 612	\$ 998	-\$ 386	-39%
Staff Amenities	\$ 680	\$ 3,502	-\$ 2,822	-81%
Staff Training	\$ 5,442	\$ 11,002	-\$ 5,560	-51%
Human Resource Sundry	\$ 7,421	\$ 8,002	-\$ 581	-7%
Doubtful Debts Expense	\$ 130	\$ -	\$ 130	NA
Total Administration	\$ 64,035	\$ 88,510	-\$ 24,475	-28%

Eastern Health Authority - Financial Statement (Level 3) July 2019 to 30 September 2019				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Immunisation				
Immunisation SBP Consumables	\$ 3,693	\$ 5,002	-\$ 1,309	-26%
Immunisation clinic vaccines	\$ 28,114	\$ 16,500	\$ 11,614	70%
Immunisation worksite vaccines	\$ (1,300)	\$ -	-\$ 1,300	NA
Total Immunisation	\$ 30,507	\$ 21,502	\$ 9,005	42%
Income protection				
Income Protection	\$ 24,177	\$ 23,000	\$ 1,177	5%
Total Income protection	\$ 24,177	\$ 23,000	\$ 1,177	5%
Sampling				
Legionella Testing	\$ 1,020	\$ 750	\$ 270	36%
Food Sampling	\$ -	\$ 502	-\$ 502	-100%
Total Sampling	\$ 1,020	\$ 1,252	-\$ 232	-19%
New Initiatives				
Public Health Plan Review and Service Review	\$ 42,277	\$ 42,250	\$ 27	0%
Total New Initiatives	\$ 42,277	\$ 42,250	\$ 27	0%
Total Materials, contracts and other expenses	\$ 380,851	\$ 399,260	-\$ 18,409	-5%
Depreciation	\$ 25,000	\$ 25,000	\$ -	0%
Finance Costs	\$ 11,118	\$ 11,120	-\$ 2	0%
Total Operating Expenditure	\$ 1,307,217	\$ 1,344,886	-\$ 37,669	-3%
Total Operating Income	\$ 1,072,491	\$ 1,080,448	-\$ 7,957	-1%
Operating Result	\$ (234,727)	\$ (264,438)	\$ 29,711	-11%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME					
FOR THE YEAR ENDING 30 JUNE 2020					
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2019/2020
	INCOME				
1,723,013	Council Contributions	1,757,120	-	-	1,757,120
-	Regional Public Health Plan Review / Service Review	50,000	40,000	-	90,000
150,360	Statutory Charges	180,000	-	-	180,000
394,577	User Charges	331,000	-	-	331,000
257,814	Grants, subsidies and contributions	244,000	-	-	244,000
16,316	Investment Income	15,000	-	-	15,000
15,841	Other Income	19,000	-	-	19,000
2,557,921	TOTAL INCOME	2,596,120	40,000	-	2,636,120
	EXPENSES				
1,767,577	Employee Costs	1,805,000	-	-	1,805,000
716,069	Materials, contracts and other expenses	758,000	40,000	-	798,000
12,811	Finance Charges	11,120	-	-	11,120
37,355	Depreciation	50,000	-	-	50,000
2,533,812	TOTAL EXPENSES	2,624,120	40,000	-	2,664,120
24,109	Operating Surplus/(Deficit)	(28,000)	-	-	(28,000)
	Net gain (loss) on disposal of assets	-	-	-	-
24,109	Net Surplus/(Deficit)	(28,000)	-	-	(28,000)
24,109	Total Comprehensive Income	(28,000)	-	-	(28,000)

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS					
FOR THE YEAR ENDING 30 JUNE 2020					
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2019/2020
	CASH FLOWS FROM OPERATING ACTIVITIES				
	Receipts				
1,895,314	Council Contributions	1,807,120	40,000	-	1,847,120
157,878	Fees & other charges	180,000	-	-	180,000
372,381	User Charges	331,000	-	-	331,000
16,316	Investment Receipts	15,000	-	-	15,000
257,814	Grants utilised for operating purposes	244,000	-	-	244,000
18,497	Other	19,000	-	-	19,000
	Payments				
(1,779,142)	Employee costs	(1,805,000)	-	-	(1,805,000)
(974,102)	Materials, contracts & other expenses	(758,000)	(40,000)	-	(798,000)
(14,213)	Interest Expense	(11,120)	-	-	(11,120)
(49,257)	Net Cash Provided/(Used) by Operating Activities	22,000	-	-	22,000
	CASH FLOWS FROM FINANCING ACTIVITIES				
	Loans Received	-	-	-	-
(64,392)	Loan Repayments	(67,488)	-	-	(67,488)
	Repayment of Finance Lease Liabilities	-	-	-	-
(64,392)	Net Cash Provided/(Used) by Financing Activities	(67,488)	-	-	(67,488)
	CASH FLOWS FROM INVESTING ACTIVITIES				
	Receipts				
	Sale of Replaced Assets	-	-	-	-
	Payments				
(19,633)	Expenditure on renewal / replacements of assets	(30,000)	-	-	(30,000)
-	Expenditure on new / upgraded assets	-	-	-	-
-	Distributions paid to constituent Councils	-	-	-	-
(19,633)	Net Cash Provided/(Used) by Investing Activities	(30,000)	-	-	(30,000)
(133,282)	NET INCREASE (DECREASE) IN CASH HELD	(75,488)	-	-	(75,488)
876,554	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	852,161	(108,889)	-	743,272
743,272	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	776,673	(108,889)	-	667,784

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION					
FOR THE YEAR ENDING 30 JUNE 2020					
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2019/2020
	CURRENT ASSETS				
743,272	Cash and Cash Equivalents	776,673	(108,889)		667,784
168,200	Trade & Other Receivables	122,329	45,871	-	168,200
911,472	TOTAL CURRENT ASSETS	899,002	(63,018)	-	835,984
	NON-CURRENT ASSETS				
324,192	Equipment	281,914	22,278	-	304,192
324,192	TOTAL NON-CURRENT ASSETS	281,914	22,278	-	304,192
1,235,664	TOTAL ASSETS	1,180,916	(40,740)	-	1,140,176
	CURRENT LIABILITIES				
149,195	Trade & Other Payables	197,380	(48,185)	-	149,195
322,578	Provisions	325,421	(2,843)	-	322,578
64,393	Borrowings	67,488	(3,095)	-	64,393
536,166	TOTAL CURRENT LIABILITIES	590,289	(54,123)	-	536,166
	NON-CURRENT LIABILITIES				
24,868	Provisions	38,690	(13,822)	-	24,868
186,350	Borrowings	115,766	3,096	-	118,862
211,218	TOTAL NON-CURRENT LIABILITIES	154,456	(10,726)	-	143,730
747,384	TOTAL LIABILITIES	744,745	(64,849)	-	679,896
375,306	NET CURRENT ASSETS/(CURRENT LIABILITIES)	308,713	(8,895)	-	299,818
488,280	NET ASSETS	436,171	24,109	-	460,280
	EQUITY				
488,280	Accumulated Surplus/(Deficit)	436,171	24,109	-	460,280
488,280	TOTAL EQUITY	436,171	24,109	-	460,280

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY					
FOR THE YEAR ENDING 30 JUNE 2020					
ACTUAL 2018/2019		ADOPTED BUDGET 2019/2020	SEPTEMBER REVIEW	DECEMBER REVIEW	REVISED BUDGET 2019/2020
	ACCUMULATED SURPLUS				
464,171	Balance at beginning of period	464,171	24,109		488,280
24,109	Net Surplus/(Deficit)	(28,000)	-	-	(28,000)
488,280	BALANCE AT END OF PERIOD	436,171	24,109	-	460,280
	TOTAL EQUITY				
464,171	Balance at beginning of period	464,171	24,109		488,280
24,109	Net Surplus/(Deficit)	(28,000)	-	-	(28,000)
488,280	BALANCE AT END OF PERIOD	436,171	24,109	-	460,280

Eastern Health Authority			
Bank Reconciliation as at 31 December 2019			
Bank SA Account No. 141/0532306840			
Balance as per Bank Statement 31 December 2019			\$108,622.49
Plus Outstanding cheques	\$	-	
Add Outstanding deposits	\$	-	
BALANCE PER General Ledger			<u>\$108,622.49</u>
GST October to December 2019			
GST Collected	\$2,652.94		
GST Paid	<u>\$20,025.46</u>		
Net GST Claimable (Payable)		<u><u>-\$17,372.52</u></u>	
Funds Available December 2019			
Account	31-Dec-19	30-Sep-19	Variance
Bank SA Cheque Account	\$ 108,622	\$ 101,363	\$7,259.28
Local Government Finance Authority	\$ 371,318	\$ 1,045,726	-\$ 674,409
Net GST Claimable (Payable)	-\$17,372.52	-\$71,924.22	\$ 54,552
Long Service Leave Provision	-\$203,121.00	-\$208,000.00	\$4,879.00
Annual Leave Provision	-\$134,438.00	-\$132,684.47	-\$1,753.53
TOTAL FUNDS AVAILABLE	\$ 125,008	\$ 734,481	-\$ 609,472

6.3 DEVELOPMENT OF ANNUAL BUSINESS PLAN FOR 2020/2021

Author: Michael Livori
Ref: AF19/141

Summary

Eastern Health Authority (EHA) is required to develop an Annual Business Plan which supports and informs its annual budget. This report seeks to outline the process to be taken in relation to the development of the Annual Business Plan for 2020/2021.

Report

The *Local Government Act 1999* (the Act) requires councils to develop an annual business plan although this requirement does not extend to a regional subsidiary. To ensure EHA's budget is developed in line with best practice standards an annual business plan has been produced for a number of years. Constituent Councils have agreed that the Annual Business Plan is recognised as the Business Plan required by the Act (see legislative and Charter requirements below).

Legislative and Charter Requirements

EHA's Charter requires pursuant to clause 8.1 that;

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.*

Proposed Process for the Development of the 2020/2021 Annual Business Plan

To comply with the requirements of the Charter the following process is proposed for the development of the 2020/2021 Annual Business Plan.

February 2020

- Board Members are requested to provide comments and suggestions in relation to the development of the 2020/2021 Annual Business Plan. The current Annual Business Plan is available at <https://www.eha.sa.gov.au/about-us/annual-business-plan>. Comments to be provided to the Chief Executive Officer by **11 March 2020**.
- Constituent Councils are requested via their nominated contact to provide comments and suggestions in relation to the development of the 2020/2021 Annual Business Plan. Comments to be provided to the Chief Executive Officer by **11 March 2020**.
- Chief Executive Officer continues development of 2020/2021 Annual Business Plan and Budget.

March 2020

- Annual Business Plan and Budget workshop to be held on 18 March 2020 to consider feedback from Board Members and Constituent Councils in relation to the Annual Business Plan. Members will also consider a preliminary draft budget at the workshop.

Following Board endorsement a copy of the preliminary draft Annual Business Plan and Budget will be provided to Constituent Councils requesting their feedback by **17 April 2020**.

April 2020

- Feedback from Constituent Councils and a proposed Annual Business Plan and Budget detailing the estimated contributions from Constituent Councils to be considered by the Board of Management at its meeting to be held on **29 April 2020**.
- Proposed budget to be provided to Constituent Councils requesting any further comment by **15 June 2020**.

June 2020

- Budget to be considered for adoption at the Board of Management to be held on **24 June 2020**.
- Copy of budget provided to Chief Executive Officers of each Constituent Councils within 5 days of its adoption.

RECOMMENDATION

That:

1. The Development of the Annual Business Plan for 2020/2021 report is received.
2. The process for the Development of the Annual Business Plan for 2020/2021 is endorsed.

6.4 EASTERN HEALTH AUTHORITY (EHA) AUDIT COMMITTEE ANNUAL REPORT EVALUATION 2019

Author: Michael Livori
Ref: AF16/97

Summary

Clause 12 of the Audit Committee Terms of Reference provides details in relation to the Annual Review and Reporting to the Board Committee in relation to its own performance to ensure it is operating at maximum effectiveness. The Audit Committee has prepared an Annual Report Evaluation 2019 for the Board of Management.

Report

Clause 12 of the Audit Committee Terms of Reference provides the following details in relation to the annual review and reporting to the Board:

12. ANNUAL REVIEW AND REPORTING TO BOARD COMMITTEE

- 12.1. The Committee shall annually review its own performance and Terms of Reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Board for approval.
- 12.2. In reviewing its performance, the Committee will have regard to:
 - 12.2.1. The achievement of the Committee's role and Terms of Reference.
 - 12.2.2. The Committee's decision making process.
 - 12.2.3. The timeliness, quality and quantity of information received.
 - 12.2.4. The relationship with the Board, Administration and other members of the Committee.
- 12.3. The involvement and attendance by members.
- 12.4. Following the Committee's annual review, the Chair (and other Independent Members as appropriate) of the Audit Committee shall provide a report to the Board on the Audit Committee's view in relation to the key areas of responsibility under these Terms of Reference, being, where relevant:
 - 12.4.1. Financial statements and the EHA's financial position.
 - 12.4.2. Key financial and risk related policy issues.

- 12.4.3. EHA's risk management practices and framework.
- 12.4.4. Internal financial controls.
- 12.4.5. Fraud and whistleblowing provisions.
- 12.4.6. EHA's long term financial planning.
- 12.4.7. Asset management planning.
- 12.4.8. Other issues of note.

The report as attached (attachment 1) summaries the work of the Audit Committee's activities undertaken during the 2019 year.

The EHA Audit Committee Annual Report Evaluation 2019 report is a summary and a tool for self-evaluation by Audit Committee Members. The report also identifies any training needs and future Audit Work Plan proposals.

RECOMMENDATION

That:

- 1 The report titled EHA Audit Committee Annual Report Evaluation 2019 is received.



EHA Audit Committee

Annual Report Evaluation 2019

Background

The Audit Committee (the Committee) Terms of Reference states “the Committee shall annually review its own performance and terms of reference to ensure it is operating at maximum effectiveness and recommend changes it considers necessary to the Board for approval.”

The Committee’s Work Plan requires the Annual Report to the Board should:

- outline outputs relative to the audit committee’s work plan and the results of a self-assessment of performance for the preceding period including whether it believes any changes to its charter are appropriate;
- outline any identified training needs;
- advise future Audit Work Plan Proposals;
- invite comment from the Board on all of the above.

This report presents a summary of Eastern Health Authority (EHA) Audit Committee’s activities during the 2019 year.

Conduct of Meetings

The Committee met on 3 occasions during 2019. The table below provides membership and meetings attended:

Meeting Dates
1 May 2019
28 August 2019
11 December 2019

Committee Membership 2019	Number of Meetings Attended
Lisa Scinto – Presiding Member	3
Claudia Goldsmith	3
Peter Cornish	3

Role of Audit Committee

The Audit Committee is established under Sections 41 and 126 of the *Local Government Act 1999* (as amended) to provide comment, suggestion and recommendation to the Board about matters including finance, risk, and audit.

Throughout the year the Audit Committee met 3 times and considered reports on matters which had been referred to the Committee.

The role of the Audit Committee is not to make decisions on behalf of Council but rather to review and consider the appropriateness of Council processes in the areas of:

- Financial reporting, sustainability and accounting policies.
- Risk Management and Internal control procedures.
- External Audit function (Council’s financial auditors).
- Internal Audit and compliance including efficiency and effectiveness

audits, if required.

During 2019 Committee members attended the following training courses/sessions:

Training Course/Session	Date	Provider	Members Attending
Nil			

Cost of Audit Committee

Audit Committee Membership 2019	Fees Paid 2019
Ms L Scinto – Presiding Member	\$1,350
Claudia Goldsmith	\$1,050
Peter Cornish	\$0.00

Number of Outstanding Resolutions:

No	Outstanding Resolution	Status
Nil		

Audit Committee Evaluation

During September 2019 the Committee undertook a self-assessment of its own performance by way of a Questionnaire (All members surveyed).

Below is a summary of the self-assessment.

1	Is the Committee satisfied that its current Terms of Reference are appropriate?	Yes/No	Yes
2	Does the Committee believe the work program addresses the Terms of Reference and is it achievable?	Yes/No	Yes
3	Is the Committee satisfied that it is effectively monitoring Risk Management & internal Controls	Yes/No	Yes
4	Is there sufficient time allocated during the meetings to adequately discuss agenda items?	Yes/No	Yes
5	Are the reports prepared for the meetings sufficiently comprehensive to allow you to make informed decisions?	Yes/No	Yes
6	Does the Committee believe it is adequately informed on current and emerging trends and factors?	Yes/No	Yes
7	How do you rate the overall efficiency and effectiveness of the Committee?	Use a scale of 1 to 5 where 1 is poor and 5 is excellent	5

8	How do you rate the performance of the Chairperson in preparing for and conducting meetings?	Use a scale of 1 to 5 where 1 is poor and 5 is excellent	5
9	How do you rate the performance of the other members of the Committee in fulfilling their role on the Committee	Use a scale of 1 to 5 where 1 is poor and 5 is excellent	5
10	How do you rate the performance of the staff in facilitating the committee's role and function?	Use a scale of 1 to 5 where 1 is poor and 5 is excellent	5
11	Do you have any suggestions for improving any aspect of the Committee's, performance, role or function?	Yes/No	No

Following from its self-assessment process the Committee recommends the following Training / professional development for its members:

Training/Professional Development Need	Committee Member
Nil	Nil

Chairperson's Comments**Annual Report 2019****Presiding Member Report**

The Audit Committee has had another successful year. I am satisfied as Presiding Member that the Committee has met its responsibilities under the Terms of Reference and has achieved continuous improvement in meeting these responsibilities.

The Committee has this year continued its focus on governance and risk management. The Committee reviewed and commented on the 'Governance' and 'Cyber Risk' assessments undertaken by external providers and will continue to monitor the implementation of corrective actions arising from these assessments.

Other highlights of the Audit Committee Work Plan have included reviews of the:

- Finance Report and Budget;
- Annual Business Plan;
- 2018/19 Financial Statements, external Audit Management letter and meeting with the External Auditor;
- Internal Controls Register;
- Corporate Risk Register;
- Audit Committee Terms of Reference.

We thank the CEO and the Administration for their unwavering support and assistance which enables the Audit Committee to run so efficiently and effectively.

LISA SCINTO
Presiding Member
31 December 2019

6.5 REVIEW OF THE FOOD BUSINESS INSPECTION FEE POLICY

Author: Nadia Conci

Ref: Af17/28

Summary

A review of the Food Business Inspection Fee Policy based on model policies developed by the Local Government Association (LGA) was undertaken. The revised policy is provided to the Board of Management for adoption.

Report

The *Food Regulations 2017* enable enforcement agencies to impose a fee for the inspection of premises or vehicles required in connection with enforcement of the *Food Act 2001*.

The Food Business Inspection Fee Policy (the Policy) is based on model policies developed by the Local Government Association (LGA).

On 1 July 2019 SA Health advised that the prescribed fees have increased to consider CPI, effective from the date of notification.

A review of the Policy took place in February 2020. The review involved reviewing fee policies of other local government agencies to ensure EHA's fee policy aligns with the other council fees and charges.

The review identified that some councils are charging a fee for the re-inspections relating to Statutory section 94 Improvement Notices under the *Food Act 2001*.

EHA's enforcement policy requires a graduated and proportionate response to be applied to either recurring or very serious food safety breaches. Where informal action such as follow-up inspections or warnings is not suitable, Improvement Notices are issued to food businesses. This enables Authorised Officers to outline the required actions to be taken by the recipient.

As shown in the table below the percentage of routine inspections resulting in the issue of an Improvement Notice is consistent over the past three years. This information suggests that the issuing of Statutory Improvement Notices may have minimal influence in a business's willingness to improve and comply with the Food Safety Standards.

	2016-18	2017-18	2018-19
% routine inspections resulting in the issues of an Improvement Notice	11%	15%	13%

The recipient is obligated to comply with an Improvement Notice and failure to do so may give rise to a penalty, that being an Expiation Notice or Prohibition Order under the *Food Act 2001*.

Often businesses fail to address all requirements within an Improvement Notice. At times the associated penalties are not appropriate as they are not proportionate to the outstanding non-compliances or may not be effective in gaining compliance. In these instances, an extension of time is approved, and further follow-up inspections are required. This results in food businesses not taking accountability for their failure to action the requirements within the Notice, and also produces increased administrative demands for Authorised Officers.

Currently, EHA does not charge for the re-inspections of Statutory section 94 Improvement Notices. The revised Policy includes fees associated with re-inspections relating to Improvement Notices. These associated fees will also consider the time taken for the required administration. These new re-inspection charges have been considered to encourage food businesses to proactively improve and maintain compliance with the Food Safety Standards.

A copy of the current Food Business Inspection Fee Policy with tracked changes to reflect the amendments is provided as attachment 1. A clean copy of the reviewed policy is provided as attachment 2 for the Board's adoption.

RECOMMENDATION

That:

1. The report regarding the review of the Food Business Inspection Fee Policy is received.
2. The Policy entitled Food Business Inspection Fee Policy, marked attachment 2 to this report, is adopted.

FOOD BUSINESS INSPECTION FEE POLICY**1****FOOD BUSINESS INSPECTION FEE POLICY**

Policy Reference	GOV04
Date of initial Board Adoption	12 February 2003
Minutes Reference	
Date of Audit Committee endorsement (if applicable)	N/A
Date last reviewed by Eastern Health Authority Board of Management	<u>26 February 2020</u>
Applicable legislation	Memorandum of Understanding between The Minister for Health and Local Government Association (February 2009) Guidelines prepared by LGA for Councils - Inspection Fees, <i>Food Act 2001</i>

Deleted: 30 August 2017

1. Purpose

The Food Business Inspection Fee Policy (Policy) outlines the circumstances that fees are applied for the inspection of food businesses as provided by Regulation 11 of the *Food Regulations 2017*.

To specify the rate at which inspection fees are charged.

2. Scope

This Policy applies to food businesses that are subject to inspection by authorised officers appointed by the Eastern Health Authority (EHA), an enforcement agency under the *Food Act 2001*.

3. Definitions

‘Community or charitable organisation’ - any group, club or organisation that provides a community benefit and not for the personal financial gain of an individual person or group of people. Examples include Rotary, Lions, church groups, community sporting clubs and scouting groups.

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FOOD BUSINESS INSPECTION FEE POLICY**2**

(To determine if an organisation fit this category, an Australian Taxation Office certificate of 'Endorsement as a Tax Concession Charity' may be requested.)

South Australian Food Business Risk Classification (FBRC)

- **'Priority 1 (P1)' and 'Priority 2 (P2)'** – businesses that characteristically handle foods that support the growth of pathogenic micro-organisms and where such pathogens are present or could be present. The handling of food will involve at least one step at which control actions must be implemented to ensure safety of the food. P1 businesses are further characterised by known risk-increasing factors, such as potential for inadequate / incorrect temperature control. Due to the high risk nature of the foods and their practices regular and lengthy inspections are required.
- **'Priority 3 (P3)'** – Businesses that will characteristically handle only 'low risk' or 'medium risk' foods and will warrant an inspection.
- **'Priority 4 (P4)'** - businesses that will normally handle only 'low risk' foods, because they handle pre-packaged low risk food, and hence will not warrant regular or lengthy inspections. Examples include pharmacies, video stores and newsagents.

'Routine Inspection' - an inspection conducted at a scheduled frequency determined by the business' priority classification and performance history utilising Environmental Health Australia's Food Safety Standard of Practice and Australian Food Safety Assessment tool.

'Re-inspection' – an inspection carried out as a result of non-compliance that has been identified with the *Food Act 2001* or Food Safety Standards.

'Small Business' - a food business employing not more than 20 full-time equivalent food handling staff.

Moved down [1]: **'Re-inspection'** – an inspection carried out as a result of non-compliance that has been identified with the *Food Act 2001* or Food Safety Standards.

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4. Principles

Regulation 11 of the *Food Regulations 2017* provides for EHA as an enforcement agency to charge an inspection fee for the carrying out of any inspection that is required in connection with the operation or administration of the *Food Act 2001*.

Under the Regulations, the maximum fee for inspection is prescribed:

- for a **small business** –\$127.00 per inspection excl GST
- in any other case - \$315.00 per inspection excl GST

Food safety inspection fees are listed under division 81 of the GST Act for exemption, and as a result GST will not apply to inspection fees set by EHA.

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FOOD BUSINESS INSPECTION FEE POLICY**3**

The Minister for Health, Department of Health (DH) and Local Government administer and enforce the *Food Act 2001*, with some functions exercised jointly and others exclusively performed by one authority or the other. The Memorandum of Understanding between the Minister for Health and Local Government Association of SA, adopted in February 2009, clarifies the allocation of responsibility for enforcement of specific areas of the Act.

EHA is responsible for ensuring compliance with Chapter 3 of the Food Standards Code (Food Safety Standards) and the safety and suitability of food sold. This is achieved by performing inspections of food businesses based on a priority classification system developed by Food Standards Australia New Zealand (FSANZ).

The priority categories of high, medium and low risk are determined by the type of food, activity of the business, method of processing and customer base. SA Health has developed the South Australian Food Business Risk Classification (FBRC) using the national food safety risk profiling framework that allocates food businesses into risk classifications, based on their likelihood of contributing to foodborne disease and the potential magnitude of that contribution.

The FBRC took effect from 1 July 2014. From this date EHA utilises SA FBRC system to determine the priority classifications and inspection frequencies for food businesses in accordance with the table below:

Classification	Frequencies (every x months)		
	Starting point (new business owners)	Maximum	Minimum
Priority 1 (P1) – Highest risk	6	3	12
Priority 2 (P2)	12	6	18
Priority 3 (P3)	18	12	24
Priority 4 (P4) – Lowest risk	Inspect on complaint or change to risk profile only	Inspect on complaint or change to risk profile only	

4.1 **Fee Schedule**

The following inspection and re-inspection fees are based on the 'priority risk rating' of a food business to recognise the inherent risk and time taken to undertake an inspection. The following fee schedule is outlined in the table below:

4.1.1 Routine Inspections

Classification	Small Business	Large Business
Priority 1 & 2 (P1 & P2) – Highest risk*	\$127.00	\$315.00
Priority 3 (P3)	\$85.50	\$214.00
Priority 4 (P4) – Lowest risk	No fee	No fee

*A six month inspection frequency is applied to new P1 businesses within their first year of operation. Fees apply to these routine inspections.

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4.1.2 Re-inspections

Priority 1 and 2 – High risk food businesses

<u>Re-inspection Type</u>	<u>Small Business</u>	<u>Large Business</u>
<u>When more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe.</u>	<u>\$127.00</u>	<u>\$315.00</u>
<u>Re-inspections where non compliance with an Improvement Notice served under Section 43 of the Food Act 2001, is identified.</u>	<u>\$127.00</u>	<u>\$315.00</u>

Priority 3 – Low risk food businesses including Community Groups, Charitable and Not for Profit Organisations

<u>Re-inspection Type</u>	<u>Small Business</u>	<u>Large Business</u>
<u>When more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe.</u>	<u>\$88.00</u>	<u>\$214.00</u>
<u>Re-inspections where non compliance with an Improvement Notice served under Section 43 of the Food Act 2001 is identified.</u>	<u>\$88.00</u>	<u>\$214.00</u>

4.1.3 Complaint Inspection

An inspection fee will not be imposed for an inspection carried out in response to food safety related complaints received from the public.

If a routine inspection is conducted in conjunction with the investigation of a complaint, an 'inspection fee' will be issued to the food business. This fee applies to P1, P2 and P3 food businesses.

4.1.4 Inspection of Festivals, Fetes and Markets

Temporary events inspections will not incur a charge for festivals, fetes and markets that are organised by EHA's Constituent Councils.

An appropriate inspection fee will be negotiated with the organising body/host of non council events. Such a fee will be applied in lieu of inspection fees for individual stall-holders. The negotiated fee will reflect the cost of the inspections but will not exceed the maximum fee chargeable multiplied by the number of stall-holders.

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An inspection fee will apply when more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe. ¶
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FOOD BUSINESS INSPECTION FEE POLICY

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4.2 Inspection of Businesses with Food Safety Programs

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An inspection fee will apply for food businesses that have formal audited food safety programs in place. [Please refer to the Food Business Audit Fee Policy.](#)

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4.3 Exemptions

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4.3.1 Community and Charitable Organisations

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Routine inspection fees will not be imposed upon community and charitable organisations.

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[Fees associated to re-inspections do apply. Refer to 4.1.2 of the Policy.](#)

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4.3.2 Schools and Educational Institutions

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Inspection fees will not be imposed for inspections of the canteen or out of school hours care service (OSHC) in schools and educational institutions unless the operator of the canteen / OSHC operates the service as a commercial concern for profit.

[Fees associated to re-inspections do apply. Refer to 4.1.2 of the Policy.](#)

4.3.3 Nominal Risk Businesses

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Inspection fees will not be imposed upon nominal P4 risk businesses.

4.3.4 Mobile Food Vans

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Inspection fees will not be imposed upon mobile food vans that can display evidence of having completed notification with an alternate local council.

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Inspection fees will be charged at the following rate:¶
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Classification

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5. Review of the Food Inspection Fee Policy

Every 24 months or as needed.

6. Statement of Adoption

This Policy was adopted by the Board of the Eastern Health Authority on 12 February 2003.

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FOOD BUSINESS INSPECTION FEE POLICY

Policy Reference	GOV04
Date of initial Board Adoption	12 February 2003
Minutes Reference	
Date of Audit Committee endorsement (if applicable)	N/A
Date last reviewed by Eastern Health Authority Board of Management	26 February 2020
Applicable legislation	Memorandum of Understanding between The Minister for Health and Local Government Association (February 2009) Guidelines prepared by LGA for Councils - Inspection Fees, <i>Food Act 2001</i>

1. Purpose

The Food Business Inspection Fee Policy (Policy) outlines the circumstances that fees are applied for the inspection of food businesses as provided by Regulation 11 of the *Food Regulations 2017*.

To specify the rate at which inspection fees are charged.

2. Scope

This Policy applies to food businesses that are subject to inspection by authorised officers appointed by the Eastern Health Authority (EHA), an enforcement agency under the *Food Act 2001*.

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‘Community or charitable organisation’ - any group, club or organisation that provides a community benefit and not for the personal financial gain of an individual person or group of people. Examples include Rotary, Lions, church groups, community sporting clubs and scouting groups.

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- **'Priority 3 (P3)'** – Businesses that will characteristically handle only 'low risk' or 'medium risk' foods and will warrant an inspection.
- **'Priority 4 (P4)'** - businesses that will normally handle only 'low risk' foods, because they handle pre-packaged low risk food, and hence will not warrant regular or lengthy inspections. Examples include pharmacies, video stores and newsagents.

'Routine Inspection' - an inspection conducted at a scheduled frequency determined by the business' priority classification and performance history utilising Environmental Health Australia's Food Safety Standard of Practice and Australian Food Safety Assessment tool.

'Re-inspection' – an inspection carried out as a result of non-compliance that has been identified with the *Food Act 2001* or Food Safety Standards.

'Small Business' - a food business employing not more than 20 full-time equivalent food handling staff.

4. Principles

Regulation 11 of the *Food Regulations 2017* provides for EHA as an enforcement agency to charge an inspection fee for the carrying out of any inspection that is required in connection with the operation or administration of the *Food Act 2001*.

Under the Regulations, the maximum fee for inspection is prescribed:

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Food safety inspection fees are listed under division 81 of the GST Act for exemption, and as a result GST will not apply to inspection fees set by EHA.

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Priority 4 (P4) – Lowest risk	Inspect on complaint or change to risk profile only	Inspect on complaint or change to risk profile only	

4.1 Fee Schedule

The following inspection and re-inspection fees are based on the 'priority risk rating' of a food business to recognise the inherent risk and time taken to undertake an inspection. The following fee schedule is outlined in the table below:

4.1.1 Routine Inspections

Classification	Small Business	Large Business
Priority 1 & 2 (P1 & P2) – Highest risk*	\$127.00	\$315.00
Priority 3 (P3)	\$85.50	\$214.00
Priority 4 (P4) – Lowest risk	No fee	No fee

*A six month inspection frequency is applied to new P1 businesses within their first year of operation. Fees apply to these routine inspections.

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4.1.2 Re-inspections

Priority 1 and 2 – High risk food businesses

Re-inspection Type	Small Business	Large Business
When more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe.	\$127.00	\$315.00
Re-inspections where non compliance with an Improvement Notice served under Section 43 of the <i>Food Act 2001</i> is identified.	\$127.00	\$315.00

Priority 3 – Low risk food businesses including Community Groups, Charitable and Not for Profit Organisations

Re-inspection Type	Small Business	Large Business
When more than one re-inspection is required in relation to a non-conformance which has not been adequately rectified within the agreed timeframe.	\$88.00	\$214.00
Re-inspections where non compliance with an Improvement Notice served under Section 43 of the <i>Food Act 2001</i> is identified.	\$88.00	\$214.00

4.1.3 Complaint Inspection

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Temporary events inspections will not incur a charge for festivals, fetes and markets that are organised by EHA's Constituent Councils.

An appropriate inspection fee will be negotiated with the organising body/host of non council events. Such a fee will be applied in lieu of inspection fees for individual stall-holders. The negotiated fee will reflect the cost of the inspections but will not exceed the maximum fee chargeable multiplied by the number of stall-holders.

4.2 Inspection of Businesses with Food Safety Programs

An inspection fee will apply for food businesses that have formal audited food safety programs in place. Please refer to the Food Business Audit Fee Policy.

4.3 Exemptions

4.3.1 Community and Charitable Organisations

Routine inspection fees will not be imposed upon community and charitable organisations.

Fees associated to re-inspections do apply. Refer to 4.1.2 of the Policy.

4.3.2 Schools and Educational Institutions

Inspection fees will not be imposed for inspections of the canteen or out of school hours care service (OSHC) in schools and educational institutions unless the operator of the canteen / OSHC operates the service as a commercial concern for profit.

Fees associated to re-inspections do apply. Refer to 4.1.2 of the Policy.

4.3.3 Nominal Risk Businesses

Inspection fees will not be imposed upon nominal P4 risk businesses.

4.3.4 Mobile Food Vans

Inspection fees will not be imposed upon mobile food vans that can display evidence of having completed notification with an alternate local council.

5. Review of the Food Inspection Fee Policy

Every 24 months or as needed.

6. Statement of Adoption

This Policy was adopted by the Board of the Eastern Health Authority on 12 February 2003.

6.6 RECORDS MANAGEMENT POLICY

Author: Michael Livori
Ref: AF17/96

Summary

The Eastern Health Authority (EHA) is considered an agency under the *State Records Act 1997* and has an obligation to practice adequate records management. The Records Management Policy, provided as attachment 1, has been established as a framework for implementation and management of an appropriate records management system. The policy was endorsed by the EHA Audit Committee at its meeting of 11 December 2019 and is now provided to the Board of Management for consideration and adoption.

Report

The *State Records Act 1997* is the principal legislation in South Australia governing the obligations and responsibilities of councils in relation to the management of their records. EHA has an obligation to maintain official records in its custody in good order and condition. This includes obligations in relations to the capture, storage, maintenance and disposal of physical and electronic official records.

Effective records management is of key importance to effective governance, records are fundamental in the support of EHA's ongoing business activities.

The Records Management Policy was submitted to the Audit Committee for consideration at its meeting held on 11 December 2019.

The Audit Committee resolved the following:

Cr P Cornish moved:

That:

1. The report regarding the Records Management Policy is received.
2. The policy entitled Records Management Policy, marked attachment 1 to this report is endorsed and submitted to the Board of Management for adoption.

Seconded by: C Goldsmith

CARRIED UNANIMOUSLY 6: 112019

RECOMMENDATION

That:

1. The report regarding the Records Management Policy is received.
2. The policy entitled Records Management Policy, marked attachment 1 to this report adopted.



Records Management Policy

Policy Reference	GOV10
Date of initial Board Adoption	
Minutes Reference	
Date of Audit Committee Endorsement (if applicable)	11 December 2019
Date last reviewed by Eastern Health Authority Board of Management	
Relevant Document Reference	
Applicable Legislation	<i>State Record Act 1997</i> <i>Local Government Act 1999</i> <i>Freedom of Information Act 1991</i> <i>Australian Records Management Standard AS ISO 14589-2002</i>

1. Purpose

The Records Management Policy is a guide to establish a framework for the implementation and maintenance of an appropriate records management system. Eastern Health Authority (EHA) operates in an accountable and community orientated environment and is committed to maintaining a records management system that meets its business needs as well as its legal and accountability requirements.

2. Scope

This policy applies to all EHA business, including electronic business. It concerns records which are created, collected, processed, used, sentenced, stored and disposed of in the conduct of official business. It applies to all EHA staff and EHA Board Members

3. Principles

The *State Records Act 1997* ("the Act") governs the obligations and responsibilities of EHA in relation to the management of official records. Under this Act, EHA has an obligation to maintain official records in its custody in good order and condition. This obligation applies not only to the capture, storage, maintenance and disposal of physical records, but also to records in electronic format.

An official record is defined in section 3 of the Act to mean a record made or received by EHA in the conduct of its business. This means that, because EHA Staff and Board Members variously act as representatives of EHA, any record created, sent, received, forwarded or transmitted by EHA Staff or Board Members in the performance and discharge of their functions and duties may be classified as an official record. However, records that are merely transitory, temporary, personal or private in nature will fall outside the definition of “official records”.

The establishment of an effective and efficient record keeping environment ensures standardisation, protection and retrieval of information improving levels of quality customer service.

Good records management is of key importance to good governance. Records are vital ingredients in the support of EHA’s ongoing business activities. EHA is committed to managing its records of continuing value and their timely transfer to the State Records Office in accordance with the Act, and best practice standards.

In addition to its record management obligations under the Act, EHA is obliged to keep adequate records in order to fulfill its responsibilities under other Acts such as the *Freedom of Information Act 1991*, as well as fulfilling legal processes, such as discovery and subpoenas. Records may also be required by Royal Commissions, the Ombudsman, the Courts, auditors and other people or bodies.

This Policy provides the procedural framework for EHA to effectively fulfill its records management obligations and to meet the statutory requirements upon it.

4. Definition

Definitions for the purpose of this policy are:

Continuing Value records of continuing value are those that contain information that is of administrative, legal, fiscal, evidential or historical value to EHA.

Dispose of to dispose of an official record means to:

- destroy or abandon the record;
- carry out an act or process as a result of which it is no longer possible or reasonably practicable to reproduce the whole or a part of the information contained in the record; or
- transfer or deliver ownership or possession of or sell the record, or purport to do so

EHA Business includes (but is not limited to) the provision of services, delivery of programs, development of policies, making of decisions, performance of EHA functions and other similar types of transactions.

EHA staff includes persons employed by EHA, volunteers, trainees, work experience placements, independent consultants and contractors and other authorised personnel offered access to EHA’s resources.

EHA Board Member includes persons nominated by Constituent Councils to the EHA Board of Management.

Email

Is a service that enables people to exchange documents or messages in electronic form. It is a system in which people can send and receive messages through their computers. Each person has a designated mailbox that stores messages sent by other users. You may retrieve, read and forward or re-transmit messages from your mailbox.

Electronic Document Records Management System: EDRMS

An automated system used to manage the creation, use, management and disposal of physical and electronically created documents and records for the purpose of:

- Supporting the creation, revision and management of digital documents
- Improving an organisations workflow
- Providing evidence of business activities

Normal Administrative Practice (NAP)

Normal Administrative Practice provides for the routine destruction of drafts, duplicates and publications, with the test that it is obvious that no information of more than transitory or temporary value to EHA will be destroyed. Material that can be disposed of under Normal Administrative Practice comprises items of a temporary or transitory nature created, acquired or collected by EHA staff or EHA Board Members in the course of their official duties. Such material has no ongoing value and is not usually incorporated into EHA's record management system.

Official Record

A record made or received by EHA in the conduct of its business, but does not include:

- a record made or received by an agency for delivery or transmission to another person or body (other than an agency) and so delivered or transmitted; or
- a record made by an agency as a draft only and not for further use or reference; or
- a record received into or made for the collection of a library, museum or art gallery and not otherwise associated with the business of the agency; or
- a Commonwealth record as defined by the *Archives Act 1983* of the Commonwealth or an Act of the Commonwealth enacted in substitution for that Act; or
- a record that has been transferred to the Commonwealth.

Record

A record as defined by the *State Records Act, 1997* means:

- written, graphic or pictorial matter
- a disk, tape, film or other object that contains information or from which information may be reproduced (with or without the aid of another object or device).

Temporary/Transitory Record

A record is transitory or temporary in nature if it is of little or no continuing value to EHA and only needs to be kept for a limited or short period of time, such as a few hours or a few days.

5. Legislative Requirements

5.1 The Policy is to be read and implemented in conjunction with relevant legislation, standards, policies and strategies, including: *State Records Act 1997*

5.1.1 The State Records Act 1997 governs the obligations and responsibilities of Council in relation to the management of official records. Under the Act Council has an obligation to ensure that all official records in its custody are maintained in good order and condition.

5.2 Local Government Act 1999

5.2.1 The Local Government Act 1999 assigns the overall responsibility and accountability for the proper management of official records to the Chief Executive Officer of the agency. All defined local government agencies under this Act have a statutory responsibility to enforce the State Records Act 1997.

5.3 Freedom of Information Act 1991

5.3.1 The Freedom of Information Act 1991 defines the rights of the public to obtain access to information held by Council and to ensure that records held by Council concerning the personal affairs of members of the public are not incomplete, incorrect, out-of-date or misleading.

5.4 Australian Records Management Standard AS ISO 15489-2002

5.4.1 The Australian Records Management Standard AS ISO 15489-2002 provides best practice guidance on managing records.

6. Objectives

EHA uses a compliant EDRMS to store, distribute and archive corporate records. The objectives of this records management system are to ensure:

- that the management of EHA's information resources and records management system provide timely and comprehensive information to meet operational business needs, accountability requirements and community expectations.
- the preservation of EHA's "*corporate memory*" through sound record keeping practices and the accurate capture of information to meet legal, evidential and accountability requirements.

7. Obligations of Record Users

EHA staff and Board Members must not intentionally damage, alter, dispose of or remove official records of EHA without authorisation to do so. EHA staff and Board Members are required to handle EHA records with care and respect in a sensible manner to avoid damaging records and with a view to prolonging their life span. EHA staff and Board Members must not eat or drink near EHA records or in records storage areas.

EHA Staff and Board Members must ensure that EHA records in any format, including electronic documents and electronic messages, which they personally receive or send are to be captured into EHA's record keeping systems. Records must be readily accessible to meet business and accountability requirements. Staff members are required to follow authorised procedures in carrying out records management functions.

Electronic records are to be captured and maintained as functioning records by preserving their structure, context and content. In order to maintain their value as evidence, electronic records must be inviolate. That is, they cannot be altered or manipulated for as long as they are retained.

Personal record keeping systems for the capture of official records are prohibited. Records must be readily accessible to meet business and accountability requirements.

EHA staff or Board Members who do not comply with this Policy may be subject to disciplinary action under the relevant Code of Conduct Policy, and/or subject to criminal or civil proceedings. EHA staff and Board Members should report breaches of this Policy to the Chief Executive Officer of EHA.

8. Confidential Records

If an EHA staff member or Board Member believes that a record is of a highly sensitive or confidential nature, he or she should advise the Chief Executive Officer of that view. It will be at the discretion of the Chief Executive Officer as to whether such information will then be treated as confidential and access to those records restricted.

9. Records Security

The security of all EHA records is crucial, as records provide evidence of business transactions, support management decisions and ensure public accountability requirements are met. Records in all formats should be stored securely to prevent unauthorised access, destruction, alteration or removal.

EHA staff are responsible for the safe custody of all files and documents that are allocated to them. Sensitive or confidential information should be placed in a secure storage area when not in use.

EHA records are not to be stored at home or left in cars unattended as they could be lost or damaged or stolen.

10. Responsibilities

10.1. Chief Executive Officer

The role of Chief Executive Officer of EHA, as prescribed by section 99 of the *Local Government Act 1999*, includes ensuring that records required under any legislation are properly kept and maintained.

10.2. Team Leader – Administration and Immunisation

Responsibility for EHA's records management system is assigned to the Team Leader – Administration and Immunisation, under the supervision of the Chief Executive Officer. The Team Leader – Administration and Immunisation is directly accountable to the Chief Executive Officer.

The role of the Team Leader – Administration and Immunisation is to provide a strategic focus for record keeping throughout EHA and responsibility for:

- ensuring that official records are managed in accordance with the *State Records Act*;
- establishing records management policies and procedures for EHA as a whole;
- establishing corporate standards for record keeping and records management;
- measuring performance of EHA business units against these standards;
- providing consulting services to EHA staff and EHA Board Members;
- developing corporate electronic records management strategies;
- working with other managers of information resources to develop coherent information architecture across EHA;
- working with other accountability stakeholders, and management staff, to ensure record keeping systems support organisational and public accountability; and
- providing EHA staff and EHA Board Members with appropriate training and tools to allow them to meet their records managements responsibilities.

10.3. Records Administrators of EHA

The Records Administrators are operationally responsible for supporting the Team Leader – Administration and Immunisation in relation to records management and the efficient management of EHA Records (physical and electronic) incorporating sound record keeping principles and records management best practice guidelines.

The Records Administrators of EHA are responsible for the effective management and system administration of EHA's EDRMS.

The Records Administrators will assist EHA staff and Board Members in fulfilling their record keeping responsibilities and provide advice and training throughout the implementation of this policy, procedures and strategies.

10.4. EHA Staff and EHA Board Members

All EHA staff and EHA Board Members need to be aware of record keeping requirements that affect the performance and exercise of their duties and functions. The record keeping obligations on EHA staff and EHA Board Members include:

- making records to support the conduct of their business activities;
- creating records that would not otherwise be created;
- capturing records into paper or electronic record keeping systems;
- learning how and where records are kept within EHA;
- not destroying EHA records without authority from the Team Leader - Administration;
- not losing records; and
- being aware of records management procedures.

11. Destruction Methods

Records and official records must only be disposed of in accordance with authorised disposal schedules for Local Government Authorities in South Australia. Transitory or temporary records, or records that are personal or private in nature, may be destroyed in accordance with normal administrative practice.

The Records Administrators are responsible for the destruction of EHA's official records in accordance with the *State Records Act, 1997* and relevant disposal schedules. The only records that can be destroyed by EHA staff or Board Members are those that are identified as non-official records in accordance with this policy.

The Records Administrators will coordinate a robust approval process for the authorisation of the destruction of official records.

The destruction of records must be complete destruction so that no information is retrievable. Records in physical format should be destroyed by shredding or pulping. Records in electronic format should be destroyed by reformatting, rewriting or degaussing. The use of the "delete" function in software packages is not sufficient to destroy electronic records, as "deleted" data is still able to be recovered. With the consent of the Team Leader – Administration and Immunisation, use may be made of electronic file shredding software to ensure the complete destruction of electronic records.

12. Review and Evaluation

This policy will be reviewed at least once every two years. However, EHA may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

13. Statement of Adoption

This policy was adopted by the Board of the Eastern Health Authority on XXXX XXXXX XXX

7.1 ENVIRONMENTAL HEALTH ACTIVITY REPORT

1.0 Food Safety

1.1 Food Complaints

For the reporting period 1 November 2019 to 31 January 2020 the Eastern Health Authority received 31 complaints that were investigated under the *Food Act 2001*. The complaints are shown by category in Graph 1 and by respective council area in Table 1.

Graph 1 - Three-year comparison of food complaints from 1 November 2019 to 31 January 2020

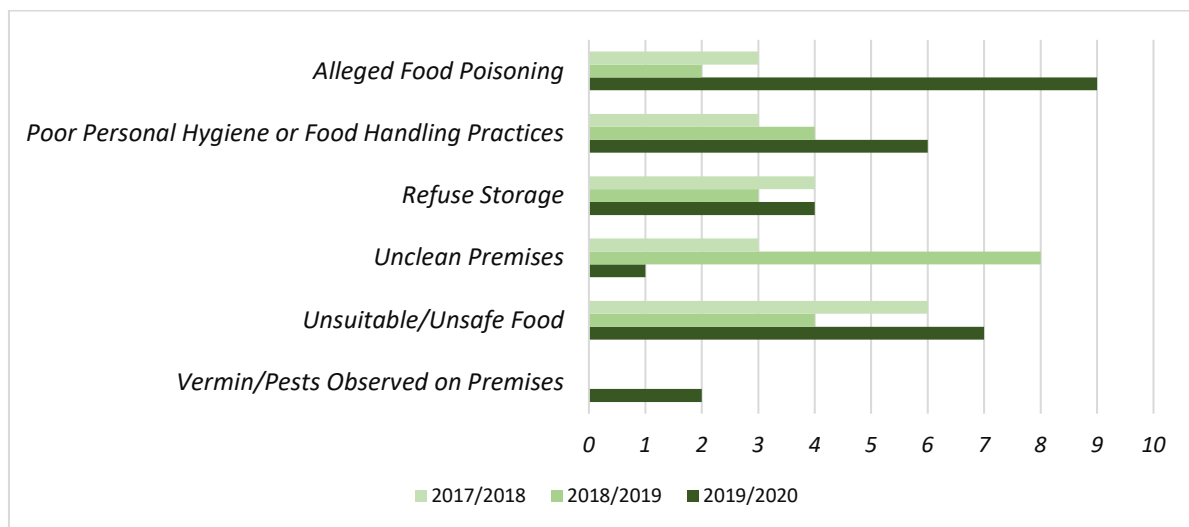


Table 1: Food complaints received from 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Alleged Food Poisoning	4	0	3	2	0	9
Poor personal hygiene or food handling practices	0	0	3	2	1	6
Refuse Storage	1	0	3	0	0	4
Unclean premises	0	0	1	0	0	1
Unsuitable/unsafe food	1	3	1	1	1	7
Vermin/pests observed on premises	0	0	2	0	0	2
Labelling	1	0	0	0	0	1
Other	0	0	1	0	0	1
Total	7	3	14	5	2	31

Graph 2 - Three-year comparison of food complaints for financial year to date.

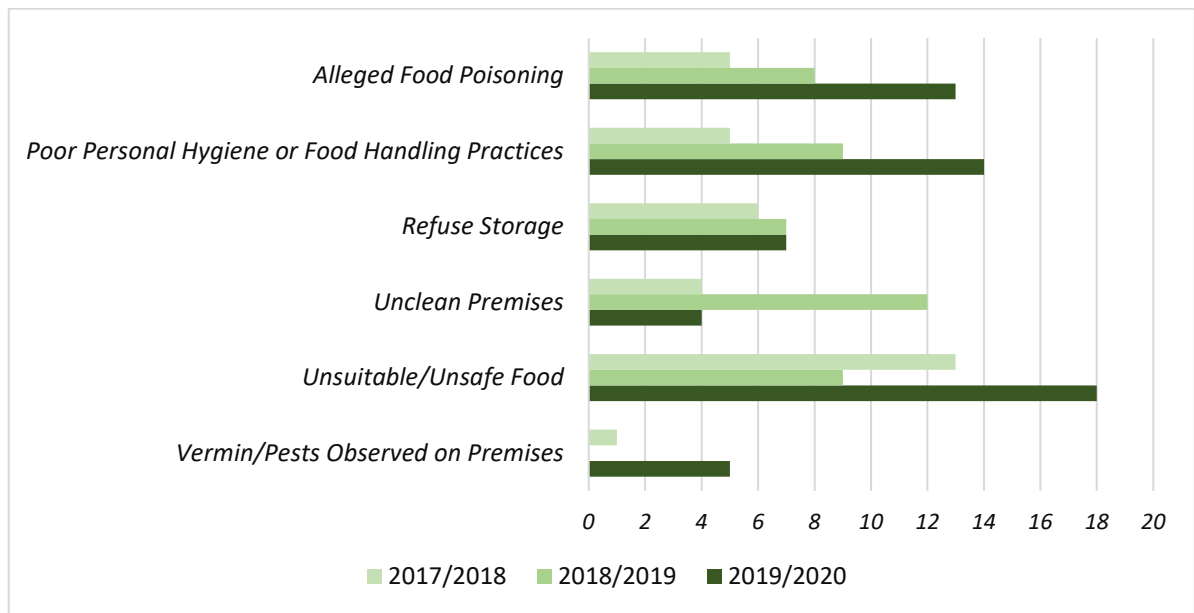


Table 2: Food complaints received for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Alleged Food Poisoning	4	0	5	4	0	13
Poor personal hygiene or food handling practices	1	2	7	3	1	14
Refuse Storage	3	0	3	1	0	7
Unclean premises	0	1	2	1	0	4
Unsuitable/unsafe food	3	6	5	2	2	18
Vermin/pests observed on premises	0	2	3	0	0	5
Labelling	1	0	0	0	0	1
Other	2	0	1	0	0	3
Total	14	11	26	11	3	65

1.2 Food Premises Inspections

Environmental Health Officers undertook 88 routine inspections of food businesses this reporting period. An additional 97 follow-up inspections were required to ensure non-compliance with the Food Safety Standards were appropriately addressed.

Table 3: Food premises inspections from 1 July 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspection	12	23	34	13	6	88
Follow up inspection	11	23	28	31	4	97
Fit-out/Pre-opening inspection	2	0	4	4	0	10
Complaint inspection	8	3	20	6	2	39
Fair/Temporary Event inspection	0	13	7	19	8	47
Total	33	62	93	73	20	281

Table 4: Food premises inspections for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspection	68	74	149	58	14	363
Follow up inspection	39	68	100	116	15	338
Fit-out/Pre-opening inspection	5	5	10	4	0	24
Complaint inspection	18	10	35	10	3	76
Fair/Temporary Event inspection	0	13	7	36	8	64
Total	130	170	301	224	40	865

1.3 Non-Compliance with Food Safety Standards

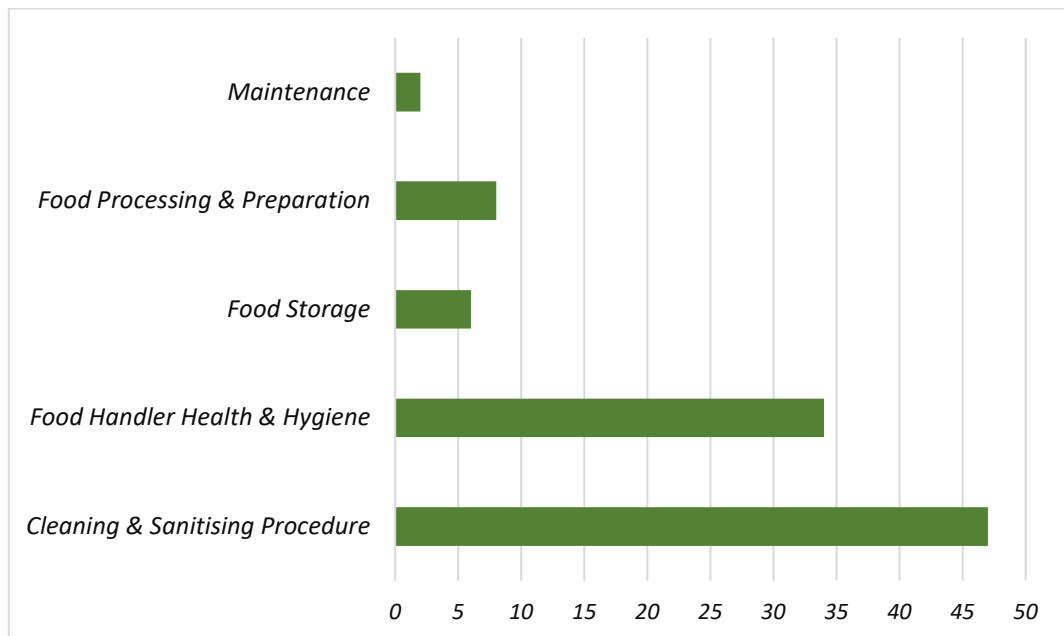
The SA Health Food Safety Rating Scheme Checklist is used to assess business compliance with food safety standards at routine inspections. Non-compliances against the Standards can range from Minor, Major to Serious. This is dependent on the risk and seriousness of the breach. EHO's identified a total of 745 non-compliances with the Food Safety Standards.

As shown in Table 5 the majority of non-compliances were minor in nature. Inadequate cleaning and sanitising and poor food handler health and hygiene accounted for 83% of the serious non-compliances identified during routine inspections (Table 3).

Table 5: the type and number of non-compliances identified at routine inspections during the reporting period.

Type of non-compliance	Number of non-compliances
Minor	472
Major	175
Serious	98

Graph 3: the type and frequency of serious non-compliances identified at routine inspections during the reporting period.



During the reporting period, five final warnings and 15 Improvement Notices, two Expiation Notice and two Prohibition Orders were issued.

Table 6: Legal action taken from 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Warning Letters	2	1	2	0	0	5
Improvement Notices	1	2	6	4	1	14
Expiation Notices	1	0	0	1	0	2
Prohibition Order	0	0	1	1	0	2
Total	4	3	9	6	1	23

Table 7: Legal action taken for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Warning Letters	2	1	6	4	0	13
Improvement Notices	5	5	15	13	2	40
Expiation Notices	1	0	0	1	0	2
Prohibition Order	0	1	1	1	0	3
Total	8	7	22	19	2	58

The majority of food businesses requiring legal action were Priority 1 'high risk' businesses (Table 8).

Table 8: Legal action taken per food business risk classification

	P1	P2	P3
Warning	4	0	1
Improvement Notice	10	3	0
Expiation Notice	2	0	0
Prohibition	2	0	0

1.4 Audits of Businesses that Serve Vulnerable Populations

During the reporting period, nine businesses within the Constituent Council boundaries and seven businesses in other council areas were audited under Standard 3.3.1 of the *Australia New Zealand Food Standards Code*. One follow-up audit was performed (Table 9).

Table 9: Food audits for the period from 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Out of Council	Total
Audits	5	7	5	2	0	16	35
Follow-up audits	0	1	0	0	0	0	1
Total	5	8	5	2	0	16	36

Table 10: Food audits for the financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Out of Council	Total
Audits	12	12	13	8	0	41	86
Follow-up audits	1	2	0	0	0	2	5
Total	13	14	13	8	0	43	91

2.0 Public Health

2.1 Public Health Complaints

For the reporting period 1 November 2019 to 31 January 2020, Eastern Health Authority received 48 public and environmental health related complaints. The complaints for the reporting period are shown by category in Graph 4 and by respective council area in Table 11.

Graph 4 - Three-year comparison of public health complaints from 1 November 2019 to 31 January 2020

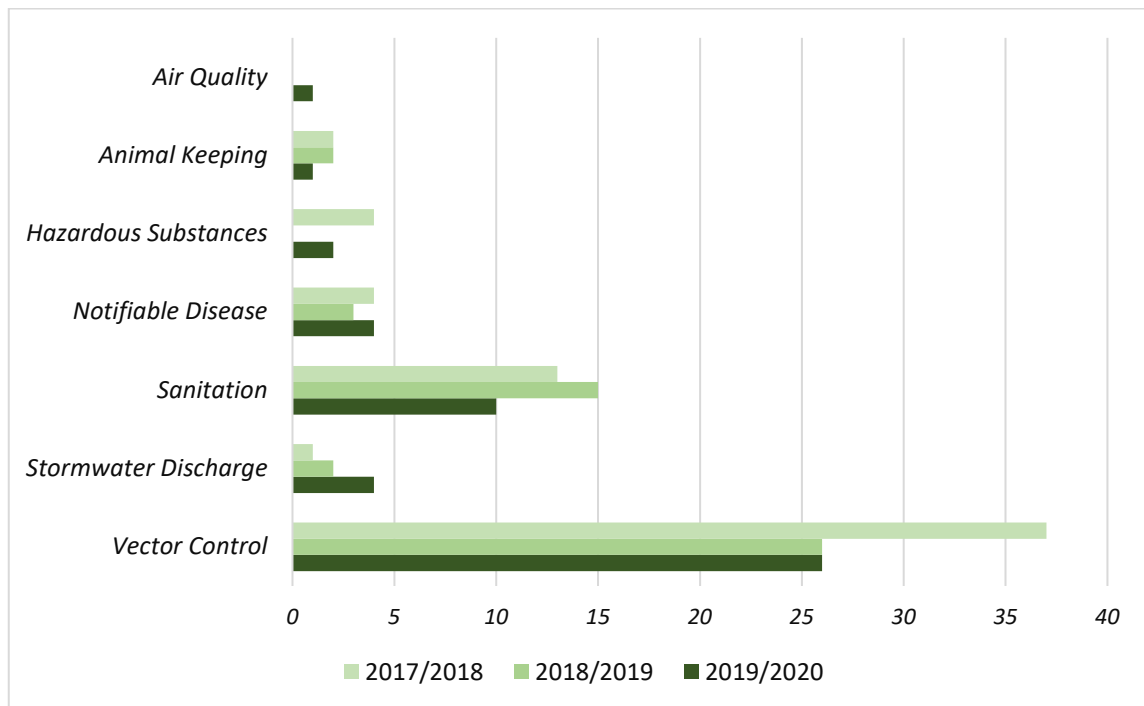


Table 11: Public and environmental health complaints 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Air Quality	1	0	0	0	0	1
Animal Keeping	0	0	0	1	0	1
Hazardous Substances	1	0	0	1	0	2
Notifiable Disease	1	0	3	0	0	4
Sanitation	2	1	3	3	1	10
Stormwater discharge	1	1	2	0	0	4
Vector Control	7	11	6	2	0	26
Total	13	13	14	7	1	48

Graph 5 - Three-year comparison of public health complaints for financial year to date.

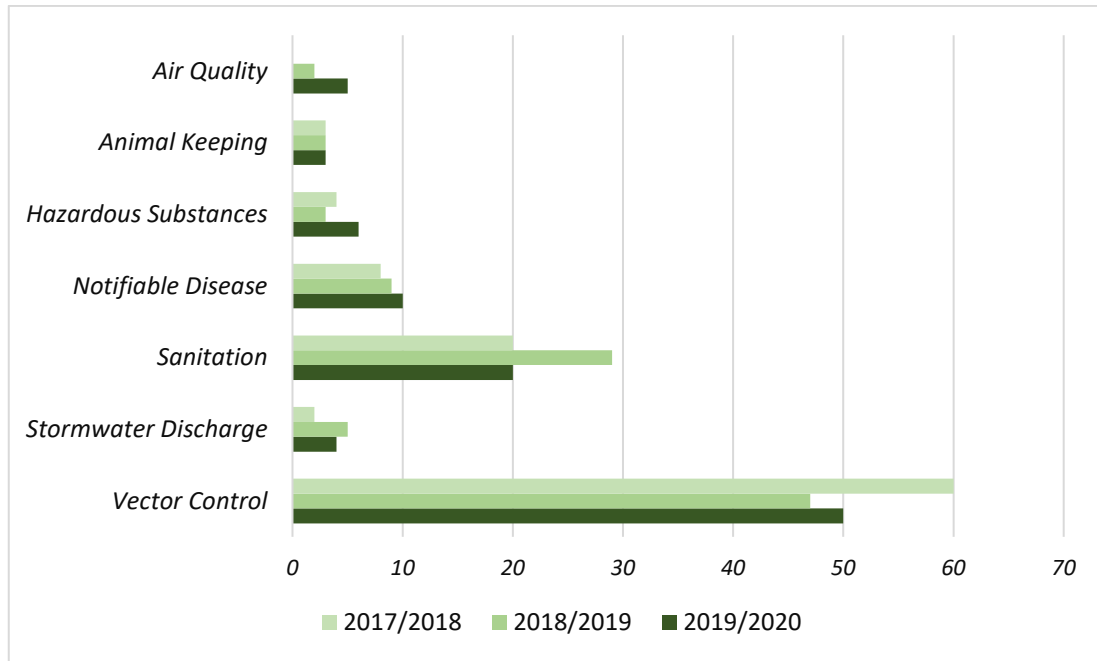


Table 12: Public and environmental health complaints for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Air Quality	2	2	1	0	0	5
Animal Keeping	0	2	0	1	0	3
Hazardous Substances	2	0	2	1	1	6
Notifiable Disease	2	1	4	2	1	10
Sanitation	4	4	7	3	2	20
Stormwater discharge	1	1	2	0	0	4
Vector Control	12	17	15	6	0	50
Total	23	27	31	13	4	98

2.2 Cooling Towers & Warm Water Systems

During the reporting period six cooling tower and warm water system inspections were conducted at five sites. One site received one detection of *Legionella* from routine water sampling during the inspection.

EHA received two *Legionella* disease notifications during the reporting period. Desktop investigations were undertaken, and no further sampling was required.

Table 13: Cooling Tower and Warm Water System Inspections from 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Total
Routine inspections	0	4	2	0	6
Follow-up inspections	0	0	0	0	0
Complaint inspections	0	0	0	0	0
<i>Legionella</i> detections during sampling	0	1	0	0	1
<i>Legionella</i> investigations	0	0	2	0	2
Total	0	5	4	0	9

Table 14: Cooling Tower and Warm Water System for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Total
Routine inspections	0	6	8	2	16
Follow-up inspections	0	0	0	0	0
Complaint inspections	0	0	1	0	1
<i>Legionella</i> detections during sampling	1	2	0	0	3
<i>Legionella</i> investigations	0	0	2	0	2
Total	1	8	11	2	22

2.3 Public Swimming Pools and Spas

During the reporting period 45 swimming and spa pool inspections were conducted at 28 sites. Ten follow-up inspections were required at seven pool sites.

Two complaints were received during the reporting period that required investigation.

Table 15: Swimming and spa pool inspections conducted between 1 November 2019 to 31 January 2020 by council area

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspections	25	4	12	2	2	45
Follow-up inspections	6	0	2	2	0	10
Complaint inspections	2	0	0	0	0	2
Total	33	4	14	4	2	57

Table 16: Swimming and spa pool inspections for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspections	34	8	19	2	5	68
Follow-up inspections	8	0	2	2	0	12
Complaint inspections	2	0	0	0	0	2
Total	44	8	21	4	5	82

2.4 Personal Care and Body Art

During the reporting period five Personal Care and Body Art premises were inspected. No complaints were received requiring investigation.

Table 17: Personal Care and Body Art premise inspections conducted between 1 November 2019 to 31 January 2020 by council area.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspections	0	1	4	0	0	5
Follow-up inspections	0	0	0	0	0	0
Complaint inspections	0	0	0	0	0	0
Total	0	1	4	0	0	5

Table 18: Personal Care and Body Art premise inspections for financial year to date.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Routine inspections	1	1	6	0	0	8
Follow-up inspections	0	0	0	0	0	0
Complaint inspections	0	0	1	0	0	1
Total	1	1	7	0	0	9

2.5 Wastewater

In December 2019 a mailout was sent to over twenty properties with aerobic wastewater treatment systems (AWTS) within EHA's jurisdiction. The letters reminded property owners and residents of the servicing and maintenance requirements for AWTS. The information on the servicing and maintenance requirements was provided through a SA Health fact sheet.

No applications were received during the period requiring review or approval.

3.0 Health Care and Community Services - Supported Residential Facilities

For the reporting period 1 November 2019 to 31 January 2020, three dual licence and two pension only facilities were licenced by Eastern Health Authority under the *Supported Residential Facilities Act 1992*.

3.1 Audits / Inspections

- Two unannounced routine audits undertaken. Officers returned to one facility to review additional documentation that was not available to the initial audit.

3.2 Complaints

- One complaint received during the reporting period.

3.3 Approval of Manager / Acting Manager

- No applications received during the reporting period.

3.4 Licence Transfer

- No applications for licence transfers.

RECOMMENDATION

That:

The Environmental Health Activity Report is received.

7.2 IMMUNISATION

2019 School Immunisation Program (SIP)

For the reporting period 1 October 2019 to 31 December 2019, 10 school immunisation sessions were conducted with 1320 vaccines administered. This saw the completion of the 2019 SIP for 20 high schools in the Constituent Council and City of Unley areas.

The total number of school visit sessions held during the 2019 calendar year was 79. The table below lists a breakdown of the vaccines administered for each council area in 2019.

Table 1: School Vaccinations for Calendar Year to Date – January 2019 to December 2019

Council	Human Papilloma-virus	Diphtheria Tetanus Pertussis	Meningo-coccal B	Meningo-coccal ACWY	2019 Total
Burnside	1254	653	2,213	602	4,722
Campbelltown	930	478	1,456	641	3,505
NPSP	857	557	1,976	444	3,834
Prospect	190	97	389	107	783
Unley	327	169	652	161	1,309
Walkerville	160	83	288	63	594
Total	3,718	2,037	6,974	2,018	14,747

In 2019 there were a total of 14,747 vaccines administered. This was an increase of 8,883 (151%) when compared to the previous year. This increase was due to changes in the National Immunisation Program (NIP) where the school program included for the first time the Year 10 Meningococcal B (2 dose) and Meningococcal ACWY (1 dose) vaccine and the Year 11 Meningococcal B (2dose) vaccine.

Workplace Influenza Program

During the reporting period a review of the Workplace Influenza Program website page and booking system were undertaken. Updates and improvements were launched in December 2019 and January 2020.

All previous clients of EHA's workplace program have been contacted to book their workplace visit for 2020. Bookings have started to be made for workplaces from March/April 2020.

EHA staff are focusing on promotion opportunities for the program to be launched prior to the upcoming flu season.

Public Clinics

During the period of review 1,002 clients received 2,027 vaccines at EHA’s public immunisation clinics. This is a decrease of 52 clients and an increase of 52 vaccines in comparison to the same period in 2018.

The increase in vaccines is in part due to the commencement on 1 October 2018 of the State Government funded Meningococcal B Immunisation Program. This program provides free Meningococcal B vaccines to eligible residents of South Australia. The below are details of the age groups this program is offered to:

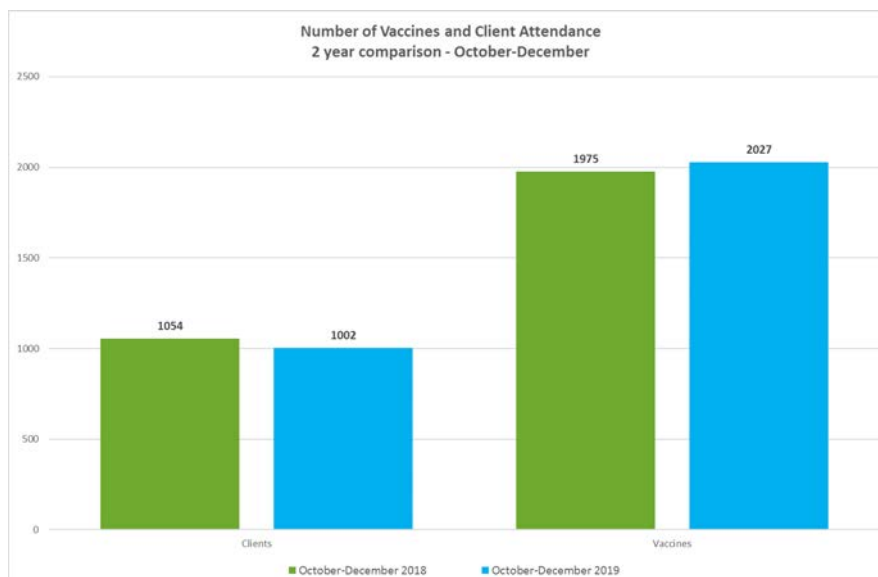
- From 1 October 2018 a childhood program offered to those aged 6 weeks to 12 months
- From 1 October 2018 a catch up program for those from 12 months to less than 4 years of age. This catch up program ended on 31 December 2019.
- From 1 February 2019 the SIP for Students in Years 10 and 11
- From 1 February 2019 a catch up program for those aged 17 to less than 21. This catch up program ended was extended to 29 February 2020.

In addition to this the State Government funded Meningococcal ACWY Program is offered to:

- From 1 April 2019 the SIP for Year 10
- From 1 February 2019 a catch up program for those aged 15 to less than 20.

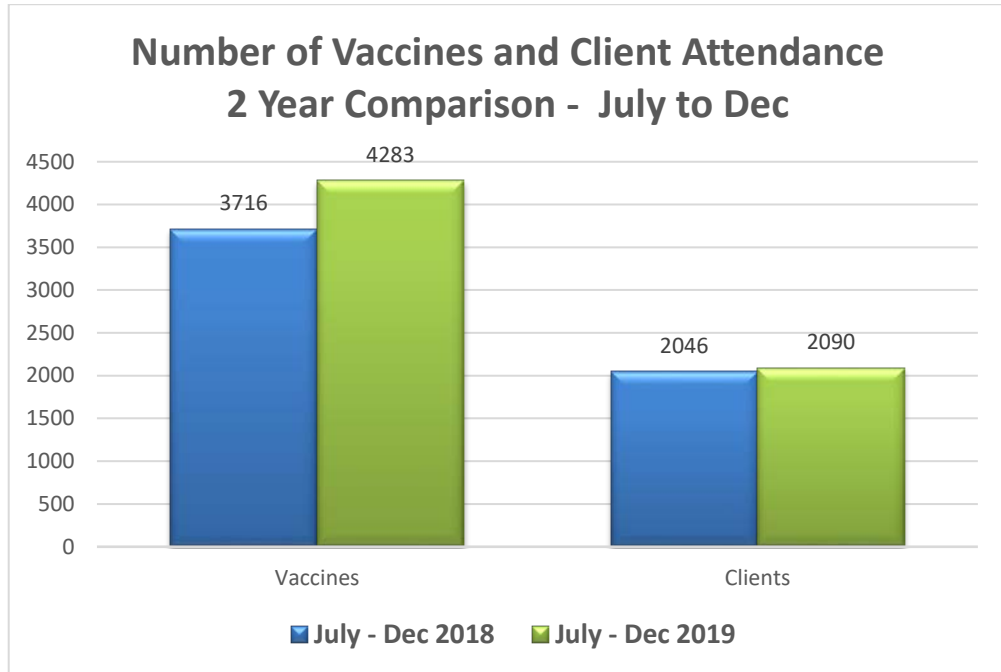
Below details Client attendance and Vaccines administered for the reporting period in 2018 and 2019.

Graph 2: October to December - two year comparison of Client attendance and Vaccines administered at clinics



From July 2019 to December 2019 there was a total of 2,090 clients that attended EHA’s public clinics and received a total of 4,283 vaccines. This is an increase of 567 vaccines (15%) and 44 (2.1%) clients compared to the same period for 2018 (see graph 3).

Graph 3: July to December - two year comparison of Client attendance and Vaccines administered at clinics



Promotion

EHA staff continue to focus on the promotion of EHA’s immunisation services and with the release of the 2020 Immunisation Program timetable this has provided additional opportunities to do this. This has included:

- Mail out of the timetable to relevant businesses such as CAFHS, preschools, kindergartens, childcare centres, and other like organisations that promote the availability of council immunisation clinics to their clients.
- 637 letters emailed to past clients who had attended City of Prospect clinics in the past two years. The letter detailed the promotion of the return to the City of Prospect at the new venue, Payinthe.
- Posters/balloons/flyers and gift bags at Prospect’s Open Day event
- Flyers created to promote Prospect’s clinic at all other EHA clinics.
- Flyers created to promote Meningococcal ACWY adolescent catch up program which was attached to all Year 11’s vaccine safety leaflets.
- Children’s gift bags containing updated immunisation information and the clinic timetable distributed to all Constituent Council libraries, Campbelltown’s The Arc Creche.

- Posters for each Constituent Council Civic Centre and library as well as a new banner for City of Prospect promoting the updated 2020 timetable and clinic.
- Individual Council’s social media updated with new tiles for each Council promoting immunisation.
- Update to content on the Immunisation pages of the EHA website.
- Improvements to the immunisation booking system (Sprout).

During the reporting period a total of 19 families with 25 children were provided with assistance to update the Australian Immunisation Register (AIR) and have their immunisation history assessed. This was an increase of 6 families compared with the same period last year.

Table 2 provides a detailed analysis of attendance at each of the public clinics provided. It also provides information in relation to our client’s council of origin.

Table 2: Combined Clinic breakdown for October 2019 – December 2019

<u>EASTERN HEALTH AUTHORITY PUBLIC IMMUNISATION CLINICS</u>																	
<u>CLIENT ATTENDANCE BY COUNCIL AREA</u>																	
BURNSIDE CLINIC held at Burnside Council every 2nd and 4th Monday of the month <i>2.00 pm to 4.00 pm</i>																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	58	131	15	36	20	40	0	0	2	5	7	19	4	16	106	247	
Year to Date	130	284	27	61	40	81	4	4	4	8	15	38	12	34	232	510	
CAMPBELLTOWN CLINIC HELD AT Campbelltown Library every 1st & 3rd Wednesday of the month <i>10 am to 12 noon and 4.00 pm to 6.30 pm</i>																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	15	21	85	142	20	32	0	0	0	0	2	3	2	5	124	203	
Year to Date	38	58	162	283	36	57	0	0	0	0	2	3	3	6	241	407	
NORWOOD, PAYNEHAM & ST PETERS COUNCIL CLINICS - held at EHA Office <i>ST PETERS CLINIC is held every 2nd and 4th Tuesday of the month 10 am to 12.30 pm and St Peters Evening Clinic is held every 2nd and 4th Tuesday of the month 5.00 pm to 7.00 pm</i>																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	125	247	132	300	189	375	45	103	32	59	42	92	10	16	575	1192	
Year to Date	240	491	291	624	414	857	73	183	80	153	81	186	21	50	1200	2544	
PROSPECT CLINIC held every 1st Wednesday of the month <i>(Please note from 1st Jan 2018 Prospect Clinic relocated to St Peters due to redevelopment of Prospect Civic Centre)</i> <i>New time from 1st January 2016 - 10.00am to 12.00pm</i>																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Year to Date	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
WALKERVILLE CLINIC held every 3rd Monday of the month <i>New time from 1st January 2016 - 4.00-6.00pm</i>																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	8	12	8	17	9	13	4	13	3	3	1	4	0	0	33	62	
Year to Date	20	30	17	31	15	26	7	19	8	12	3	9	1	2	71	129	
UNLEY CLINIC held at Unley Town Hall																	
Client Council of origin	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		Site Total		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	42	65	10	18	17	35	4	14	12	32	61	124	18	35	164	323	
Year to Date	81	139	15	26	26	61	5	17	16	36	158	312	45	102	346	693	
													Grand Total				
													Clients	Vaccines			
													Oct-Dec 2019	1002	2027		
													Year to date	2090	4283		
The following Table provides details on the numbers of clients in attendance and the vaccines administered at all of the public clinics based on the clients council of origin																	
	BURNSIDE		CAMP		NPS		PROSPECT		WALK		UNLEY		OTHER		TOTALS		
	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	Clients	Vaccines	
Oct-Dec 2019	248	476	250	513	255	495	53	130	49	99	113	242	34	72	1002	2027	
Year to date	509	1002	512	1025	531	1082	89	223	108	209	259	548	82	194	2090	4283	

RECOMMENDATION

That:

The Immunisation Services Report is received.

8.1 APPONTMENT OF INDEPENDENT MEMBER OF THE EASTERN HEALTH AUTHORITY AUDIT COMMITTEE

Author: Michael Livori

Ref: AF19/152

RECOMMENDATION 1

1. Pursuant to Clause 3.10(b) of the Eastern Health Authority Charter and Section 90(2) of the *Local Government Act 1999* the Board of Management (Board) orders that all members of the public, except the Chief Executive Officer, Team Leader Administration/Immunisation and Team Leader Environmental Health be excluded from attendance at the meeting for Agenda Item 8.1 - Appointment of Independent Member to the Eastern Health Authority Audit Committee.
2. The Board is satisfied that, pursuant to Section 90(3)(a) of the *Local Government Act 1999*, the information to be received, discussed or considered in confidence is namely:

information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of a person, being the performance and remuneration of the Chief Executive Officer.
3. Accordingly, on this basis, the Board considers the principle that meetings of the Board should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential.

RECOMMENDATION 3

In accordance with Clause 3.11(c) of the Eastern Health Authority Charter the Board of Management (Board) orders that in relation to the Appointment of Independent Member to the Eastern Health Authority Audit Committee Report, all relevant documentation and minutes arising from the report, having been considered by the Board in confidence under Clause 3.10(b) of the Eastern Health Authority Charter and Section 90 (3)(a) of the Act be kept confidential and not available for public inspection on the grounds that it involves information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of the applicants.

8.2 APPOINTMENT OF EXTERNAL AUDITOR FOR 2020-2022

Author: Michael Livori
Ref: AF20/5

RECOMMENDATION 1

1. Pursuant to Clause 3.10(b) of the Eastern Health Authority Charter and Section 90(2) of the Local Government Act 1999 the Board of Management (Board) orders that all members of the public, except the Chief Executive Officer, Team Leader Administration/Immunisation and Team Leader Environmental Health be excluded from attendance at the meeting for Agenda Item 8.2 - Appointment of External Auditor for 2020-2022.
2. The Board is satisfied that, pursuant to Section 90(3)(d) and 90(3)(k) of the Local Government Act 1999, the information to be received, discussed or considered in confidence is namely:
 - commercial information of a confidential nature that could reasonably be expected to prejudice the commercial position of the person who supplied the information;
 - tenders for the supply of goods, the provision of services or the carrying out of works

being the quotations received for conducting the EHA external audits between 2020 and 2022.

Accordingly, on this basis, the Board considers the principle that meetings of the Board should be conducted in a place open to the public has been outweighed by the need to keep the information or matter confidential

RECOMMENDATION 3

That:

In accordance with Section 91 (7) and (9) the *Local Government Act 1999*, the Audit Committee orders that the Report relating to the External Auditor appointment, all the relevant documentation, except for the Minutes arising from the Report, having been considered by the Committee in confidence under Section 90 (3) (d) and 90 (3) (k) of the Act, be kept confidential and not available for public inspection for a period of 12 months from the date of this meeting.