



# Audit Committee Meeting

14 August 2024



local councils working together to protect the health of the community





**EASTERN HEALTH AUTHORITY  
AUDIT COMMITTEE MEETING**

**Wednesday 14 August 2024**

Notice is hereby given that a meeting of the Audit Committee of Eastern Health Authority will be held at EHA's offices at **101 Payneham Road, St Peters** on Wednesday 14 August 2024 commencing at 5:00pm.

**MICHAEL LIVORI  
CHIEF EXECUTIVE OFFICER**

# **AGENDA**

## **EASTERN HEALTH AUTHORITY AUDIT COMMITTEE MEETING**

**Wednesday 14 August 2024**

**Commencing at 5:00 pm**

**1 Opening**

**2 Acknowledgement of Traditional Owners**

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

**3 Opening Statement**

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

**4 Apologies**

**5 Presiding Member's Remarks**

**6 Minutes**

**7 Reports**

7.1 Draft General Purpose Financial Statements for The Year Ended 30 June 2024 ..... 11

7.1 Attachment 1 ..... 17

7.1 Attachment 2 ..... 46

7.1 Attachment 3 ..... 50

7.2	Report on Financial Results for the Year Ended 30 June 2024 .....	63
	7.2 Attachment 1 .....	67
	7.2 Attachment 2 .....	71
7.3	Eastern Health Authority (EHA) Audit Committee Annual Evaluation Report 2022/2023 .....	74
	7.3 Attachment 1 .....	76
7.4	Long-Term Financial Plan Revised Financial Estimates .....	82
	7.4 Attachment 1 .....	84
7.5	Eastern Health Authority Charter Review Update Report .....	88
	7.5 Attachment 1 .....	89
	7.5 Attachment 2 .....	94
	7.5 Attachment 3 .....	95
7.6	EHA FY2023 Workplan .....	127

**EASTERN HEALTH AUTHORITY AUDIT COMMITTEE**

Minutes of the Audit Committee meeting held at the EHA's offices at 101 Payneham Road, St Peters on 15 May 2024 commencing at 5:00 pm.

**MEMBERS PRESENT:**

Madeleine Harding	Presiding Member (Independent)
Natalie Caon	Independent Member
Cr Peter Cornish	City of Burnside

**In attendance:**

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

**1 OPENING**

The meeting was declared open by the Presiding Member at 5:03pm.

**2 ACKNOWLEDGEMENTS OF TRADITIONAL OWNERS:**

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

**3 OPENING STATEMENT:**

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

**4 Apologies**

**5 Confirmation of Minutes**

Cr Peter Cornish moved:

That:

The minutes of the previous Audit Committee meeting be taken as read and confirmed.

Seconded by Natalie Caon

**CARRIED UNANIMOUSLY**

**1: 052024**

## **6 MATTERS ARISING FROM THE MINUTES:**

## **7 ADMINISTRATION REPORTS**

### **7.1 Appointment of External Auditor for 2024-2026**

Cr Peter Cornish moved:

That:

1. The Appointment of External Auditor for 2024-2026 report is received.

Seconded by Natalie Caon

**CARRIED UNANIMOUSLY                      2: 052024**

### **7.2 Eastern Health Authority Charter Review Update**

Natalie Caon moved:

That:

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

Seconded by: Cr Peter Cornish

**CARRIED UNANIMOUSLY                      3: 052024**

### **7.3 Finance Report and Second (December 2023) Budget Review for 2023/2024**

Natalie Caon moved:

That:

1. The Finance Report and Second (December 2023) Budget Review Report for 2023/2024 be received.

Seconded by: Cr Peter Cornish

**CARRIED UNANIMOUSLY                      4: 052024**

**7.4 Draft Annual Business Plan and Budgeted Financial Statements For 2024/2025**

Cr Peter Cornish moved:

That:

The Draft Annual Business Plan and Budgeted Financial Statements for 2024/2025 Report is received.

Seconded by: Natalie Caon

**CARRIED UNANIMOUSLY 5: 052024**

**7.5 Finance Report and Third and Final (March 2024) Budget Review For 2023/2024**

Cr Peter Cornish moved:

That:

The Finance Report and Third and Final (March 2024) Budget Review for 2023/2024 Report be received.

Seconded by: Natalie Caon

**CARRIED UNANIMOUSLY 6: 052024**

**7.6 Long-Term Financial Plan Financial Estimates**

Cr Peter Cornish moved:

That:

1. The Long-Term Financial Plan Financial Estimates report is received.
2. The Long-Term Financial Plan Revised Financial Estimates report as amended is provided to the Board of Management for adoption, noting that indexation projections within the report have been updated to align with the 2024/25 draft Annual Business Plan and publicly available independent sources (where appropriate).



3. The Audit Committee notes that some classes of expenditure will only be applicable in the short term, rather than over the full 10-year plan.

Seconded by: Natalie Caon

**CARRIED UNANIMOUSLY**

**6: 052024**

## **7.7 Risk Management Policy**

Cr Peter Cornish moved:

That:

1. The report regarding the Risk Management Policy is received.
2. The Risk Management Policy is endorsed and presented to the Board of Management for adoption.

Seconded by: Natalie Caon

**CARRIED UNANIMOUSLY 7: 052024**

## **7.8 Risk Management – Updated Corporate Risk Summary**

Cr Peter Cornish moved:

That:

1. The Risk Management – Updated Corporate Risk Summary Report is received.
2. The Corporate Risk Summary marked as attachment 1 as amended is endorsed.

Seconded by: Natalie Caon

**CARRIED UNANIMOUSLY 8: 052024**

**9 OTHER BUSINESS**

**10 CLOSURE OF MEETING**

Presiding member, Madeleine Harding, declared the meeting closed at 7:08pm.

## **7.1 DRAFT GENERAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024**

Author: Michael Livori

Ref: AF24/39

### **Summary**

This report presents the draft General Purpose Financial Statements for the year ended 30 June 2024 (the statements) for review by the Audit Committee (the Committee).

Eastern Health Authority's (EHA) Charter requires its books of accounts and financial statements to be audited annually by an external auditor. The audited financial statements must be provided to Constituent Councils to allow them to be incorporated into their own audited financial statements. The audited financial statements are then required to be incorporated into the EHA Annual Report.

The Terms of Reference for the Committee include at section 10.1.1 an expectation that the Committee monitors the integrity of the financial statements of EHA, including its annual report, reviewing significant reporting issues and judgements which they contain.

### **Report**

The General-Purpose Financial Reports for the year ending 30 June 2024 (provided as attachment 1) have been prepared in accordance with the Local Government (Financial Management) Regulations 2011, Australian Accounting Standards, and the South Australian Model Financial Statements for 2024. They reflect the operations of EHA between the period 1 July 2023 and 30 June 2024.

There are four principal statements which are accompanied by notes which form part of the financial report:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

As detailed in the reports, EHA is reporting an operating surplus of \$122,120 for 2023-2024 compared to operating surplus of \$25,383 in 2022-2023.

The external auditors conducted a remote balance date audit and final audit through July and August 2024. The 2024 statements presented as part of this report are based on the draft provided to the external auditors. Some minor amendments may be required to be made prior to the meeting date and the results will continue to be refined until final audit sign-off. Any significant disclosure or presentation issues identified by the external auditors will be presented as an update at this committee meeting by John Jovicevic from Dean Newberry who will be in attendance.

A copy of the Audit Completion report has been received and is provided as attachment 3.

The auditors intend to issue an unmodified audit opinion over the financial report of Eastern Health Authority.

The Auditor raised the following three matters.

*1 Recognise disposal of Plant and Equipment Asset*

Observation

Audit testing identified that an asset was acquired during the financial year which was a replacement for an existing asset which was found to have not been disposed.

Outcome

A correction entry has been recorded to recognise disposal of the asset.

Management Response

As discussed with the auditor a complete audit of the 2023 2024 Asset Register was undertaken through January – April 2024. Management identified that the replacement item, ElectraSol Backup UPS 2 for the vaccine fridges was recorded on the Fixed Asset Register disposals tab, however the journal was consequently missed. EHA Management have reviewed the accounting, and the correct journal was posted.

*2 Reallocation of Workers Compensation Refund*

Observation

It was identified that the refund payment received from Local Government Workers Compensation Scheme relating to overpayment of insurance premiums paid in FY23 was incorrectly recognised on the Statement of Financial Position.

Outcome

A correction was recorded to recognise the refund payment within the Statement of Comprehensive Income.

Management Response

A correction was recorded to recognise the Workers Compensation adjustment of the Balance Sheet and recognise it in the Profit and Loss statement.

*3 Opening Balances – FY23 Comparative Data*

Observation

A review was undertaken of the FY23 Trial Balance within MYOB compared to the FY23 audited financial statement, additionally the review of working papers relating to FY23 comparative data to confirm accuracy and completeness of comparative data was also audited.

## Outcome

It was identified a variance of \$27K between MYOB balance and audited financial statements in FY23. The variance related to FY23 audit adjustments not being completed in the correct accounting period.

## Management Response

These are timing adjustments in last year's financials which were not processed to the MYOB file. Once the audit is finalised a check needs to be made that any audit adjustments have been made to the MYOB file. The MYOB file then needs to be locked to ensure transactions in the current year cannot be posted back to the prior year.

The Auditor raised the following two matters to be addressed in Future Financial Years.

### *1 New Lease Agreement for Office Facilities*

#### Observation

The Authority will need to perform a recalculation of the Right-of-Use Asset and the Lease Liability for the new Building Lease when this is executed as expected within FY25.

#### Audit Recommendation

The Authority will need to perform a recalculation of the Right-of-Use Asset and the Lease Liability for the new Building Lease when this is executed as expected within FY25.

#### Management Response

As discussed with the auditor a letter provided from the City of Norwood Payneham & St Peters provides a summary of the current Lease arrangements with Eastern Health Authority. Due to delays in the finalising of the lease, EHA remains on a hold over arrangement. When the new lease is finalised, a recalculation of Right-of-Use Asset and the Lease Liability will occur.

### *2 Annual Budget and Budget Reviews*

#### Observation

Review of FY24 Annual Budget and subsequent budget reviews reports identified that the Authority didn't prepare or adopt the Uniform Presentation of Finances statement as required under section 9 of the Local Government (Financial Management) Regulations 2011.

#### Audit Recommendation

Recommend the Authority ensure it addresses this requirement in future periods and that the appropriate reporting templates are updated to include this required statement.

## Management Response

The Uniform Presentation of Finances is a reporting requirement for Councils to highlight what they are spending on asset renewal versus new assets. Due to its nature and operations this is not a relevant consideration for EHA.

EHA's Funding Statement 2023/2024 provides detailed information in relation to individual budget line performance. The Funding Statement provides information in relation to all operating expenses, including rent and vehicle leases. Rent and vehicle leases account for 25% of materials, contracts and other expenses.

Accounting entries for leases are not included in the Funding Statement. The accounting adjustments required by the accounting standards relating to leases are made at year end.

The Funding Statement is effectively a Uniform Presentation of Finances that is more relevant to EHA and gives members greater transparency in relation to all operational expenditure. It is managements recommendation that the current process which provides members with greater clarity in relation to operational expenditure is continued.

## Differences when comparing 2023 and 2024 Financial Statements

A full comparison of the 2023 and 2024 audited financial results is provided as attachment 2. Commentary in relation to material differences (where applicable) is provided in the table below.

Statement of Comprehensive Income				
	2023/2024	2022/2023	Variation	Commentary
<b>Income</b>				
<b>Statutory Charges</b>	152,387	136,026	<b>16,361</b>	Increase in Food Inspection Income
<b>User Charges</b>	414,731	457,619	<b>(42,888)</b>	End of immunisation contract with Adelaide Hills Council
<b>Grants and subsidies</b>	249,436	230,170	<b>19,266</b>	SIP Programme additional income
<b>Investment income</b>	37,380	15,866	<b>21,514</b>	Increased vestment income
<b>Expenses</b>				
<b>Employee Costs</b>	1,847,846	1,881,592	<b>(33,746)</b>	Periodic staff vacancies
<b>Material, contracts and other expenses</b>	636,970	571,267	<b>65,703</b>	Insurance, maintenance, electricity and vaccine increased costs.
<b>Net Surplus/(Deficit)</b>	<b>122,120</b>	<b>25,383</b>	<b>102,024</b>	

Statement of Financial Position				
	2023/2024	2022/2023	Variation	Commentary
Total Current Assets	1,142,790	916,670	240,120	Increase in cash at hand.
Total Non-Current Assets	999,746	1,104,793	(105,047)	Decrease due to application of AAASB Standard 16 Leases – value of leased assets – see note 6
Total Current Liabilities	628,223	518,864	95,773	Increase in Trade and other payables
Total Non-Current Liabilities	815,240	925,646	(96,820)	Reduction in borrowings
Total Liabilities	1,443,463	1,444,510	(1,047)	
Net Assets	699,073	576,953	122,120	Income Statement result
Statement of Cash Flows				
	2023/2024	2022/2023	Variation	Commentary
Net Cash Provided / (used) by Operating Activities	457,376	162,637	294,739	See Note 8
Net Cash Provided / (used) by Financing Activities	(133,122)	(109,194)	(23,928)	See Note 8
Net Cash Provided / (used) by Investing Activities	(14,141)	(49,557)	35,416	See Note 8
Net Increase (Decrease) in cash held	310,113	3,886	306,227	See Note 8
Cash and cash equivalents at end of period	954,882	644,769	310,113	See Note 8
Statement of Changes in Equity				
	2023/2024	2022/2023	Variation	Commentary
Accumulated Surplus Balance at end of Period	699,073	576,953	122,120	Income Statement result
Total Equity Balance at end of Period	699,073	576,953	122,120	Income Statement result

## RECOMMENDATION

That:

1. The Draft General Purpose Financial Statements for the Year ending 30 June 2024 Report is noted.
2. The Committee is satisfied that the 2023/2024 draft statements present fairly the state of affairs of the organisation.

3. The 2023/2024 final audited statements are presented to the Board of Management.
4. The Presiding Member of the Audit Committee is authorised to sign a statement to certify the independence of the external auditors.



# **Eastern Health Authority**

## **General Purpose Financial Reports**

### **for the year ended 30 June 2024**

# Eastern Health Authority

## General Purpose Financial Reports

### for the year ended 30 June 2024

#### Table of Contents

	<b>Page #</b>
<b>Authority Certificate</b>	1
 <b>Principal Financial Statements</b>	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
 <b>Notes to, and forming part of, the Principal Financial Statements</b>	
Note 1 - Significant Accounting Policies	6
Note 2 - Income	10
Note 3 - Expenses	11
Note 4 - Asset Disposal & Fair Value Adjustments	13
Note 5 - Current Assets	14
Note 6 - Property, Plant & Equipment	15
Note 7 - Liabilities	17
Note 8 - Reconciliation of Cash Flow Statement	18
Note 9 - Financial Instruments	19
Note 10 - Uniform Presentation of Finances	22
Note 11 - Leases	23
Note 12 - Superannuation	24
Note 13 - Contingent Assets & Contingent Liabilities	25
Note 14 - Events Occuring After Reporting Date	25
Note 15 - Related Party Transactions	26
 <b>Audit Report - Financial Statements</b>	
<b>Audit Report - Internal Controls</b>	
<b>Authority Certificate of Audit Independence</b>	
<b>Auditor Certificate of Audit Independence</b>	



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2024**

**CERTIFICATION OF FINANCIAL STATEMENTS**

We have been authorised by Eastern Health Authority (EHA) to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of EHA's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year.
- internal controls implemented by EHA provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect EHA's accounting and other records.

.....  
Michael Livori  
**CHIEF EXECUTIVE OFFICER**

.....  
Cr Peter Cornish  
**CHAIRPERSON**  
**EHA BOARD OF MANAGEMENT**

Date:

**Eastern Health Authority**  
**Statement of Comprehensive Income**  
**for the year ended 30 June 2024**

		2024	2023
	Notes	\$	\$
<b>INCOME</b>			
Council contributions	2	1,970,200	1,828,000
Statutory charges	2	152,387	136,026
User charges	2	414,731	457,619
Grants, subsidies and contributions - Operating	2	249,436	230,170
Investment income	2	37,380	15,866
Other income	2	913	7,255
<b>Total Income</b>		<u>2,825,047</u>	<u>2,674,936</u>
<b>EXPENSES</b>			
Employee costs	3	1,847,846	1,881,592
Materials, contracts & other expenses	3	636,970	571,267
Depreciation, amortisation & impairment	3	175,901	159,013
Finance costs	3	36,923	37,681
<b>Total Expenses</b>		<u>2,697,640</u>	<u>2,649,553</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<u>127,407</u>	<u>25,383</u>
Asset disposal & fair value adjustments	4	(5,287)	-
<b>NET SURPLUS / (DEFICIT)</b>		<u>122,120</u>	<u>25,383</u>
transferred to Equity Statement			
<b>Other Comprehensive Income</b>			
<b>Total Other Comprehensive Income</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>122,120</u>	<u>25,383</u>

This Statement is to be read in conjunction with the attached Notes.

**Eastern Health Authority**  
**Statement of Financial Position**  
**as at 30 June 2024**

		2024	2023
	Notes	\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	954,882	644,769
Trade & other receivables	5	187,908	271,901
<b>Total Current Assets</b>		<b>1,142,790</b>	<b>916,670</b>
<b>Non-current Assets</b>			
Property, plant & equipment	6	999,746	1,104,793
<b>Total Non-current Assets</b>		<b>999,746</b>	<b>1,104,793</b>
<b>Total Assets</b>		<b>2,142,536</b>	<b>2,021,463</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	7	198,870	121,916
Borrowings	7	139,565	111,865
Provisions	7	289,788	285,083
<b>Total Current Liabilities</b>		<b>628,223</b>	<b>518,864</b>
<b>Non-current Liabilities</b>			
Borrowings	7	782,210	881,032
Provisions	7	33,030	44,614
<b>Total Non-current Liabilities</b>		<b>815,240</b>	<b>925,646</b>
<b>Total Liabilities</b>		<b>1,443,463</b>	<b>1,444,510</b>
<b>NET ASSETS</b>		<b>699,073</b>	<b>576,953</b>
<b>EQUITY</b>			
Accumulated surplus		699,073	576,953
<b>TOTAL EQUITY</b>		<b>699,073</b>	<b>576,953</b>

This Statement is to be read in conjunction with the attached Notes.

**Eastern Health Authority**  
**Statement of Changes in Equity**  
**for the year ended 30 June 2024**

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
<b>2024</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at end of previous reporting period		576,953	-	-	576,953
<b>Net Surplus / (Deficit) for Year</b>		122,120	-	-	122,120
<b>Balance at end of period</b>		<b>699,073</b>	<b>-</b>	<b>-</b>	<b>699,073</b>

		Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
<b>2023</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at end of previous reporting period		551,570	-	-	551,570
<b>Net Surplus / (Deficit) for Year</b>		25,383	-	-	25,383
<b>Balance at end of period</b>		<b>576,953</b>	<b>-</b>	<b>-</b>	<b>576,953</b>

This Statement is to be read in conjunction with the attached Notes

**Eastern Health Authority**  
**Statement of Cash Flows**  
**for the year ended 30 June 2024**

		2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b><i>Receipts:</i></b>			
Council Contributions		1,970,200	1,828,000
Fees & other charges		152,387	136,026
User charges		498,191	418,158
Investment receipts		35,775	14,506
Grants utilised for operating purposes		249,436	230,170
Other revenues		913	7,633
<b><i>Payments:</i></b>			
Employee costs		(1,821,964)	(1,847,155)
Materials, contracts & other expenses		(590,639)	(586,184)
Finance payments		(36,923)	(38,517)
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>8</b>	<b><u>457,376</u></b>	<b><u>162,637</u></b>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b><i>Payments:</i></b>			
Expenditure on renewal/replacement of assets		-	(49,557)
Expenditure on new/upgraded assets		(14,141)	
<b>Net Cash provided by (or used in) Investing Activities</b>		<b><u>(14,141)</u></b>	<b><u>(49,557)</u></b>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b><i>Payments:</i></b>			
Repayments of borrowings		-	(38,391)
Repayment of principal portion of lease liabilities		(133,122)	(70,803)
<b>Net Cash provided by (or used in) Financing Activities</b>		<b><u>(133,122)</u></b>	<b><u>(109,194)</u></b>
<b>Net Increase (Decrease) in cash held</b>		<b><u>310,113</u></b>	<b><u>3,886</u></b>
 Cash & cash equivalents at beginning of period	8	<b><u>644,769</u></b>	<b><u>640,883</u></b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>8</b>	<b><u>954,882</u></b>	<b><u>644,769</u></b>

This Statement is to be read in conjunction with the attached Notes

# Eastern Health Authority

## Notes to and forming part of the Financial Statements

### for the year ended 30 June 2024

#### Note 1 - Material Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 1 Basis of Preparation

##### 1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

##### 1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

##### 1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Eastern Health Authority's (EHA) accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are specifically referred to in the relevant sections of these Notes.

##### 1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar.

#### 2 The Local Government Reporting Entity

EHA is incorporated under the SA Local Government Act 1999 and has its principal place of business at 101 Payneham Rd, St Peters SA. These consolidated financial statements include the EHA's direct operations and all entities through which EHA controls resources to carry on its functions. In the process of reporting on the EHA as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

#### 3 Income recognition

##### 3.1 Revenue

The EHA recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the EHA expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when EHA enters into transactions where the consideration to acquire an asset is materially less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the EHA to acquire or construct a recognisable non-financial asset that is to be controlled by the EHA. In this case, the EHA recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.



# Eastern Health Authority

## Notes to and forming part of the Financial Statements

### for the year ended 30 June 2024

#### Note 1 - Material Accounting Policies

#### **4 Cash, Cash Equivalents and Other Financial Instruments**

##### **4.1 Cash, Cash Equivalent Assets**

Cash assets include all amounts readily convertible to cash on hand at EHA's option with an immaterial risk of changes in value with a maturity of three months or less from the date of acquisition.

##### **4.2 Other Financial Instruments**

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments also form part of Note 9.

#### **5 Infrastructure, Property, Plant & Equipment**

##### **5.1 Initial Recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the EHA includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

##### **5.2 Materiality**

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by EHA for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### **5.3 Subsequent Recognition**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Material uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure.

##### **5.4 Depreciation of Non-Current Assets**

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of EHA, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

##### **5.5 Impairment**

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if EHA were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

# Eastern Health Authority

## Notes to and forming part of the Financial Statements

### for the year ended 30 June 2024

#### Note 1 - Material Accounting Policies

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

#### 5.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.

### 6 Payables

#### 6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### 6.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery, and security deposits held against possible damage to EHA assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

### 7 Borrowings

Borrowings are initially recognised at fair value net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are initially recognised at fair value with any difference between fair value and proceeds recognised in the profit and loss. The loan is subsequently measured at amortised cost with interest being recognised using the effective interest rate method.

### 8 Provisions

#### 8.1 Employee Benefits

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on-costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as EHA experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. EHA does not make payment for untaken sick leave.

Superannuation:

The EHA makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and EHA's involvement with the schemes are reported in Note 12.

### 9 Leases

The EHA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**  
**Note 1 - Material Accounting Policies**

**EHA as a lessee**

The EHA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The EHA recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset.

Right of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 6.5 - Impairment of non-financial assets above.

**ii) Lease liabilities**

At the commencement date of the lease, the EHA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the EHA uses its incremental borrowing rate or the interest rate implicit in the lease.

**10 Goods & Services Tax**

In accordance with interpretation of Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**11 New and amended standards and interpretations**

The EHA applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. New standards and amendments relevant to the EHA are listed below. The EHA has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 2 - INCOME**

	Notes	2024 \$	2023 \$
<b>COUNCIL CONTRIBUTIONS</b>			
City of Burnside		549,526	494,233
Cambelltown City Council		485,862	453,186
City of Norwood, Payneham & St Peters		623,600	584,210
City of Prospect		222,106	214,740
Town of Walkerville		89,106	81,631
		<b>1,970,200</b>	<b>1,828,000</b>
<b>STATUTORY CHARGES</b>			
Inspection Fees: Food		122,913	107,990
Inspection Fees: Legionella		7,892	10,027
SRF Licences		1,587	1,630
Fines & Expiation Fees		19,995	16,379
		<b>152,387</b>	<b>136,026</b>
<b>USER CHARGES</b>			
Immunisation: Clinic Vaccines		92,513	86,207
Immunisation: Service Provision		121,000	152,625
Immunisation: Worksite Vaccines		78,336	96,177
Immunisation: Clinic Service Fee		2,775	1,640
Food Auditing		120,107	120,970
		<b>414,731</b>	<b>457,619</b>
<b>INVESTMENT INCOME</b>			
Interest on investments:			
Local Government Finance Authority		37,380	15,866
		<b>37,380</b>	<b>15,866</b>
<b>OTHER INCOME</b>			
Motor Vehicle Reimbursements		364	4,357
Sundry		549	2,898
		<b>913</b>	<b>7,255</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
<i>Other grants, subsidies and contributions - Operating</i>			
Immunisation: School Programme		228,138	209,229
Immunisation: AIR		21,298	18,941
Immunisation: PHN Project		-	2,000
Total Grants all sources		<b>249,436</b>	<b>230,170</b>
<b>Sources of grants</b>			
<i>Other</i>		249,436	230,170
		<b>249,436</b>	<b>230,170</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 3 - EXPENSE**

	Notes	2024 \$	2023 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		1,620,120	1,580,063
Employee leave expense		23,783	54,041
Superannuation - defined contribution plan contributions	12	158,379	172,557
Superannuation - defined benefit plan contributions	12	19,884	20,103
Workers' Compensation Insurance		23,646	20,160
Other - Agency Staff and Consultant Medical Officer		2,034	34,668
<b>Total Operating Employee Costs</b>		<b>1,847,846</b>	<b>1,881,592</b>
<b>Total Number of Employees</b>		<b>18</b>	<b>18</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		9,500	8,800
Bad and Doubtful Debts		6,939	-
Goverance expenses		10,574	16,038
Lease Expenses - short term leases	11	15,736	26,942
Subtotal - Prescribed Expenses		<b>42,749</b>	<b>51,780</b>
<u>Other Materials, Contracts &amp; Expenses</u>			
Accounting		4,658	3,775
Contractors		31,352	28,290
Energy		18,327	7,182
Fringe benefits tax		14,480	14,480
Human resources		27,159	8,794
Income protection		29,536	31,047
Insurance		56,586	39,010
IT licensing and support		145,357	151,411
Legal Expenses		6,061	14,321
Motor vehicle expenses		19,564	25,465
Parts, accessories & consumables		136,213	105,347
Printing and stationary		20,071	24,387
Staff training		26,528	20,974
Sundry		36,984	22,759
Telephone		15,947	16,248
Work health & safety consultancy		5,398	5,997
Subtotal - Other Materials, Contracts & Expenses		<b>594,221</b>	<b>519,487</b>
		<b>636,970</b>	<b>571,267</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 3 - EXPENSE con't**

		2024	2023
	Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Buildings & Other Structures		<b>23,642</b>	27,394
Office Equipment, Furniture & Fittings		<b>11,337</b>	3,752
Right of use assets	11	<b>140,922</b>	127,867
		<b><u>175,901</u></b>	<b><u>159,013</u></b>
<b>FINANCE COSTS</b>			
Interest on Loans		-	(836)
Interest on Leases		<b>36,923</b>	38,517
		<b><u>36,923</u></b>	<b><u>37,681</u></b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS**

	2024	2023
Notes	\$	\$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	<u>(5,287)</u>	<u>-</u>
<b>Gain (Loss) on disposal</b>	<u>(5,287)</u>	<u>-</u>
 <b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	 <u>(5,287)</u>	 <u>-</u>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 5 - CURRENT ASSETS**

		2024	2023
	Notes	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		193,430	199,093
Deposits at Call		761,452	445,676
		<u>954,882</u>	<u>644,769</u>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		3,334	1,729
Debtors - general		176,653	270,172
GST Recoupment		7,921	-
		<u>187,908</u>	<u>271,901</u>



**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 6 - PROPERTY, PLANT & EQUIPMENT (PP&E)**

	2023				2024				
	\$				\$				
	Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount	
	Buildings & Other Structures	-	472,846	(286,648)	186,198	-	472,846	(310,290)	162,556
	Office Equipment, Furniture & Fittings	-	281,287	(253,981)	27,306	-	282,183	(257,360)	24,823
Right of use assets	-	1,362,000	(470,711)	891,289	-	1,424,000	(611,633)	812,367	
Total IPP&E	-	2,116,133	(1,011,340)	1,104,793	-	2,179,029	(1,179,283)	999,746	
Comparatives	-	2,066,576	(852,327)	1,214,249	-	2,116,133	(1,011,340)	1,104,793	

*This Note continues on the following pages.*

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 6 - PROPERTY, PLANT & EQUIPMENT**

	2023	Carrying Amounts Movement During the Year								2024
	\$	\$								\$
	Carrying Amount	Additions		Disposals	Dep'n	Impair't	Transfers		Net Reval'n	Carrying Amount
		New / Upgrade	Renewals				In	Out		
	Buildings & Other Structures	186,198	-	-	-	(23,642)	-	-	-	-
Office Equipment, Furniture & Fittings	27,306	14,141	-	(5,287)	(11,337)	-	-	-	-	24,823
Right of use assets	891,289	62,000	-	-	(140,922)	-	-	-	-	812,367
Total IPP&E	1,104,793	76,141	-	(5,287)	(175,901)	-	-	-	-	999,746
Comparatives	1,214,249	-	49,557	-	(159,013)	-	-	-	-	1,104,793

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 7 - LIABILITIES**

		2024		2023	
		\$		\$	
<b>TRADE &amp; OTHER PAYABLES</b>	<b>Notes</b>	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Goods & Services		104,536	-	60,791	-
Accrued expenses - employee entitlements		91,748	-	58,987	-
Accrued expenses - other		2,586	-	-	-
GST Payable		-	-	2,138	-
		<u>198,870</u>	<u>-</u>	<u>121,916</u>	<u>-</u>
<b>BORROWINGS</b>					
Leases Liabilities	11	139,565	782,210	111,865	881,032
		<u>139,565</u>	<u>782,210</u>	<u>111,865</u>	<u>881,032</u>
<b>PROVISIONS</b>					
LSL Employee entitlements (including oncosts)		140,256	33,030	136,974	44,614
AL Employee entitlements (including oncosts)		149,532	-	148,109	-
		<u>289,788</u>	<u>33,030</u>	<u>285,083</u>	<u>44,614</u>

*Amounts included in provisions that are not expected to be settled within 12 months of reporting date.*

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**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 8 - RECONCILIATION TO CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	<b>Notes</b>	<b>2024</b> <b>\$</b>	<b>2023</b> <b>\$</b>
Total cash & equivalent assets	5	<b>954,882</b>	644,769
Balances per Cash Flow Statement		<b>954,882</b>	644,769

**(b) Reconciliation of Change in Net Assets to Cash from Operating Activities**

Net Surplus (Deficit)	<b>122,120</b>	25,383
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	<b>175,901</b>	159,013
Net increase (decrease) in unpaid employee benefits	<b>25,882</b>	34,437
	<b>329,190</b>	218,833
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	<b>81,855</b>	(40,443)
Net increase (decrease) in trade & other payables	<b>46,331</b>	(15,753)
<b>Net Cash provided by (or used in) operations</b>	<b>457,376</b>	162,637

**(c) Financing Arrangements**

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	<b>5,000</b>	5,000
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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 9 - FINANCIAL INSTRUMENTS**

All financial instruments are categorised as *loans and receivables*.

**Accounting Policies - Recognised Financial Instruments**

**Bank, Deposits at Call, Short  
Term Deposits**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

**Terms & conditions:** Deposits are returning fixed interest rates of 4.55% (2023:4.3%).

**Carrying amount:** approximates fair value due to the short term to maturity.

**Receivables - Fees & other  
charges**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method

**Terms & conditions:** Unsecured, and do not bear interest. Although EHA is not materially exposed to any individual debtor, credit risk exposure is concentrated within EHA's boundaries.

**Carrying amount:** approximates fair value (after deduction of any allowance).

**Receivables - other levels of  
government**

**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

**Carrying amount:** approximates fair value.

**Liabilities - Creditors and  
Accruals**

**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to EHA.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

**Liabilities - Finance Leases**

**Accounting Policy:** accounted for in accordance with AASB 16 as stated in Note 11

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 9 - FINANCIAL INSTRUMENTS (con't)**

**Liquidity Analysis**

<b>2024</b>	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	954,882	-	-	954,882	954,882
Receivables	187,908	-	-	187,908	187,908
<b>Total</b>	<b>1,142,790</b>	<b>-</b>	<b>-</b>	<b>1,142,790</b>	<b>1,142,790</b>
<b><u>Financial Liabilities</u></b>					
Payables	104,536	-	-	104,536	104,536
Lease Liabilities	171,827	564,204	336,037	1,072,068	921,775
<b>Total</b>	<b>276,363</b>	<b>564,204</b>	<b>336,037</b>	<b>1,176,604</b>	<b>1,026,311</b>

<b>2023</b>	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b><u>Financial Assets</u></b>	\$	\$	\$	\$	\$
Cash & Equivalents	644,769	-	-	644,769	644,769
Receivables	273,003	-	-	273,003	271,901
<b>Total</b>	<b>917,772</b>	<b>-</b>	<b>-</b>	<b>917,772</b>	<b>916,670</b>
<b><u>Financial Liabilities</u></b>					
Payables	96,432	-	-	96,432	62,929
Lease Liabilities	111,865	464,492	576,357	1,152,714	992,897
<b>Total</b>	<b>208,297</b>	<b>464,492</b>	<b>576,357</b>	<b>1,249,146</b>	<b>1,055,826</b>

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 9 - FINANCIAL INSTRUMENTS (con't)**

**Net Fair Value**

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of EHA.

**Risk Exposures:**

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of EHA is the carrying amount, net of any impairment. All EHA investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 in relation to individual classes of receivables, exposure is concentrated within EHA's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of EHA's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that EHA will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. EHA also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. EHA has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 10 - UNIFORM PRESENTATION OF FINANCES**

The following is a detailed summary of both operating and capital investment activities of EHA prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Income</b>		
<i>Council contributions</i>	<b>1,970,200</b>	1,828,000
<i>Statutory charges</i>	<b>152,387</b>	136,026
<i>User charges</i>	<b>414,731</b>	457,619
<i>Grants, subsidies and contributions - Operating</i>	<b>249,436</b>	230,170
<i>Investment income</i>	<b>37,380</b>	15,866
<i>Other income</i>	<b>913</b>	7,255
	<b><u>2,825,047</u></b>	<b><u>2,674,936</u></b>
<b>Expenses</b>		
<i>Employee costs</i>	<b>(1,847,846)</b>	(1,881,592)
<i>Materials, contracts and other expenses</i>	<b>(636,970)</b>	(571,267)
<i>Depreciation, amortisation and impairment</i>	<b>(175,901)</b>	(159,013)
<i>Finance costs</i>	<b>(36,923)</b>	(37,681)
	<b><u>(2,697,640)</u></b>	<b><u>(2,649,553)</u></b>
<b>Operating Surplus / (Deficit)</b>	<b>127,407</b>	25,383
<b>Net Outlays on Existing Assets</b>		
Capital Expenditure on renewal and replacement of Existing Assets	-	(49,557)
Add back Depreciation, Amortisation and Impairment	<b>175,901</b>	159,013
	<b><u>175,901</u></b>	<b><u>109,456</u></b>
<b>Net Outlays on New and Upgraded Assets</b>		
Capital Expenditure on New and Upgraded Assets <i>(including investment property &amp; real estate developments)</i>	<b>(14,141)</b>	-
Finance Lease Payments for Right of Use Assets	<b>170,043</b>	146,329
	<b><u>155,902</u></b>	<b><u>146,329</u></b>
<b>Adjusted Annual Net Impact to Financing Activities surplus/ (deficit)</b>	<b><u>459,210</u></b>	<b><u>281,168</u></b>



**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 11 - LEASES**

***EHA as a Lessee***

***Right of Use Assets***

Set out below are the carrying amounts (written down value) of right of use assets recognised within Infrastructure Property, Plant & Equipment and the movements during the period:

<b>Right of Use Assets</b> <i>(Carrying Value)</i>	<b>Building &amp; Other Structures</b>	<b>Plant, Machinery &amp; Equipment</b>	<b>Office Equipment</b>	<b>Total</b>
At 1 July 2023	816,000	75,289	-	891,289
Additions	-	62,000	-	62,000
Depreciation Charge	(96,000)	(44,922)	-	(140,922)
<b>At 30 June 2024</b>	<b>720,000</b>	<b>92,367</b>	<b>-</b>	<b>812,367</b>

Set out below are the carrying amounts of lease liabilities (including under interest bearing loans and borrowings) and the movements during the period:

	<b>2024</b>
Opening Balance 1 July 2023	992,897
Additions	62,000
Payments	(133,122)
<b>Closing Balance 30 June 2024</b>	<b>921,775</b>
<b>Current</b>	<b>139,565</b>
<b>Non Current</b>	<b>782,210</b>

The maturity analysis of lease liabilities is included in Note 9.

EHA and its associated entities (the group) had total cash outflows for leases of \$170,045

**The following are amounts recognised on profit or loss:**

Depreciation expense right of use assets	140,922
Interest expense on lease liabilities	36,923
Expenses relating to short term leases	15,736
<b>Total amount recognised in profit and loss</b>	<b>193,581</b>

# Eastern Health Authority

## Notes to and forming part of the Financial Statements

### for the year ended 30 June 2024

#### Note 12 – SUPERANNUATION

The EHA makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### **Accumulation only Members**

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (11% in 2023-24; 10.5% in 2022-23). No further liability accrues to the EHA as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### **Salarylink (Defined Benefit Fund) Members**

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. EHA makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2022-23) of "superannuation" salary.

In addition, EHA makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), EHA does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to EHA's contribution rates at some future time.

#### **Contributions to Other Superannuation Schemes**

EHA also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the EHA.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 13 - CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

There are no contingencies, assets or liabilities not recognised in the financial statements for the year ended 30 June 2024.

**Note 14 - EVENTS OCCURRING AFTER BALANCE DATE**

There are no events subsequent to 30 June 2024 that need to be disclosed in the financial statements.

**Eastern Health Authority**  
**Notes to and forming part of the Financial Statements**  
**for the year ended 30 June 2024**

**Note 15 - RELATED PARTY DISCLOSURES**

**KEY MANAGEMENT PERSONNEL**

The Key Management Personnel of EHA include the Chairperson, Board Members, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, the Key Management personnel were paid the following total compensation:

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
Salaries, allowances & other short term benefits	<b>195,848</b>	192,884
<b>TOTAL</b>	<b>195,848</b>	192,884

Amounts received from Related Parties during the financial year.

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
City of Burnside	549,526	494,233
Cambelltown City Council	485,862	453,186
City of Norwood, Payneham & St Peters	623,600	584,210
City of Prospect	222,106	214,740
Town of Walkerville	89,106	81,631
<b>TOTAL</b>	<b>1,970,200</b>	<b>1,828,000</b>

Amounts paid to Related Parties during the financial year.

	<b>2024</b>	2023
	<b>\$</b>	<b>\$</b>
City of Norwood, Payneham & St Peters	<b>112,121</b>	112,121
<b>TOTAL</b>	<b>112,121</b>	112,121

**DESCRIPTION OF SERVICES**

Assist the Constituent Councils to meet their legislative responsibilities in accordance with the SA Public Health Act 2011, the Food Act 2001 (SA), the Supported Residential Facilities Act 1992 (SA), the Expiation of Offences Act 1996 (SA), (or any successor legislation to these Acts) and any other legislation regulating similar matters that the Constituent Councils determine is appropriate within the purposes of EHA; Take action to preserve, protect and promote public and environmental health within the area of the Constituent Councils.



**EASTERN HEALTH AUTHORITY**

**ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 June 2024**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Eastern Health Authority for the year ended 30 June 2024, Dean Newbery, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

.....  
Michael Livori  
**CHIEF EXECUTIVE OFFICER**

.....  
Madeleine Harding  
**PRESIDING MEMBER  
AUDIT COMMITTEE**

Date:

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME				
COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS				
FOR THE YEAR ENDING 30 June 2024				
	AUDITED RESULT 2023/2024	ACTUAL 2022/2023	Variation from 2022/2023	Variation from 2022/2023
<b>INCOME</b>			\$	%
Council Contributions	1,970,200	1,828,000	142,200	7.2%
Statutory Charges	152,387	136,026	16,361	10.7%
User Charges	414,731	457,619	(42,888)	-10.3%
Grants, subsidies and contributions	249,436	230,170	19,266	7.7%
Investment Income	37,380	15,866	21,514	57.6%
Other Income	913	7,255	(6,342)	-694.6%
<b>TOTAL INCOME</b>	<b>2,825,047</b>	<b>2,674,936</b>	<b>150,111</b>	<b>5.3%</b>
<b>EXPENSES</b>		-		
Employee Costs	1,847,846	1,881,592	(33,746)	-1.8%
Materials, contracts and other expenses	636,970	571,267	65,703	10.3%
Finance Charges	36,923	37,681	(758)	-2.1%
Depreciation	175,901	159,013	16,888	9.6%
<b>TOTAL EXPENSES</b>	<b>2,697,640</b>	<b>2,649,553</b>	<b>48,087</b>	<b>1.8%</b>
<b>Operating Surplus/(Deficit)</b>	<b>127,407</b>	<b>25,383</b>	<b>102,024</b>	
		-		
Net gain (loss) on disposal of assets	(5,287)	-		
<b>Net Surplus/(Deficit)</b>	<b>122,120</b>	<b>25,383</b>	<b>102,024</b>	
		-		
<b>Total Comprehensive Income</b>	<b>122,120</b>	<b>25,383</b>	<b>102,024</b>	

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS FOR THE YEAR ENDING 30 June 2024				
	AUDITED RESULT 2023/2024	ACTUAL 2022/2023	Variation from 2022/2023	Variation from 2022/2023
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>		-	\$	%
<b>Receipts</b>		-		
Council Contributions	1,970,200	1,828,000	142,200	7.2%
Fees & other charges	152,387	136,026	16,361	10.7%
User Charges	414,731	418,158	(3,427)	-0.8%
Investment Receipts	37,380	14,506	22,874	61.2%
Grants utilised for operating purposes	249,436	230,170	19,266	7.7%
Other	81,777	7,633	74,144	90.7%
<b>Payments</b>		-		
Employee costs	(1,854,725)	(1,847,155)	(7,570)	0.4%
Materials, contracts & other expenses	(556,887)	(586,184)	29,297	-5.3%
Finance Payments	(36,923)	(38,517)	1,594	-4.3%
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>457,376</b>	<b>162,637</b>	<b>294,739</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		-		
Loans Received	-	-	-	
Repayment of Borrowings	-	(38,391)	38,391	#DIV/0!
Repayment of Finance Lease Liabilities	(133,122)	(70,803)		
<b>Net Cash Provided/(Used) by Financing Activities</b>	<b>(133,122)</b>	<b>(109,194)</b>	<b>38,391</b>	<b>#DIV/0!</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		-		
<b>Receipts</b>		-	-	#DIV/0!
Sale of Replaced Assets		-	-	#DIV/0!
<b>Payments</b>		-	-	#DIV/0!
Expenditure on renewal / replacements of assets	(14,141)	(49,557)	-	0.0%
Expenditure on new / upgraded assets	-	-	-	#DIV/0!
Distributions paid to constituent Councils	-	-	-	#DIV/0!
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>(14,141)</b>	<b>(49,557)</b>	<b>35,416</b>	
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>310,113</b>	<b>(38,391)</b>	<b>348,504</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>	<b>644,769</b>	<b>640,883</b>	<b>3,886</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<b>954,882</b>	<b>644,769</b>	<b>310,113</b>	

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS FOR THE YEAR ENDING 30 June 2024				
	AUDITED RESULT 2023/2024	ACTUAL 2022/2023	Variation from 2022/2023	Variation from 2022/2023
<b>CURRENT ASSETS</b>		-	\$	%
Cash and Cash Equivalents	954,882	644,769	310,113	32.5%
Trade & Other Receivables	187,908	271,901	(83,993)	-44.7%
<b>TOTAL CURRENT ASSETS</b>	<b>1,142,790</b>	<b>916,670</b>	<b>226,120</b>	<b>19.8%</b>
<b>NON-CURRENT ASSETS</b>		-		
Infrastructure, property, plant and equipment	999,746	1,104,793	(105,047)	-10.5%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>999,746</b>	<b>1,104,793</b>	<b>(105,047)</b>	<b>-10.5%</b>
<b>TOTAL ASSETS</b>	<b>2,142,536</b>	<b>2,021,463</b>	<b>121,073</b>	<b>5.7%</b>
<b>CURRENT LIABILITIES</b>		-		
Trade & Other Payables	198,870	121,916	76,954	38.7%
Provisions	289,788	285,083	4,705	1.6%
Borrowings	139,565	111,865	27,700	19.8%
<b>TOTAL CURRENT LIABILITIES</b>	<b>628,223</b>	<b>518,864</b>	<b>109,359</b>	<b>17.4%</b>
<b>NON-CURRENT LIABILITIES</b>		-		
Provisions	33,030	44,614	(11,584)	-35.1%
Borrowings	782,210	881,032	(98,822)	-12.6%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>815,240</b>	<b>925,646</b>	<b>(110,406)</b>	<b>-13.5%</b>
		-		
<b>TOTAL LIABILITIES</b>	<b>1,443,463</b>	<b>1,444,510</b>	<b>(1,047)</b>	<b>-0.1%</b>
		-		
<b>NET CURRENT ASSETS/(CURRENT LIABILITIES)</b>	<b>514,567</b>	<b>397,806</b>	<b>116,761</b>	<b>22.7%</b>
		-		
<b>NET ASSETS</b>	<b>699,073</b>	<b>576,953</b>	<b>122,120</b>	<b>17.5%</b>
<b>EQUITY</b>		-		
Accumulated Surplus/(Deficit)	699,073	576,953	122,120	17.5%
<b>TOTAL EQUITY</b>	<b>699,073</b>	<b>576,953</b>	<b>122,120</b>	<b>17.5%</b>

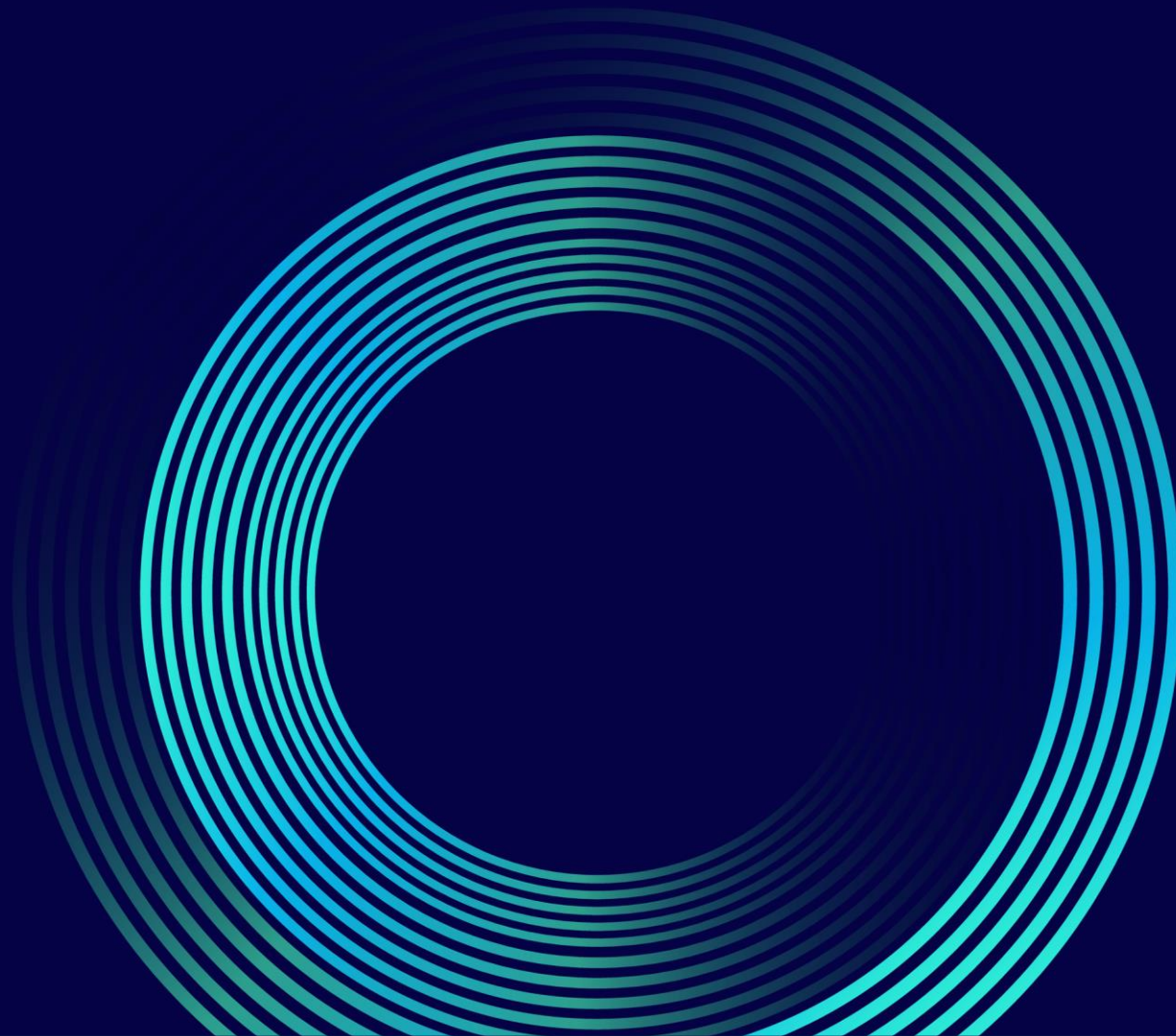


<b>EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY</b> <b>COMPARISON OF AUDITED RESULTS TO PREVIOUS YEARS RESULTS</b> <b>FOR THE YEAR ENDING 30 June 2024</b>				
	<b>AUDITED RESULT 2023/2024</b>	<b>ACTUAL 2022/2023</b>	<b>Variation from 2022/2023</b>	<b>Variation from 2022/2023</b>
<b>ACCUMULATED SURPLUS</b>		-	\$	
Balance at beginning of period	576,953	551,570	25,383	
Net Surplus/(Deficit)	122,120	25,383	96,737	
<b>BALANCE AT END OF PERIOD</b>	<b>699,073</b>	<b>576,953</b>	<b>122,120</b>	
<b>TOTAL EQUITY</b>		-	\$	
Balance at beginning of period	576,953	551,570	25,383	
Net Surplus/(Deficit)	122,120	25,383	96,737	
<b>BALANCE AT END OF PERIOD</b>	<b>699,073</b>	<b>576,953</b>	<b>122,120</b>	

# Audit Completion Report

Financial Year Ended 30 June 2024

Eastern Health Authority



6 August 2024

Dear Audit Committee Members

This report has been prepared for the Eastern Health Authority (the Authority) Audit Committee in relation to the financial year ended 30 June 2024 external audit.

The purpose of this report is to provide members of the Audit Committee a summary of the significant matters that have arisen from our audit which we believe covers material matters dealt within our work completed.

As at the time of preparing this report, we have completed a sufficient level of work to enable us to provide you with our expected audit opinion subject to finalisation of the outstanding matters outlined within this report. We are pleased to report that we expect to issue an unmodified audit report subject to the successful completion of the outstanding matters noted.

Should you require any further information, please contact me on 8267 4777.

I would like to take this opportunity to thank the Administration for the assistance provided throughout the audit process.

Your sincerely



**Samantha Creten**  
Director



	Page
Executive Summary	4
Summary of Misstatements	5
Key Audit Matters Considered	7
Matters for Those Charged with Governance and Management	9
Matters to be Addressed in Future Financial Years	10
Draft Audit Report	11

## Scope

The audit procedures have been designed and carried out by the audit team in accordance with Australian Auditing Standards and per the audit scope prescribed under the *Local Government Act 1999* and applicable Regulations for the financial year ended 30 June 2024.

## Audit Status

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

All requested information has been provided by the Administration during the course of the audit.

Subject to the finalisation of the matters outlined in this report, our audit opinion for the financial year ended 30 June 2024 will be signed without reference to any qualification.

A draft copy of the audit report has been provided within this report which is expected to be issued subject to successful completion of the outstanding matters noted.

## Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the Authority for the financial year ended 30 June 2024, all members of our audit team have maintained their independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Part 4A, published by the Accounting Professional and Ethical Standards Board and in accordance with *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

## Outstanding Matters

Subject to the following work being satisfactorily completed, we expect an unmodified audit opinion to be issued for the financial year:

- Undertake a review of subsequent events since balance date.
- Obtain certified financial statements as required.
- Receipt of the signed Management Representation Letter.

# Summary of Misstatements

Item 7.1 Attachment 3

Below is a summary of misstatements identified during the course of the Balance Date audit and the status of matters identified. Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been adjusted.

Misstatements which are considered clearly trivial have not been included.

Matter No.	Description	Operating Surplus/ (Deficit) (\$)	Net Surplus/ (Deficit) (\$)	Assets Dr/(Cr) (\$)	Liabilities Dr/(Cr) (\$)	Equity Dr/(Cr) (\$)	Status of Matter
1	Recognise disposal of Plant and Equipment Asset	(3,963)	(3,963)	(3,963)	-	-	Corrected
2	Reallocation of Workers Compensation Refund	2,463	2,463	-	2,463	-	Corrected
Summary Corrected Misstatements		(1,500)	(1,500)	(3,963)	2,463	(1,500)	

# Summary of Misstatements (continued)

Below is a description of the issues identified with misstatements reported on Page 5:

No.	Matter	Description
1	Record Disposal of Plant and Equipment Asset	Audit testing identified that an asset was acquired during the financial year which was a replacement for an existing asset which was found to have not been disposed. A correction entry has been recorded to recognise disposal of the asset.
2	Reallocation of Workers Compensation Refund	<p>It was identified that the refund payment received from Local Government Workers Compensation Scheme relating to overpayment of insurance premiums paid in FY23 was incorrectly recognised on the Statement of Financial Position.</p> <p>A correction was recorded to recognise the refund payment within the Statement of Comprehensive Income.</p>

# Key Audit Matters Considered

As part of our audit planning process, we identified key audit and accounting matters that were considered and tested during the course of the audit which represented areas of identified risk where material misstatements could occur.

As a result of the work we have recently completed, we have provided further detail below of the key audit matters and the outcomes from our testing completed.

Management Override of Internal Controls		
Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
The Australian Auditing Standards mandate that the external auditor must assume there is a risk that the Authority's Administration can override internal controls, even those that appear to be functioning effectively, leading to potential manipulation of accounting records.	<ul style="list-style-type: none"><li>• Review and observation of controls in operation to assess whether controls are operating effectively as intended throughout the period.</li><li>• Perform analytical reviews and recalculation of transactions.</li><li>• Test the appropriateness of journal entries processed to prepare the financial statements.</li><li>• Review of accounting estimates and assumptions applied to the preparation of those estimates to evaluate its appropriateness and relevance.</li></ul>	No matters were identified during the course of our audit.



# Key Audit Matters Considered (cont.)

Property, Plant & Equipment		
Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Property, Plant & Equipment – Fixed Asset Register	<ul style="list-style-type: none"><li>Reviewed Note 5 Property, Plant &amp; Equipment movements recorded against the General Ledger and relevant asset register.</li></ul>	<ul style="list-style-type: none"><li>As mentioned on page 5 above, testing identified an adjustment that has been processed.</li></ul>

Financial Statements and General Ledger		
Key Audit Matter Description	Audit Work Undertaken	Outcomes of Testing Completed
Opening Balances – FY23 Comparative Data	<ul style="list-style-type: none"><li>Review of the FY23 Trial Balance within MYOB compared to the FY23 audited financial statements.</li><li>Review of working papers relating to FY23 comparative data to confirm accuracy and completeness of comparative data.</li></ul>	<ul style="list-style-type: none"><li>Identified a variance of \$27K between MYOB balance and audited financial statements in FY23. Variance related to FY23 audit adjustments not being completed in the correct accounting period.</li><li>Closing balances as at 30 June 2024 include all audit adjustments across FY23 and FY24 period.</li></ul>

# Matters for Those Charged with Governance and Management

Item 7.1 Attachment 3

## Internal Controls

### Description

As required by Australian Auditing Standard (ASA) 265 *Communicating Deficiencies in Internal Controls to Those Charged with Governance and Management*, the external auditor is required to communicate any significant deficiencies in internal controls identified during the course of the audit.

### Outcome

Our work performed did not identify any significant deficiencies.

## Fraud

### Description

The external audit is not designed to detect fraud however our audit procedures include evaluating the risk of material misstatement due to fraud whilst maintaining professional scepticism and evaluating evidence for signs of fraud.

Should any instances arise and we become aware of it, we will report them to you.

### Outcome

Management have confirmed to us that there were no matters of fraud identified for the financial year and we have not identified any instances of fraud in the work we have completed.

We believe it is important for the Administration and the Audit Committee to continually evaluate and enhance the effectiveness of the internal control environment to identify and mitigate potential fraud risks.

## Legal Compliance

### Description

We have made enquiries with the Administration in relation to non-compliance with non-compliance with laws and regulations during the course of the financial year.

### Outcome

No instance of non-compliance have been identified as a result of the enquires we have made with the Administration.

# Matters to be Addressed in Future Financial Years

As a result of audit work completed, the following audit matters have been identified during the course of our audit which we have summarised below.

Building Lease - Right of Use and Lease Liability	
Audit Matter Description	Audit Recommendation
New Lease Agreement for Office Facilities	The Authority will need to perform a recalculation of the Right-of-Use Asset and the Lease Liability for the new Building Lease when this is executed as expected within FY25.
Annual Budget and Budget Reviews	
Audit Matter Description	Audit Recommendation
Review of FY24 Annual Budget and subsequent budget reviews reports identified that the Authority didn't prepare or adopt the Uniform Presentation of Finances statement as required under section 9 of the Local Government (Financial Management) Regulations 2011.	Recommend the Authority ensure it addresses this requirement in future periods and that the appropriate reporting templates are updated to include this required statement.

## INDEPENDENT AUDITOR'S REPORT

To the members of the Eastern Health Authority

Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report of the Eastern Health Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2024, the Statement of Comprehensive Income, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and other explanatory information and the Certification of the Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and the Australian Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibility of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation of the Authority's financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*, and for such controls as Management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

## Auditor’s Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY

Samantha Creten  
Director

Signed on the      day of      2024

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## **7.2 REPORT ON FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024**

Author: Michael Livori

Ref: AF24/39

### **Summary**

Section 10 of the Local Government (Financial Management) Regulations 2011 requires a regional subsidiary to prepare a report showing its audited financial results for the previous financial year compared with its estimated financial results set out in the budget in a manner consistent with the Model Financial Statements.

### **Report**

The required comparison has been completed and is provided as attachment 1 to this report. Commentary in relation to the comparison is detailed below.

### **Statement of Comprehensive Income**

- Total Operating Income was \$7,953 (-0.3%) less than budgeted.
- Total Operating Expenditure was \$135,360 (-4.8%) less than budgeted.
- More detail in relation to income and expenditure variations is provided later in the report (see Funding Statement section of report).
- The operating result estimate was a surplus of \$122,120 compared to the budgeted result of a break even.
- The operating result is a \$122,120 improvement on the budgeted operating result.

### **Statement of Cash Flow**

- Cash and Cash Equivalents (C&CE) at the End of Reporting Period was \$954,882.
- C&CE were \$324,113 more than the budgeted estimate.

### **Statement of Financial Position**

- Total Assets are \$2,142,536.
- A significant proportion of the recorded assets is due to the application of AAASB Standard 16 Leases which requires the estimated value of leases to be treated as an asset (Equipment) on Balance Sheet. EHA has had a long-term rental lease for its office facility in the St Peters library Complex which is currently in the process of being

extended and a number of short-term motor vehicle leases (value of leases – see Note 10).

- Total liabilities are \$1,443,463
- A significant proportion of the recorded liabilities are due to the application of AAASB Standard 16 Leases which requires the estimated costs of maintaining leases to be treated as a liability (Borrowings) on Balance Sheet. EHA has had a long-term rental lease for its office facility in the St Peters library Complex which is currently in the process of being extended and a number of short-term motor vehicle leases (value of leases – see Note 10).

Total Equity is \$699,073 which is \$122,120 more than the budgeted estimate.

### Statement of Changes in Equity

The net result of a \$122,120 surplus was \$122,120 more favourable than the budgeted estimate.

Total Equity increased by \$122,120 and at the end of the reporting period and is now \$699,073.

### Eastern Health Authority Funding Statement 2023/2024

EHA's Funding Statement 2023/2024 provides more detailed information in relation to individual budget line performance against both the Original and Revised budget. The Funding Statement provides members with information in relation to all operating expenses such as rent and vehicle leases which are required to be accounted for on the Statement of Financial Position in the Financial Statements. In essence the Funding Statement provides members with a reflection of the cash result on an Operating basis. The Funding Statement is provided as attachment 2.

The table below details income variations against the Revised Budget of greater than \$10,000 and where appropriate an explanation for the variation. Unfavourable variations are shown in red, while favourable variations are black.

Income Variations (\$)		
Budget Line	Variation	Reason
Fines	(30,005)	Less fines issued
Non – Funded Vaccines	22,513	Increase in fee vaccines sold at clinics
Worksite Immunisation	(21,664)	More worksites but less numbers per site
Food Auditing Fees	20,107	Increase in billable audit hours
Interest	17,380	Increase in investment income

The variation in relation to total actual income received as compared to budgeted income is (\$7,963) or -0.3% (Actual \$2,825,047 / Budgeted \$2,833,000).



The following table details expenditure variations of greater than \$10,000 and where appropriate an explanation for the variation. Unfavourable variations are shown in red, while favourable variations are black.

<b>Expenditure Variations (\$)</b>		
<b>Budget Line</b>	<b>Variation</b>	<b>Reason</b>
Total Employee Costs	<b>(176,154)</b>	Staff on long term leave, time in replacing staff
Insurance	<b>14,586</b>	Increases to all insurance premiums
Legal	<b>(13,939)</b>	Reduction in legal costs for EHA
Immunisation Clinic Vaccines	<b>15,429</b>	Increase in fee for service vaccines purchased (see additional income above)
Strategic Plan Development	<b>(10,000)</b>	Less than budgeted value
<b>IT Upgrade (Approved March 2024 Budget Review)</b>		
Maintenance	<b>20,962</b>	IT and equipment expensed
Capital Expenditure – plant and equipment	<b>(25,860)</b>	IT and equipment capitalised
<b>Effect of AAASB Standard 16 - Leases on Funding Statement</b>		
Vehicle Lease / Maintenance	<b>(43,807)</b>	Decrease due to application of AAASB Standard 16 Leases – value of leased assets Motor Vehicle operating costs within <b>728</b> of budgeted estimate
Rent	<b>(115,000)</b>	Decrease due to application of AAASB Standard 16 Leases – value of leased assets Rent operating costs <b>6,464</b> more than budget estimate due to payment from previous year required (13 payments made)
Finance Charges	<b>39,923</b>	Application of AAASB Standard 16 Leases – value of leased assets
Depreciation and Amortisation	<b>149,901</b>	Application of AAASB Standard 16 Leases – value of leased assets

The variation in relation to total expenditure as compared to budgeted expenditure is (\$130,073) or – 4.6% (Actual \$2,702,927/ Budgeted \$2,833,000).

The Budgeted Net Funding Statement Result was a deficit of \$14,000 while the actual Net Funding Statement Result was a surplus of \$144,283 (a difference of \$158,283).

## **RECOMMENDATION**

That:

The report on Financial Results for the Year Ending 30 June 2024 is received.

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME								
COMPARISON OF AUDITED RESULTS TO ADOPTED BUDGET								
FOR THE YEAR ENDING 30 June 2024								
	ADOPTED BUDGET 2023/2024	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2023/2024	AUDITED RESULT 2023/2024	VARIATION AGAINST REVISED BUDGET	VARIATION AGAINST REVISED BUDGET
							\$	%
<b>INCOME</b>								
Council Contributions	1,970,200	-	-	-	1,970,200	1,970,200	-	0%
Statutory Charges	183,800	-	-	-	183,800	152,387	(31,413)	-17%
User Charges	442,500	-	(49,500)	-	393,000	414,731	21,731	6%
Grants, subsidies and contributions	230,000	-	24,000	-	254,000	249,436	(4,564)	-2%
Investment Income	10,000	-	10,000	-	20,000	37,380	17,380	87%
Other Income	12,000	-	-	-	12,000	913	(11,087)	-92%
<b>TOTAL INCOME</b>	<b>2,848,500</b>	<b>-</b>	<b>(15,500)</b>	<b>-</b>	<b>2,833,000</b>	<b>2,825,047</b>	<b>(7,953)</b>	<b>0%</b>
<b>EXPENSES</b>								
Employee Costs	2,091,500	(47,000)	(20,500)	-	2,024,000	1,847,846	(176,154)	-9%
Materials, contracts and other expenses	731,000	47,000	5,000	-	783,000	636,970	(146,030)	-19%
Finance Charges	-	-	-	-	-	36,923	36,923	0%
Depreciation	26,000	-	-	-	26,000	175,901	149,901	577%
<b>TOTAL EXPENSES</b>	<b>2,848,500</b>	<b>-</b>	<b>(15,500)</b>	<b>-</b>	<b>2,833,000</b>	<b>2,697,640</b>	<b>(135,360)</b>	<b>-5%</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127,407</b>	<b>127,407</b>	
Net gain (loss) on disposal of assets	-	-	-	-	-	(5,287)	(5,287)	
<b>Net Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,120</b>	<b>122,120</b>	
							-	
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,120</b>	<b>122,120</b>	

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS COMPARISON OF AUDITED RESULTS TO ADOPTED BUDGET FOR THE YEAR ENDING 30 June 2024								
	ADOPTED BUDGET 2023/2024	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2023/2024	AUDITED RESULT 2023/2024	VARIATION AGAINST REVISED BUDGET	VARIATION AGAINST REVISED BUDGET
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>							\$	%
<b>Receipts</b>								
Council Contributions	1,970,200	-	-	-	1,970,200	1,970,200	-	0%
Fees & other charges	183,800	-	-	-	183,800	152,387	(31,413)	-17%
User Charges	442,500		(49,500)	-	393,000	414,731	21,731	6%
Investment Receipts	10,000	-	10,000	-	20,000	37,380	17,380	87%
Grants utilised for operating purposes	230,000	-	24,000	-	254,000	249,436	(4,564)	-2%
Other	12,000	-	-	-	12,000	81,777	69,777	581%
<b>Payments</b>								
Employee costs	(2,091,500)	47,000	20,500	-	(2,024,000)	(1,854,725)	169,275	-8%
Materials, contracts & other expenses	(731,000)	(47,000)	(5,000)	-	(783,000)	(556,887)	226,113	-29%
Finance Payments	-	-	-	-	-	(36,923)	(36,923)	#DIV/0!
<b>Net Cash Provided/(Used) by Operating Activities</b>	<b>26,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,000</b>	<b>457,376</b>	<b>431,376</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
Loans Received	-	-	-	-	-	-	-	-
Repayment of Borrowings	-	-	-	-	-	-	-	-
Repayment of Finance Lease Liabilities	-	-	-	-	-	(133,122)	(133,122)	-
<b>Net Cash Provided/(Used) by Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(133,122)</b>	<b>(133,122)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Sale of Replaced Assets	-	-	-	-	-	-	-	-
<b>Payments</b>								
Expenditure on renewal / replacements of assets	-	-	-	(40,000)	(40,000)	(14,141)	25,859	-
Expenditure on new / upgraded assets	-	-	-	-	-	-	-	-
Distributions paid to constituent Councils	-	-	-	-	-	-	-	-
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>(14,141)</b>	<b>25,859</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>26,000</b>	<b>-</b>	<b>-</b>	<b>(40,000)</b>	<b>(14,000)</b>	<b>310,113</b>	<b>324,113</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>	<b>602,492</b>	<b>42,277</b>	<b>-</b>		<b>644,769</b>	<b>644,769</b>	<b>-</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	<b>628,492</b>	<b>42,277</b>	<b>-</b>	<b>(40,000)</b>	<b>630,769</b>	<b>954,882</b>	<b>324,113</b>	

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION COMPARISON OF AUDITED RESULTS TO ADOPTED BUDGET FOR THE YEAR ENDING 30 June 2024								
	ADOPTED BUDGET 2023/2024	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2023/2024	AUDITED RESULT 2023/2024	VARIATION AGAINST REVISED BUDGET	VARIATION AGAINST REVISED BUDGET
<b>CURRENT ASSETS</b>							\$	%
Cash and Cash Equivalents	628,492	42,277		(40,000)	630,769	954,882	324,113	51%
Trade & Other Receivables	188,901	83,000	-	-	271,901	187,908	(83,993)	-31%
<b>TOTAL CURRENT ASSETS</b>	<b>817,393</b>	<b>125,277</b>	<b>-</b>	<b>(40,000)</b>	<b>902,670</b>	<b>1,142,790</b>	<b>240,120</b>	<b>27%</b>
<b>NON-CURRENT ASSETS</b>								
Infrastructure, property, plant and equipment	998,437	80,356	-	40,000	1,118,793	999,746	(119,047)	-11%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>998,437</b>	<b>80,356</b>	<b>-</b>	<b>40,000</b>	<b>1,118,793</b>	<b>999,746</b>	<b>(119,047)</b>	<b>-11%</b>
<b>TOTAL ASSETS</b>	<b>1,815,830</b>	<b>205,633</b>	<b>-</b>	<b>-</b>	<b>2,021,463</b>	<b>2,142,536</b>	<b>121,073</b>	<b>16%</b>
<b>CURRENT LIABILITIES</b>								
Trade & Other Payables	163,940	(42,024)	-	-	121,916	198,870	76,954	63%
Provisions	307,903	(22,820)	-	-	285,083	289,788	4,705	2%
Borrowings	119,871	(8,006)	-	-	111,865	139,565	27,700	25%
<b>TOTAL CURRENT LIABILITIES</b>	<b>591,714</b>	<b>(72,850)</b>	<b>-</b>	<b>-</b>	<b>518,864</b>	<b>628,223</b>	<b>109,359</b>	<b>21%</b>
<b>NON-CURRENT LIABILITIES</b>								
Provisions	21,716	22,898	-	-	44,614	33,030	(11,584)	-26%
Borrowings	851,594	29,438	-	-	881,032	782,210	(98,822)	-11%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>873,310</b>	<b>52,336</b>	<b>-</b>	<b>-</b>	<b>925,646</b>	<b>815,240</b>	<b>(110,406)</b>	<b>-12%</b>
<b>TOTAL LIABILITIES</b>	<b>1,465,024</b>	<b>(20,514)</b>	<b>-</b>	<b>-</b>	<b>1,444,510</b>	<b>1,443,463</b>	<b>(1,047)</b>	<b>0%</b>
<b>NET CURRENT ASSETS/(CURRENT LIABILITIES)</b>	<b>225,679</b>	<b>198,127</b>	<b>-</b>	<b>(40,000)</b>	<b>383,806</b>	<b>514,567</b>	<b>130,761</b>	<b>34%</b>
<b>NET ASSETS</b>	<b>350,806</b>	<b>226,147</b>	<b>-</b>	<b>-</b>	<b>576,953</b>	<b>699,073</b>	<b>122,120</b>	<b>21%</b>
<b>EQUITY</b>								
Accumulated Surplus/(Deficit)	502,570	74,383	-	-	576,953	699,073	122,120	21%
<b>TOTAL EQUITY</b>	<b>502,570</b>	<b>74,383</b>	<b>-</b>	<b>-</b>	<b>576,953</b>	<b>699,073</b>	<b>122,120</b>	<b>21%</b>

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY								
COMPARISON OF AUDITED RESULTS TO ADOPTED BUDGET								
FOR THE YEAR ENDING 30 June 2024								
	ADOPTED BUDGET 2023/2024	SEPTEMBER REVIEW	DECEMBER REVIEW	MARCH REVIEW	REVISED BUDGET 2023/2024	AUDITED RESULT 2023/2024	VARIATION AGAINST REVISED BUDGET	VARIATION AGAINST REVISED BUDGET
<b>ACCUMULATED SURPLUS</b>							\$	%
Balance at beginning of period	502,570	74,383		-	576,953	576,953	-	0%
Net Surplus/(Deficit)	-	-	-	-	-	122,120	122,120	#DIV/0!
<b>BALANCE AT END OF PERIOD</b>	<b>502,570</b>	<b>74,383</b>	<b>-</b>	<b>-</b>	<b>576,953</b>	<b>699,073</b>	<b>122,120</b>	<b>24%</b>
<b>TOTAL EQUITY</b>							\$	%
Balance at beginning of period	502,570	74,383	-	-	576,953	576,953	-	0%
Net Surplus/(Deficit)	-	-	-	-	-	122,120	122,120	#DIV/0!
<b>BALANCE AT END OF PERIOD</b>	<b>502,570</b>	<b>74,383</b>	<b>-</b>	<b>-</b>	<b>576,953</b>	<b>699,073</b>	<b>122,120</b>	<b>24%</b>

EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2023/2024				
COMPARISON OF BUDGET TO AUDITED RESULTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2024				
Income	Adopted Budget 2023-2024	Revised Budget 2023-2024	Actual Result 2023-2024	Variation to Revised Budget 2023-2024
<b>Constituent Council Income</b>				
City of Burnside	\$ 549,526	\$ 549,526	\$ 549,526	\$ 0
City of Campbelltown	\$ 485,861	\$ 485,861	\$ 485,862	\$ 0
City of Norwood Payneham & St Peters	\$ 623,601	\$ 623,601	\$ 623,600	\$ 0
City of Prospect	\$ 222,106	\$ 222,106	\$ 222,106	\$ 0
Town of Walkerville	\$ 89,107	\$ 89,107	\$ 89,106	\$ 0
<b>Total Constituent Council Contributions</b>	<b>\$ 1,970,200</b>	<b>\$ 1,970,200</b>	<b>\$ 1,970,200</b>	<b>\$ 0</b>
<b>Statutory Charges</b>				
Food Inspection fees	\$ 124,000	\$ 124,000	\$ 122,913	\$ (1,087)
Legionella registration and inspection	\$ 8,000	\$ 8,000	\$ 7,892	\$ (108)
SRF Licenses	\$ 1,800	\$ 1,800	\$ 1,587	\$ (213)
Fines	\$ 50,000	\$ 50,000	\$ 19,995	\$ (30,005)
<b>Total Statutory Charges</b>	<b>\$ 183,800</b>	<b>\$ 183,800</b>	<b>\$ 152,387</b>	<b>\$ (31,413)</b>
<b>User Charges</b>				
Immunisation Service Provision	\$ 170,500	\$ 121,000	\$ 121,000	\$ -
Immunisation - non funded vaccines	\$ 70,000	\$ 70,000	\$ 92,513	\$ 22,513
Immunisation - Worksites	\$ 100,000	\$ 100,000	\$ 78,336	\$ (21,664)
Food Auditing	\$ 100,000	\$ 100,000	\$ 120,107	\$ 20,107
Food Safety Training	\$ 2,000	\$ 2,000	\$ 2,775	\$ 775
<b>Total User Charges</b>	<b>\$ 442,500</b>	<b>\$ 393,000</b>	<b>\$ 414,731</b>	<b>\$ 21,731</b>
<b>Grants, Subsidies, Contributions</b>				
School Immunisation Program (SIP)	\$ 205,000	\$ 229,000	\$ 228,138	\$ (862)
Child Immunisation register	\$ 25,000	\$ 25,000	\$ 21,298	\$ (3,702)
Adelaide PHN Immunisation Community Engagement Project	\$ -	\$ -	\$ -	\$ -
<b>Total Grants, Subsidies, Contributions</b>	<b>\$ 230,000</b>	<b>\$ 254,000</b>	<b>\$ 249,436</b>	<b>\$ (4,564)</b>
<b>Investment Income</b>				
Interest on investments	\$ 10,000	\$ 20,000	\$ 37,380	\$ 17,380
<b>Total Investment Income</b>	<b>\$ 10,000</b>	<b>\$ 20,000</b>	<b>\$ 37,380</b>	<b>\$ 17,380</b>
<b>Other Income</b>				
Motor Vehicle re-imbursements	\$ 5,000	\$ 5,000	\$ 364	\$ (4,636)
Sundry Income	\$ 7,000	\$ 7,000	\$ 549	\$ (6,451)
<b>Total Other Income</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 913</b>	<b>\$ (11,087)</b>
<b>Total of non Constituent Council Income</b>	<b>\$ 878,300</b>	<b>\$ 862,800</b>	<b>\$ 854,847</b>	<b>\$ (7,953)</b>
<b>Total Income</b>	<b>\$ 2,848,500</b>	<b>\$ 2,833,000</b>	<b>\$ 2,825,047</b>	<b>\$ (7,953)</b>

EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2023/2024 (CONT)				
Expenditure	Adopted Budget 2023-2024	Revised Budget 2023-2024	Actual Result 2023-2024	Variation to Revised Budget 2023-2024
<b>Employee Costs</b>				
Salaries & Wages	\$ 1,830,000	\$ 1,767,500	\$ 1,620,120	\$ (147,380)
Superannuation	\$ 198,000	\$ 193,000	\$ 178,263	\$ (14,737)
Workers Compensation	\$ 19,500	\$ 19,500	\$ 23,646	\$ 4,146
Employee Leave Expenses	\$ 41,000	\$ 41,000	\$ 23,783	\$ (17,217)
Medical Officer Retainer and Agency Staff	\$ 3,000	\$ 3,000	\$ 2,034	\$ (966)
<b>Total Employee Costs</b>	<b>\$ 2,091,500</b>	<b>\$ 2,024,000</b>	<b>\$ 1,847,846</b>	<b>\$ (176,154)</b>
<b>Prescribed Expenses</b>				
Auditing and Accounting	\$ 16,500	\$ 16,500	\$ 14,158	\$ (2,342)
Bad and Doubtful Debts	\$ -	\$ 10,000	\$ 6,939	\$ (3,061)
Insurance	\$ 35,000	\$ 42,000	\$ 56,586	\$ 14,586
Maintenance	\$ 45,000	\$ 55,000	\$ 75,962	\$ 20,962
Vehicle Leasing/maintenance	\$ 77,000	\$ 77,000	\$ 33,193	\$ (43,807)
<b>Total Prescribed Expenses</b>	<b>\$ 173,500</b>	<b>\$ 200,500</b>	<b>\$ 186,838</b>	<b>\$ (13,662)</b>
<b>Rent and Plant Leasing</b>				
Electricity	\$ 10,000	\$ 15,000	\$ 18,327	\$ 3,327
Plant Leasing Photocopier	\$ 3,000	\$ 3,000	\$ 2,107	\$ (893)
Rent	\$ 115,000	\$ 115,000	\$ -	\$ (115,000)
Water	\$ 300	\$ 300	\$ -	\$ (300)
Gas	\$ 2,700	\$ 2,700	\$ -	\$ (2,700)
<b>Total Rent and Plant Leasing</b>	<b>\$ 131,000</b>	<b>\$ 136,000</b>	<b>\$ 20,434</b>	<b>\$ (115,566)</b>
<b>IT Licensing and Support</b>				
IT Licences and Subscriptions	\$ 77,000	\$ 77,000	\$ 78,671	\$ 1,671
IT Support	\$ 55,000	\$ 55,000	\$ 61,400	\$ 6,400
Internet	\$ 6,000	\$ 6,000	\$ 4,948	\$ (1,052)
IT Other	\$ 2,000	\$ 2,000	\$ 338	\$ (1,662)
<b>Total IT Licensing and Support</b>	<b>\$ 140,000</b>	<b>\$ 140,000</b>	<b>\$ 145,357</b>	<b>\$ 5,357</b>
<b>Administration</b>				
Administration Sundry	\$ 7,000	\$ 7,000	\$ 10,043	\$ 3,043
Accreditation Fees	\$ 4,000	\$ 4,000	\$ 4,215	\$ 215
Governance Expenses	\$ 12,000	\$ 12,000	\$ 10,574	\$ (1,426)
Bank Charges	\$ 3,500	\$ 3,500	\$ 3,436	\$ (64)
Public Health Sundry	\$ 5,000	\$ 5,000	\$ 1,454	\$ (3,546)
Fringe Benefits Tax	\$ 14,000	\$ 14,000	\$ 14,480	\$ 480
Health promotion	\$ 9,000	\$ 9,000	\$ 5,000	\$ (4,000)
Legal	\$ 20,000	\$ 20,000	\$ 6,061	\$ (13,939)
Printing & Stationery & Postage	\$ 22,000	\$ 22,000	\$ 20,071	\$ (1,929)
Telephone	\$ 17,000	\$ 17,000	\$ 15,947	\$ (1,053)
Work Health and Safety	\$ 10,000	\$ 10,000	\$ 5,398	\$ (4,602)
Staff Amenities	\$ 7,000	\$ 7,000	\$ 1,078	\$ (5,922)
Staff Training	\$ 22,000	\$ 22,000	\$ 26,528	\$ 4,528
Human Resource / Organisational Development	\$ 26,000	\$ 26,000	\$ 27,158	\$ 1,158
<b>Total Administration</b>	<b>\$ 178,500</b>	<b>\$ 178,500</b>	<b>\$ 151,443</b>	<b>\$ (27,057)</b>



EASTERN HEALTH AUTHORITY FUNDING STATEMENT 2023/2024 (CONT)				
Expenditure	Adopted Budget 2023-2024	Revised Budget 2023-2024	Actual Result 2023-2024	Variation to Revised Budget 2023-2024
Immunisation				
Immunisation SBP Consumables	\$ 10,000	\$ 10,000	\$ 10,799	\$ 799
Immunisation clinic vaccines	\$ 40,000	\$ 40,000	\$ 55,429	\$ 15,429
Immunisation worksite vaccines	\$ 25,000	\$ 25,000	\$ 23,930	\$ (1,070)
Total Immunisation	\$ 75,000	\$ 75,000	\$ 90,158	\$ 15,158
Income protection				
Income Protection	\$ 31,000	\$ 31,000	\$ 29,536	\$ (1,464)
Total Uniforms/Income protection	\$ 31,000	\$ 31,000	\$ 29,536	\$ (1,464)
Sampling				
Legionella Testing	\$ 2,000	\$ 2,000	\$ 3,204	\$ 1,204
Food Sampling	\$ -	\$ -	\$ -	\$ -
Total Sampling	\$ 2,000	\$ 2,000	\$ 3,204	\$ 1,204
New Initiatives				
Strategic Plan Development	\$ -	\$ 20,000	\$ 10,000	\$ (10,000)
Total New Initiatives	\$ -	\$ 20,000	\$ 10,000	\$ (10,000)
Total Materials, contracts and other expenses	\$ 731,000	\$ 783,000	\$ 636,970	\$ (146,030)
Total Operating Expenditure	\$ 2,822,500	\$ 2,807,000	\$ 2,484,816	\$ (322,184)
Finance Charges	\$ -	\$ -	\$ 36,923	\$ 36,923
Depreciation, amortisation and impairment	\$ 26,000	\$ 26,000	\$ 175,901	\$ 149,901
Loss on disposal of assets			\$ 5,287	\$ 5,287
Total Expenditure	\$ 2,848,500	\$ 2,833,000	\$ 2,702,927	\$ (130,073)
Total Income	\$ 2,848,500	\$ 2,833,000	\$ 2,825,047	\$ (7,953)
Net Surplus/Deficit	\$ -	\$ -	\$ 122,120	\$ 122,120
Depreciation Add Back	\$ 26,000	\$ 26,000	\$ 36,303	\$ 10,303
Amortisation Add Back		\$ -		
Loans Received	\$ -	\$ -	\$ -	\$ -
Capital Expenditure - plant and Equipment	\$ -	\$ (40,000)	\$ (14,140)	\$ 25,860
Capital Expenditure - Office Fit-out	\$ -	\$ -	\$ -	\$ -
Loan Repayments	\$ -	\$ -		\$ -
Funding Result	\$ 26,000	\$ (14,000)	\$ 144,283	\$ 158,283

### **7.3 EASTERN HEALTH AUTHORITY (EHA) AUDIT COMMITTEE ANNUAL EVALUATION REPORT 2023/2024**

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 in relation to the Audit Committee's own performance to ensure it is operating at maximum effectiveness. The Audit Committee has prepared an Annual Evaluation Report 2023/2024 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 EHA Audit Committee Annual Evaluation report is provided as attachment 1. The report serves as a self-evaluation tool for the Committee, summarises the work undertaken during the 2023/2024 financial year and identifies any training needs and future Audit Work Plan proposals.

### **RECOMMENDATION**

That:

- 1 The report titled EHA Audit Committee Annual Report Evaluation 2023/2024 is received.



## EHA Audit Committee

# Annual Report Evaluation FY 2024

## 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 to:

- 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 FY 2024 year.

## Conduct of Meetings

The Committee met on 3 occasions during 2023-2024. The table below provides membership and meetings attended:

Meeting Dates
16 August 2023
6 December 2023
17 May 2024

Committee Membership	Term Expiry	Number of Meetings Attended
Madeleine Harding – Presiding Member	15 February 2025	3
Natalie Caon – Independent Member	31 July 2026	3
Peter Cornish – Board Representative	November 2026	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.

During the financial year the Audit Committee met on three occasions 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 the EHA Board but rather to review and consider the appropriateness of EHA processes in the areas of:

- Financial reporting, sustainability and accounting policies
- Risk Management and Internal control procedures
- External Audit function (EHA's financial auditors)
- Internal Audit and compliance including efficiency and effectiveness audits, if required.

**During FY 2023 Committee members attended the following training courses/sessions:**

<b>Training Course/Session</b>	<b>Date</b>	<b>Provider</b>	<b>Members Attending</b>
Nil	N/a	N/a	N/a

#### **Cost of Audit Committee**

<b>Audit Committee Membership FY 2024</b>	<b>Fees Paid FY 2024</b>
Madeleine Harding	\$1,350
Peter Cornish	\$0
Natalie Caon	\$1050

#### **Number of Outstanding Resolutions:**

<b>No</b>	<b>Outstanding Resolution</b>	<b>Status</b>
Nil		

### Audit Committee Evaluation

In July 2024 the Committee undertook a self-assessment of its performance by completing a questionnaire (all members were invited to complete this questionnaire).

Below is a consolidated summary of the self-assessment.

Ref	Question	Response	Comment
1	Is the Committee satisfied that its current Terms of Reference are appropriate?	Yes	N/a
2	Does the Work Plan address the Terms of Reference and is it achievable?	Yes	N/a
3	Is the Committee satisfied that it is effectively monitoring risk management and internal controls	Yes	N/a
4	Is there sufficient time allocated during the meetings to adequately discuss agenda items?	Yes	N/a
5	Are the reports prepared for the meetings sufficiently comprehensive to allow you to make informed decisions?	Yes	N/a
6	Does the Committee believe it is adequately informed on current and emerging trends and factors?	Yes	N/a
7	The Committee size is adequate	Yes	N/a
8	The frequency and duration of meetings are sufficient to ensure effective committee governance	Yes	N/a

Each question in the table below was scored using a scale of 1 to 5 where 1 is poor and 5 is excellent.

Ref	Question	Average
9	How do you rate the overall efficiency and effectiveness of the Committee?	4
10	How do you rate the performance of the Chairperson in preparing for and conducting meetings?	4
11	How do you rate the performance of the other members of the Committee in fulfilling their role on the Committee	4
12	How do you rate the performance of the staff in facilitating the committee's role and function?	4
13	Do you have any suggestions for improving any aspect of the Committee's, performance, role or function?	As raised previously, a higher level of assurance could be provided to the EHA Board f: <ul style="list-style-type: none"> <li>the Committee had the opportunity to review budgets and financial statements prior to Board meetings</li> <li>additional resources were made available to independently review key risks and related internal controls.</li> </ul>

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 FY 2024**

As the Presiding Member of the Audit Committee, I am satisfied that the Committee has met its responsibilities under the Terms of Reference and provides the required level of assurance to the Board.

The addition of our most recent member, Natalie Caon, ensures that the Committee consists of members with the requisite mix of skills, knowledge and experience.


### **Presiding Member Report**

As always, the Audit Committee appreciates efforts made by the Chief Executive Officer and EHA Administration to improve financial management practices and strengthen relationships with EHA's the external auditors.

Activities undertaken by the Committee include consideration of:

- General Purpose Financial Statements for the year ended 30 June 2023
- Report on Financial Results for the Year Ended 30 June 2023
- Long Term Financial Plan Revised Estimates
- Debt Collection Policy
- Risk Management Policy
- Finance Reports and Budget Reviews
- Corporate Risk Summary
- Internal Controls Register
- Update on Audit Finding Recommendations
- Draft Annual Business Plan and Budgeted Financial Statement
- Eastern Health Authority Charter Review
- Appointment of External Auditor.

On behalf of the Audit Committee, I thank the Chief Executive Officer and EHA Administration for providing comprehensive and understandable reports to the Committee. This has allowed the us to meet our responsibilities as outlined in the Terms of Reference during this year.



Madeleine Harding  
Presiding Member

## 7.4 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

**Author:** Michael Livori  
**Ref:** AF13/78

### **Summary**

This report provides updated Long-Term Financial Estimates (LTFE) for consideration by the Audit Committee.

### **Report**

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

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

In essence, the LTFE which cover the period 2025 – 2034 is simply a projection of current operating arrangements moving forward.

The key assumptions used to develop the LTFE are detailed below.

#### *Budget Result*

EHA has historically aimed to budget for a breakeven operating result. The LTFE for 2025-2034 continue to be based on a breakeven result.

#### *Wages*

71% of EHA's operational expenditure relates to employee costs. Employee costs are therefore the most important driver requiring consideration. The most recent Enterprise Agreement process resulted in a 4% increase in wages for 2025 and 2026 which have been used in the LTFE. The long-term average for wage growth is around 2.5%. A value of 3.0% has been used for 2027-2034.

#### *Income*

71% of EHA's operational income relates to Constituent Council contributions. Constituent Council contributions are therefore the most important income driver requiring consideration. A value of 4% has been used for 2025 and 2026 to align with employee costs and a value of 3.0% has been used for 2027-2034, again to align with employee costs. The alignment ensures a breakeven result is reflected in the estimates.

#### *Expenses*

29% of EHA's operational expenditure relates to non-employee related costs. While there may be some variation in projected increases for differing expenditure items, it is not considered practical or meaningful to differentiate between these items in the context of

the EHA budget. A global value has therefore been assigned to expenditure. That value is 4% for 2025 and 2026 and a value of 3.0% for 2027-2034.

Aligning wages, income and expenses in terms of value ensures that the LTFE reflect a breakeven result.

Revised Long-Term financial estimates for 2025-2024 based on the audited results from 2023-2024 and the key assumptions detailed above are provided as attachment 1 for consideration.

## **RECOMMENDATION**

That:

1. Long-Term Financial Plan revised financial estimates report is received.
2. The Long-Term Financial Plan revised financial estimates are presented to the Board of Management for consideration.

EASTERN HEALTH AUTHORITY LONG TERM FINANCIAL PLAN											
STATEMENT OF COMPREHENSIVE INCOME											
FOR THE YEAR ENDED											
AUDITED RESULTS 2023/2024		ADOPTED BUDGET 2024/2025	PLAN 2025/2026	PLAN 2026/2027	PLAN 2027/2028	PLAN 2028/2029	PLAN 2029/2030	PLAN 2030/2031	PLAN 2031/2032	PLAN 2032/2033	PLAN 2033/2034
	<b>INCOME</b>						%		\$	%	
1,970,200	Council Contributions	2,094,100	2,177,864	2,264,979	2,344,253	2,426,302	2,511,222	2,599,115	2,690,084	2,784,237	2,881,685
152,387	Statutory Charges	180,300	187,512	195,012	201,838	208,902	216,214	223,781	231,614	239,720	248,110
414,731	User Charges	400,500	416,520	433,181	448,342	464,034	480,275	497,085	514,483	532,490	551,127
249,436	Grants, subsidies and contributions	249,000	258,960	269,318	278,745	288,501	298,598	309,049	319,866	331,061	342,648
37,380	Investment Income	22,000	22,880	23,795	24,628	25,490	26,382	27,306	28,261	29,250	30,274
913	Other Income	7,000	7,280	7,571	7,836	8,110	8,394	8,688	8,992	9,307	9,633
2,825,047	<b>TOTAL INCOME</b>	2,952,900	3,071,016	3,193,857	3,305,642	3,421,339	3,541,086	3,665,024	3,793,300	3,926,065	4,063,478
	<b>EXPENSES</b>							-			
1,847,846	Employee Costs	2,104,000	2,188,160	2,275,686	2,355,335	2,437,772	2,523,094	2,611,402	2,702,802	2,797,400	2,895,309
636,970	Materials, contracts and other expenses	800,900	832,936	866,253	896,572	927,952	960,431	994,046	1,028,837	1,064,847	1,102,116
36,923	Finance Charges	-	-	-	-	-	-	-	-	-	-
175,901	Depreciation	48,000	49,920	51,917	53,734	55,615	57,561	59,576	61,661	63,819	66,053
2,697,640	<b>TOTAL EXPENSES</b>	2,952,900	3,071,016	3,193,857	3,305,642	3,421,339	3,541,086	3,665,024	3,793,300	3,926,065	4,063,478
127,407	<b>Operating Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-	-
(5,287)	Net gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-
122,120	<b>Net Surplus/(Deficit)</b>	-	-	-	-	-	-	-	-	-	-
122,120	<b>Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED**

AUDITED RESULTS 2023/2024		ADOPTED BUDGET 2024/2025	PLAN 2024/2025	PLAN 2025/2026	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2026/2027
	<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>										
	Receipts										
1,970,200	Council Contributions	2,094,100	2,177,864	2,264,979	2,344,253	2,426,302	2,511,222	2,599,115	2,690,084	2,784,237	2,881,685
152,387	Fees & other charges	180,300	187,512	195,012	201,838	208,902	216,214	223,781	231,614	239,720	248,110
414,731	User Charges	400,500	416,520	433,181	448,342	464,034	480,275	497,085	514,483	532,490	551,127
37,380	Investment Receipts	22,000	22,880	23,795	24,628	25,490	26,382	27,306	28,261	29,250	30,274
249,436	Grants utilised for operating purposes	249,000	258,960	269,318	278,745	288,501	298,598	309,049	319,866	331,061	342,648
81,777	Other	7,000	(236)	(246)	723	748	774	801	829	858	888
	Payments										
(1,854,725)	Employee costs	(2,104,000)	(2,175,247)	(2,262,257)	(2,343,115)	(2,425,124)	(2,510,003)	(2,597,853)	(2,688,778)	(2,782,885)	(2,880,286)
(556,887)	Materials, contracts & other expenses	(800,900)	(824,981)	(857,980)	(889,044)	(920,160)	(952,366)	(985,699)	(1,020,198)	(1,055,905)	(1,092,862)
(36,923)	Finance Payments	-	-	-	-	-	-	-	-	-	-
457,376	<b>Net Cash Provided/(Used) by Operating Activities</b>	48,000	63,271	65,802	66,369	68,692	71,097	73,585	76,160	78,826	81,585
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							-			
	Loans Received	-	-	-	-	-	-	-	-	-	-
	Repayment of Borrowings	-	-	-	-	-	-	-	-	-	-
(133,122)	Repayment of Finance Lease Liabilities	-	-	-	-	-	-	-	-	-	-
(133,122)	<b>Net Cash Provided/(Used) by Financing Activities</b>	-	-	-	-	-	-	-	-	-	-
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							-			
	Receipts										
	Sale of Replaced Assets	-	-	-	-	-	-	-	-	-	-
	Payments										
(14,141)	Expenditure on renewal / replacements of assets	-	-	-	-	-	-	-	-	-	-
	Expenditure on new / upgraded assets	-	-	-	-	-	-	-	-	-	-
	Distributions paid to constituent Councils	-	-	-	-	-	-	-	-	-	-
(14,141)	<b>Net Cash Provided/(Used) by Investing Activities</b>	-	-	-	-	-	-	-	-	-	-
310,113	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	48,000	63,271	65,802	66,369	68,692	71,097	73,585	76,160	78,826	81,585
644,769	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD</b>	954,882	1,002,882	1,066,153	1,131,955	1,198,325	1,267,017	1,338,114	1,411,699	1,487,859	1,566,685
954,882	<b>CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD</b>	1,002,882	1,066,153	1,131,955	1,198,325	1,267,017	1,338,114	1,411,699	1,487,859	1,566,685	1,648,270

STATEMENT OF FINANCIAL POSITION											
FOR THE YEAR ENDED											
AUDITED RESULTS 2023/2024		ADOPTED BUDGET 2024/2025	PLAN 2024/2025	PLAN 2025/2026	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2026/2027
	<b>CURRENT ASSETS</b>										
954,882	Cash and Cash Equivalents	1,002,882	1,066,153	1,131,955	1,198,325	1,267,017	1,338,114	1,411,699	1,487,859	1,566,685	1,648,270
187,908	Trade & Other Receivables	187,908	195,424	203,241	210,355	217,717	225,337	233,224	241,387	249,835	258,580
1,142,789	<b>TOTAL CURRENT ASSETS</b>	1,190,790	1,261,578	1,335,197	1,408,679	1,484,734	1,563,451	1,644,923	1,729,246	1,816,521	1,906,850
	<b>NON-CURRENT ASSETS</b>							-			
999,746	Infrastructure, property, plant and equipment	951,746	901,826	849,909	796,175	740,561	683,000	623,424	561,763	497,944	431,891
999,746	<b>TOTAL NON-CURRENT ASSETS</b>	951,746	901,826	849,909	796,175	740,561	683,000	623,424	561,763	497,944	431,891
2,142,535	<b>TOTAL ASSETS</b>	2,142,536	2,163,404	2,185,106	2,204,855	2,225,295	2,246,451	2,268,347	2,291,009	2,314,465	2,338,741
	<b>CURRENT LIABILITIES</b>							-			
198,870	Trade & Other Payables	198,870	206,825	215,098	222,626	230,418	238,483	246,830	255,469	264,410	273,664
289,788	Provisions	289,788	301,380	313,435	324,405	335,759	347,511	359,674	372,262	385,291	398,776
125,979	Borrowings	125,979	125,979	125,979	125,979	125,979	125,979	125,979	125,979	125,979	125,979
614,637	<b>TOTAL CURRENT LIABILITIES</b>	614,637	634,183	654,511	673,010	692,156	711,972	732,482	753,710	775,680	798,420
	<b>NON-CURRENT LIABILITIES</b>							-			
33,030	Provisions	33,030	34,351	35,725	36,976	38,270	39,609	40,996	42,430	43,915	45,452
795,796	Borrowings	795,796	795,796	795,796	795,796	795,796	795,796	795,796	795,796	795,796	795,796
828,826	<b>TOTAL NON-CURRENT LIABILITIES</b>	828,826	830,147	831,521	832,772	834,066	835,405	836,792	838,226	839,711	841,248
1,443,463	<b>TOTAL LIABILITIES</b>	1,443,463	1,464,331	1,486,033	1,505,782	1,526,222	1,547,378	1,569,274	1,591,936	1,615,392	1,639,668
528,152	<b>NET CURRENT ASSETS/(CURRENT LIABILITIES)</b>	576,153	627,394	680,685	735,669	792,578	851,479	912,441	975,536	1,040,840	1,108,430
699,072	<b>NET ASSETS</b>	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073
	<b>EQUITY</b>										
699,073	Accumulated Surplus/(Deficit)	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073
699,073	<b>TOTAL EQUITY</b>	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED											
AUDITED RESULTS 2023/2024		ADOPTED BUDGET 2024/2025	PLAN 2024/2025	PLAN 2025/2026	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2024/2025	PLAN 2026/2027
	<u>ACCUMULATED SURPLUS</u>										
576,953	Balance at beginning of period	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073
122,120	Net Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
699,073	<b>BALANCE AT END OF PERIOD</b>	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073
	<u>TOTAL EQUITY</u>										
576,953	Balance at beginning of period	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073
122,120	Net Surplus/(Deficit)	-	-	-	-	-	-	-	-	-	-
699,073	<b>BALANCE AT END OF PERIOD</b>	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073	699,073

## 7.5 EASTERN HEALTH AUTHORITY CHARTER REVIEW UPDATE

Author: Michael Livori  
Ref: AF20/47

### Summary

Clause 19 of Schedule 2 of the *Local Government Act 1999* requires that a regional subsidiary has a Charter prepared by its Constituent Councils, and that the Charter is reviewed every 4 years. Clause 12.3 a) of the Charter also requires the review to occur at least every 4 years. The last review of the Eastern Health Authority Charter was finalised in May 2016. An initial report was considered by the Board at its June 2020 meeting and the review process subsequently commenced. This report provides Audit Committee Members with the latest update in relation to the review process.

### Report

As previously reported, the current Charter Review process had not been finalised due to a lack of consensus on proposed changes to Clauses 2.2 and 2.5 of the current Eastern Health Authority (EHA) Charter. These clauses consider the membership of the Board of Management and the Chair of the Board of Management.

To finalise the Charter review process, a draft amended Charter was provided to each Constituent Council for consideration and adoption. The draft amended Charter contained all agreed changes, however there were no changes to the clauses detailed above from the previous iteration of the Charter.

All Constituent Councils have advised that they had resolved to adopt the amended Charter provided. A copy of the correspondence received is provided as attachment 1

To finalise the review process, a Notice of Amendment of Charter was published in the Government Gazette on 1 August 2024 (attachment 2), the amended Charter was published on the Eastern Health Authority website (<https://www.eha.sa.gov.au/about-us/charter-and-board-of-management>) and the Minister for Local Government was provided with a copy of the amended Charter on 6 August 2024 (attachment 3).

### RECOMMENDATION

That:

The Eastern Health Authority Charter Review Update Report is received.



31 July 2024

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

By e-mail: [mlivori@eha.sa.gov.au](mailto:mlivori@eha.sa.gov.au)

Dear Mr Livori

### **Eastern Health Authority Charter**

Thank you for your letter dated 2 May 2024 in relation to the status of the Eastern Health Authority Incorporated Charter (the Charter),

I am pleased to advise that, following consideration of the draft Charter, the Council, at its meeting held on 18 June 2024, reviewed its position in relation to the Charter and resolved the following:

*That Council adopts the revised Eastern Health Authority Charter as presented in Attachment 2, subject to all Constituent Councils being in agreement to the amended clauses.*

The report to Council can be found on our website;

<https://burnside.civicclerk.com.au/web/Player.aspx?id=61&key=-1&mod=-1&mk=-1&nov=0>

If you have any questions or require additional information regarding this matter, please contact me on 8366 4136 or via email: [mheinrich@burnside.sa.gov.au](mailto:mheinrich@burnside.sa.gov.au)

Yours sincerely



Magnus Heinrich  
Group Manager City Development and Safety



23 May 2024

Enq: Paul Di Iulio  
Ph: 8366 9247

Mr Michael Livori  
Eastern Health Authority

Via Email: [mlivori@eha.sa.gov.au](mailto:mlivori@eha.sa.gov.au)

Dear Mr ~~Livori~~

**Eastern Health Authority Charter Review**

Thank you for your correspondence of 10 May 2024.

I wish to advise that at its meeting held on Tuesday 21 May 2024 Council endorsed the proposed changes to the Eastern Health Authority Charter and request that the charter be forwarded to the Minister for Local Government for publication in accordance with the requirements of the Local Government Act 1999, subject to all Constituent Councils being in agreement to the amended clauses.

If you have any queries, please contact Council's Manager Governance, Ms Lyn Barton, on the above number.

Yours sincerely

  
Paul Di Iulio  
Chief Executive Officer



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128 Prospect Road  
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admin@prospect.sa.gov.au  
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28 June 2024

Michael Livori  
Chief Executive Officer  
Eastern Health Authority  
PO Box 275  
STEPNEY SA 5069  
Via email: [eha@eha.sa.gov.au](mailto:eha@eha.sa.gov.au)

Dear Michael,

### **EASTERN HEALTH AUTHORITY (EHA) CHARTER REVIEW**

I write on our CEO's behalf in response to your letter dated 30 April 2024 requesting that constituent councils consider the Eastern Health Authority Charter Review, and in particular that City of Prospect consider its position in relation to clauses 2.2, 2.5, 12.7 and 12.8.

I am pleased to advise that Council, at its ordinary meeting on 25 June 2024, endorsed the draft amended Eastern Health Authority Charter, resolving the following:

#### **10.9 EASTERN HEALTH AUTHORITY - CHARTER REVIEW**

##### **RESOLUTION 2024/89**

Moved: Cr Kristina Barnett  
Seconded: Cr Mark Standen

##### **That Council:**

1. Having considered Item 10.9 Eastern Health Authority - Charter Review receives and notes the report.
2. Having considered Item 10.9 Eastern Health Authority - Charter Review, endorses the revised Eastern Health Authority Charter (as presented in Attachment 2).
3. Authorises the Chief Executive Officer (or delegate) to write to Eastern Health Authority informing them of Council's position in relation to the Charter Review.

**CARRIED UNANIMOUSLY**

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Scott McLuskey'.

**Scott McLuskey**  
Manager Development and Regulatory Services

File Number: qA69175  
Enquiries To: Lisa Mara  
Direct Telephone: 8366 4549



**City of  
Norwood  
Payneham  
& St Peters**

8 July 2024

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

Via email: [mlivori@eha.sa.gov.au](mailto:mlivori@eha.sa.gov.au)

Dear Michael

### **EASTERN HEALTH AUTHORITY CHARTER**

Thank you for your letter dated 2 May 2024, regarding the status of the the Eastern Health Authority Incorporated Charter (the Charter), and in particular the actions required to finalise the Charter review process.

I am pleased to advise that, following consideration of the draft Charter, the Council, at its meeting held on 1 July 2024, reviewed its position in respect to Clauses 2.2. and 2.5 of the Charter, and on this basis, the Council resolved the following:

*That the Council advise the Eastern Health Authority Inc. Board of Management, that the Council endorses the proposed changes to the EHA Charter, as contained in Attachment A to this report.*

I have attached the relevant extract from the Minutes of the Meeting held on 3 July 2023, for your records.

If you have any questions or require additional information regarding this matter, please contact me on 8366 4549 or via email: [lmara@npsp.sa.gov.au](mailto:lmara@npsp.sa.gov.au)

Yours sincerely

Lisa Mara  
**GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS**

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Norwood SA 5067  
  
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Kent Town SA 5071

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30 July 2024

Mr Michael Livori  
Eastern Health Authority  
101 Payneham Road  
ST PETERS SA 5069

Via email: [mlivori@eha.sa.gov.au](mailto:mlivori@eha.sa.gov.au)

Dear Mr Livori,

**RE: Eastern Health Authority Charter Review**

Thank you for your correspondence dated 26 July 2024.

I wish to advise that as its meeting held on Monday 20 May 2024, Council endorsed the proposed changes to the Eastern Health Authority Charter (reference no. CNC096/05/24) and request that the charter be forwarded to the Minister for Local Government for publication in accordance with the requirements of the Local Government Act 1999, subject to all Constituent Councils being in agreement to the amended clauses.

If you have any queries, please don't hesitate to contact me.

Kind regards

Andrew MacDonald  
Chief Executive Officer  
Town of Walkerville

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EASTERN HEALTH AUTHORITY  
LOCAL GOVERNMENT ACT 1999: SCHEDULE 2, CLAUSE 19(5)  
*Amendment of Charter*

Notice is hereby given that the City of Burnside, the Corporation of the City of Campbelltown, the Corporation of the City of Norwood Payneham & St Peters, the City of Prospect and the Corporation of the Town of Walkerville, being the Constituent Councils of Eastern Health Authority (EHA) have, in accordance with Clause 12.3 of the Charter of EHA, unanimously resolved to amend the Charter, effective 1 July 2024.

A copy of the Charter, as amended, is available for inspection at the following website: [www.eha.sa.gov.au](http://www.eha.sa.gov.au).

Dated: 1 August 2024

MICHAEL LIVORI  
Chief Executive Officer  
Eastern Health Authority

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St Peters SA 5069

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www.eha.sa.gov.au  
ABN 52 535 526 438

Our Ref: D24/9760

6 August 2024

Hon Joe Szakacs MP  
Minister for Local Government  
GPO Box 2557  
ADELAIDE SA 5000

Dear Minister

Re: **Review of the Eastern Health Authority Charter 2024**

Eastern Health Authority (EHA) is a regional subsidiary established pursuant to the *Local Government Act 1999*.

EHA's Constituent Councils are:

- City of Burnside
- Campbelltown City Council
- City of Norwood Payneham and St Peters
- City of Prospect
- The Corporation of the Town of Walkerville (Walkerville)

EHA discharges its Constituent Councils' environmental health responsibilities that are mandated in the following legislation:

*South Australian Public Health Act 2011*  
*Food Act 2001*  
*Supported Residential Facilities Act 1992*

A wide range of functions are performed to protect the health and wellbeing of approximately 170,000 residents plus those people who visit the region. Functions include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of Supported Residential Facilities (SRFs) and surveillance of food premises.

Clause 19 of Schedule 2 of the Local Government Act 1999 requires that a regional subsidiary has a charter prepared by its constituent councils, and that the charter is reviewed every 4 years.

local councils working together to protect the health of the community

An extensive review of EHA's current Charter has been undertaken by EHA's constituent councils and a revised charter subsequently developed. The revised Charter has been endorsed by all Constituent Councils (copy of correspondence from Constituent Councils enclosed).

To finalise the review process, a Notice of Amendment of Charter was published in the Government Gazette on 1 August 2024 (copy enclosed) and the amended Charter was published on the Eastern Health Authority website – <https://www.eha.sa.gov.au/about-us/charter-and-board-of-management>.

As required by Clause 19 (5) (a) of Schedule 2 of the Local Government Act 1999, a copy of the amended charter is also enclosed for your information.

If you need any more information or would like to discuss this further, I can be contacted on telephone 8132 3611.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Livori', written in a cursive style.

Michael Livori  
Chief Executive Officer





# Charter

## 1 July 2024



local councils working together to protect the health of the community

1.	EASTERN HEALTH AUTHORITY .....	3
1.1.	Regional subsidiary .....	3
1.2.	Constituent Councils.....	3
1.3.	Preamble.....	3
1.4.	Purpose.....	3
1.5.	Functions.....	3
1.6.	Powers .....	4
1.7.	Area of activity.....	5
1.8.	Common seal .....	6
2.	BOARD OF MANAGEMENT .....	6
2.1.	Functions.....	6
2.2.	Membership of the Board.....	6
2.3.	Conduct of Board Members .....	8
2.4.	Board policies and codes .....	8
2.5.	Chair of the Board .....	8
2.6.	Powers of the Chair and Deputy Chair.....	9
2.7.	Committees .....	9
3.	MEETINGS OF THE BOARD.....	9
3.1.	Ordinary meetings .....	9
3.2.	Special meetings.....	9
3.3.	Telephone or video conferencing.....	10
3.4.	Notice of meetings.....	10
3.5.	Minutes .....	11
3.6.	Quorum.....	11
3.7.	Meeting procedure .....	11
3.8.	Voting .....	12
3.9.	Circular resolutions.....	12
3.10.	Meetings to be held in public except in special circumstances... 12	
3.11.	Public inspection of documents.....	12
3.12.	Saving provision .....	13
4.	CHIEF EXECUTIVE OFFICER .....	13
4.1.	Appointment .....	13
4.2.	Responsibilities .....	13
4.3.	Functions of the Chief Executive Officer .....	13
4.4.	Acting Chief Executive Officer .....	14
5.	STAFF OF EHA .....	15
6.	REGIONAL PUBLIC HEALTH PLAN.....	15

6.1.	Implementation of a Regional Public Health Plan .....	15
6.2.	Review.....	15
6.3.	Reporting.....	15
7.	<b>FUNDING AND FINANCIAL MANAGEMENT .....</b>	<b>16</b>
7.1.	Financial management.....	16
7.2.	Bank account.....	16
7.3.	Budget.....	16
7.4.	Funding contributions.....	16
7.5.	Financial reporting.....	17
7.6.	Audit.....	17
7.7.	Liability.....	17
7.8.	Insolvency.....	17
7.9.	Insurance and superannuation requirements .....	18
8.	<b>BUSINESS PLAN.....</b>	<b>18</b>
8.1.	Contents of the Business Plan .....	18
8.2.	Review and assessment against the Business Plan .....	18
9.	<b>MEMBERSHIP .....</b>	<b>19</b>
9.1.	New Members.....	19
9.2.	Withdrawal of a member.....	19
10.	<b>DISPUTE RESOLUTION .....</b>	<b>19</b>
11.	<b>WINDING UP .....</b>	<b>22</b>
12.	<b>MISCELLANEOUS.....</b>	<b>22</b>
12.1.	Action by the Constituent Councils .....	22
12.2.	Direction by the Constituent Councils.....	22
12.3.	Alteration and review of charter.....	22
12.4.	Access to information .....	23
12.5.	Circumstances not provided for.....	23
12.6.	Civil liability Protection for Subsidiary employees .....	23
12.7.	Register of Salaries .....	25
12.8.	Register of Gifts.....	26
13.	<b>INTERPRETATION .....</b>	<b>26</b>
13.1.	Glossary.....	26
13.2.	Interpreting the charter .....	27
	<b>Schedule 1 – Funding Contribution Calculation Formula .....</b>	<b>26</b>

## 1. **EASTERN HEALTH AUTHORITY**

### 1.1. **Regional subsidiary**

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

### 1.2. **Constituent Councils**

The Constituent Councils of EHA are:

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

**(Constituent Councils).**

### 1.3. **Preamble**

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

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

### 1.4. **Purpose**

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

### 1.5. **Functions**

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

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

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

## 1.6. Powers

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

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

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

**1.7. Area of activity**

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

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

#### 1.8. **Common seal**

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

### 2. **BOARD OF MANAGEMENT**

#### 2.1. **Functions**

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

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

#### 2.2. **Membership of the Board**

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

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



### 2.3. **Conduct of Board Members**

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

### 2.4. **Board policies and codes**

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

### 2.5. **Chair of the Board**

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

## 2.6. Powers of the Chair and Deputy Chair

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

## 2.7. Committees

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

## 3. MEETINGS OF THE BOARD

### 3.1. Ordinary meetings

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

### 3.2. Special meetings

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

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

### 3.3. **Telephone or video conferencing**

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

### 3.4. **Notice of meetings**

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

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

### 3.5. Minutes

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

### 3.6. Quorum

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

### 3.7. Meeting procedure

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

**3.8. Voting**

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

**3.9. Circular resolutions**

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

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

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

**3.11. Public inspection of documents**

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

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

#### 3.12. **Saving provision**

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

### 4. **CHIEF EXECUTIVE OFFICER**

#### 4.1. **Appointment**

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

#### 4.2. **Responsibilities**

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

#### 4.3. **Functions of the Chief Executive Officer**

The functions of the Chief Executive Officer include to:

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

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

#### 4.4. **Acting Chief Executive Officer**

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

## 5. STAFF OF EHA

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

## 6. REGIONAL PUBLIC HEALTH PLAN

### 6.1. Implementation of a Regional Public Health Plan

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

### 6.2. Review

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

### 6.3. Reporting

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



## 7. FUNDING AND FINANCIAL MANAGEMENT

### 7.1. Financial management

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

### 7.2. Bank account

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

### 7.3. Budget

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

### 7.4. Funding contributions

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

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

#### 7.5. **Financial reporting**

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

#### 7.6. **Audit**

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

#### 7.7. **Liability**

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

#### 7.8. **Insolvency**

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

## 7.9. Insurance and superannuation requirements

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

## 8. BUSINESS PLAN

### 8.1. Contents of the Business Plan

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

### 8.2. Review and assessment against the Business Plan

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

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

## **9. MEMBERSHIP**

### **9.1. New Members**

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

### **9.2. Withdrawal of a member**

- a) Subject to any legislative requirements, including but not limited to ministerial approval, a Constituent Council may resign from EHA at any time by giving a minimum 24 months notice to take effect from 30 June in the financial year after which the notice period has expired, unless otherwise agreed by unanimous resolution of the other Constituent Councils.
- b) Valid notice for the purposes of clause a) is notice in writing given to the Chief Executive Officer and each of the Constituent Councils.
- c) The withdrawal of any Constituent Council does not extinguish the liability of that Constituent Council to contribute to any loss or liability incurred by EHA at any time before or after such withdrawal in respect of any act or omission by EHA prior to such withdrawal.
- d) Payment of monies outstanding under the charter, by or to the withdrawing Constituent Council must be fully paid by 30 June of the financial year following 30 June of the year in which the withdrawal occurs unless there is a unanimous agreement as to alternative payment arrangements by the Constituent Councils.
- e) The withdrawing Constituent Council is to reimburse EHA for any operating costs incurred as a direct result of the withdrawal.
- f) The withdrawing Constituent Council is not automatically entitled to any retained equity upon exit, and any financial distribution shall be unanimously agreed by the remaining Constituent Councils.

## **10. DISPUTE RESOLUTION**

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

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

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

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

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

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

## **11. WINDING UP**

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

## **12. MISCELLANEOUS**

### **12.1. Action by the Constituent Councils**

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

### **12.2. Direction by the Constituent Councils**

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

### **12.3. Alteration and review of charter**

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

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

#### 12.4. **Access to information**

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

#### 12.5. **Circumstances not provided for**

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

#### 12.6. **Civil liability Protection for Subsidiary employees**

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



## 12.7 Register of Salaries

- a) The chief executive officer of EHA will ensure that a record (**the Register of Salaries**) is kept in which is entered—
  - (a) the title of each position held by an employee of EHA; and
  - (b) in relation to those positions held by employees who are paid according to salary scales set out in an award or industrial agreement—
    - (a) the classifications of the employees who hold those positions; and
    - (b) the salary scales applicable to each classification (indicating in relation to each scale the number of employees who are paid according to that scale); and
    - (c) details of other allowances or benefits paid or payable to, or provided for the benefit of, any of those employees as part of a salary package; and
  - (c) in relation to each position held by an employee who is not paid according to a salary scale set out in an award or industrial agreement referred to above—
    - (a) the salary payable to the employee who holds that position; and
    - (b) details of other allowances and benefits paid or payable to, or provided for the benefit of, the employee as part of a remuneration package.
- b) The Chief Executive Officer of EHA must ensure that a record is made in the Register of Salaries within 28 days after—
  - (a) a change in the salary, wage or remuneration, or an allowance or benefit, payable to, or provided for the benefit of, an employee; or
  - (b) the payment or provision of an allowance or benefit not previously recorded in the Register, (insofar as may be necessary or appropriate in the circumstances of the particular case).

- c) The Chief Executive Officer of EHA is not required to include in a Register of Salaries details of any reimbursement of expenses incurred by an employee in performing official duties unless that reimbursement occurs by way of the periodic payment of a lump sum that is not calculated so as to provide exact reimbursement of expenses incurred by an employee in performing official duties.
- d) The Chief Executive Officer of EHA must provide the Register of Salaries to the Chief Executive Officers of the Constituent Councils within 60 days of 30 June in each year.

## **12.8 Register of Gifts**

The clause below has been developed requiring EHA to publish on its website a Register of Gifts and benefits.

- (a) The provisions regarding gift and benefits applying to employees of a council apply to employees of EHA as if EHA were a council and the employees of EHA were employees of a council.
- (b) The Chief Executive Officer of EHA must publish the register of gifts and benefits on a website determined by the Chief Executive Officer of EHA.

### 13. INTERPRETATION

#### 13.1. Glossary

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

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

### 13.2. Interpreting the charter

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

### **Schedule 1 – Funding Contribution Calculation Formula**

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

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

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

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

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

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

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

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

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

## 7.6 - Eastern Health Authority Workplan – Audit Committee 2023

	August 2023	December 2023	May 2024	August 2024	December 2024	Notes
<b>End of Financial Year</b>						
Auditor Attendance	<input checked="" type="checkbox"/>					
External Audit Recommendations – Status Update		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Long Term Financial Plan		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			Request for LTFP to be revised
Year end - General Purpose Financial Statements	<input checked="" type="checkbox"/>					
<b>Performance Reports</b>						
Annual Business Plan & Budget			<input checked="" type="checkbox"/>			
Budget Reviews		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
<b>Policy</b>						
Debtors Policy		<input checked="" type="checkbox"/>				
Fraud and Corruption Prevention Policy						
Risk Management Policy			<input checked="" type="checkbox"/>			
<b>Risk Management</b>						
Corporate Risk Summary			<input checked="" type="checkbox"/>			
Internal Controls Review		<input checked="" type="checkbox"/>				
<b>Terms of Reference</b>						
Audit Committee - Annual Evaluation	<input checked="" type="checkbox"/>					
Review Terms of Reference		<input checked="" type="checkbox"/>				
Procurement Policy						Presenting to Audit December 2024