



Audit Committee Meeting

20 November 2024



local councils working together to protect the health of the community



**EASTERN HEALTH AUTHORITY
AUDIT COMMITTEE MEETING**

Wednesday 20 November 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 20 November 2024 commencing at 5:00pm.

**MICHAEL LIVORI
CHIEF EXECUTIVE OFFICER**

AGENDA

EASTERN HEALTH AUTHORITY AUDIT COMMITTEE MEETING

Wednesday 20 November 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 Kaurna 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

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9 Closure of Meeting

10 Risk Management Workshop

EASTERN HEALTH AUTHORITY AUDIT COMMITTEE

Minutes of the Audit Committee meeting held at the EHA's offices at 101 Payneham Road, St Peters on 14 August 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
John Jovicevic	Dean Newbery

1 OPENING

The meeting was declared open by the Presiding Member at 4:55pm.

2 ACKNOWLEDGEMENTS OF TRADITIONAL OWNERS:

We acknowledge this land that we meet on today is the traditional land of the Kaurna 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 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: 082024

6 MATTERS ARISING FROM THE MINUTES:

7 ADMINISTRATION REPORTS

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

Natalie Caon moved:

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.

Seconded by Peter Cornish

CARRIED UNANIMOUSLY 2: 082024

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

Cr Peter Cornish moved:

That:

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

Seconded by: Natalie Caon

CARRIED UNANIMOUSLY 3: 082024

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

Natalie Caon moved:

That:

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

Seconded by Cr Peter Cornish

CARRIED UNANIMOUSLY 4: 082024

7.4 LONG-TERM FINANCIAL PLAN REVISED FINANCIAL ESTIMATES

Cr Peter Cornish moved:

That:

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

Seconded by: Natalie Caon

CARRIED UNANIMOUSLY 5: 082024

7.5 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 6: 082024

7.6 EASTERN HEALTH AUTHORITY 2023 2024 WORKPLAN

8 CORRESPONDENCE

9 OTHER BUSINESS

10 CLOSURE OF MEETING

Presiding member, Madeleine Harding, declared the meeting closed at 6:25pm.

7.1 FINANCE REPORT AND FIRST (SEPTEMBER 2024) BUDGET REVIEW FOR 2024/2025

Author: Michael Livori

Ref: AF24/66

Summary

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

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

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

This report provides the first of the budget reviews required in accordance with regulation 9 (1) and relates to the financial performance of EHA between 1 July 2024 and 30 September 2024. It provides the opportunity to amend the adopted budget in line with revised projections of income and expenditure for the 2024/2025 financial year.

Report

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

Eastern Health Authority - Financial Statement (Level 1)				
1 July 2024 to 30 September 2024				
	Actual	Budgeted	\$ Variation	% Variation
Total Operating Expenditure	\$592,703	\$666,672	(\$73,969)	-11%
Total Operating Income	\$1,128,850	\$1,159,310	(\$30,460)	-3%
Operating Result	\$536,147	\$492,638	\$43,509	

The table shows that for the reporting period income was **(\$30,460) (-3%)** less than budgeted and expenditure was **(\$73,969) (-11%)** less than budgeted. The net result is a positive variation of \$43,509 on the budgeted year to date comparative operating result.

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

Summary Table of Funding Statement Variations				
Income				
Favourable variances are shown in black and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	YTD Variation	Comment
Income				
Food Inspection Fees	\$32,499	\$26,153	(\$6,346)	Less YTD inspections. No budget variation requested at this point in time.
Fines and Expiations	\$9,999	\$2,565	(\$7,434)	Less than budgeted expiations issued this period. No budget variation requested at this point in time.
Food Auditing	\$28,743	\$8,818	(\$19,925)	Timing of audits due to availability of auditors. No budget variation requested at this point in time.
Interest	\$5,499	\$10,523	\$5,024	Increase in YTD interest on cash at hand. No budget variation requested at this point in time.
Total of Income Variations Requested				Nil
Expenditure				
Favourable variances are shown in black and unfavourable variances are shown in red .				
Description	YTD Budget	YTD Actual	YTD Variation	Comment
Expenditure				
Employee costs	\$486,032	\$432,130	(\$53,902)	Period with vacant position unfilled. No budget variation requested at this point in time.

Net Total of Expenditure Variations Requested	\$0
Net Result of all Variations Requested	\$0

Adjustments relating to 2023/2024 Audit

The first budget review for the financial year is required to take into account any differences between the adopted financial statements for 2023/2024 and the audited financial statements for the previous year. The relevant figures from the 2022/2023 audited financial statements have now been incorporated into the financial statement for 2023/2024. The incorporation of these figures has no impact on the estimated operating result and relate to elements of the Statement of Financial Position.

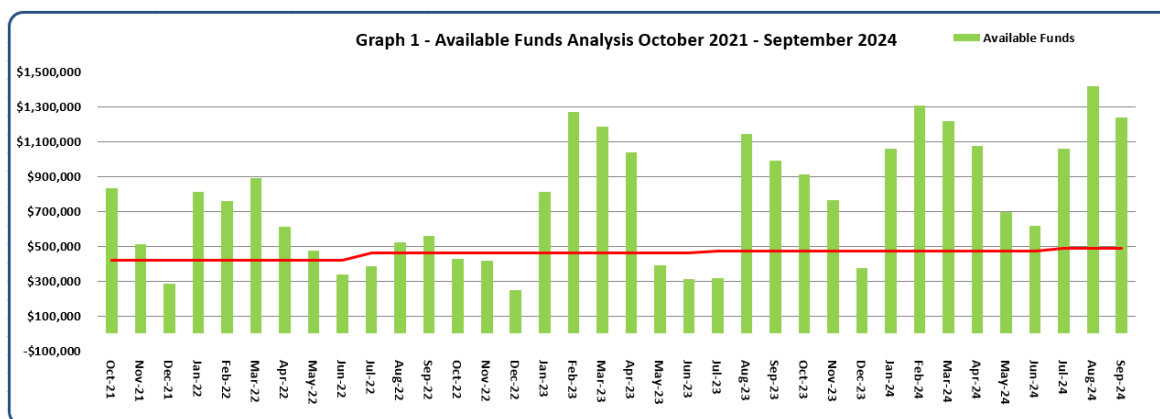
Included as Attachment 2 is a copy of the revised 2024/2025 Budgeted Statutory Financial Statements which include the:

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

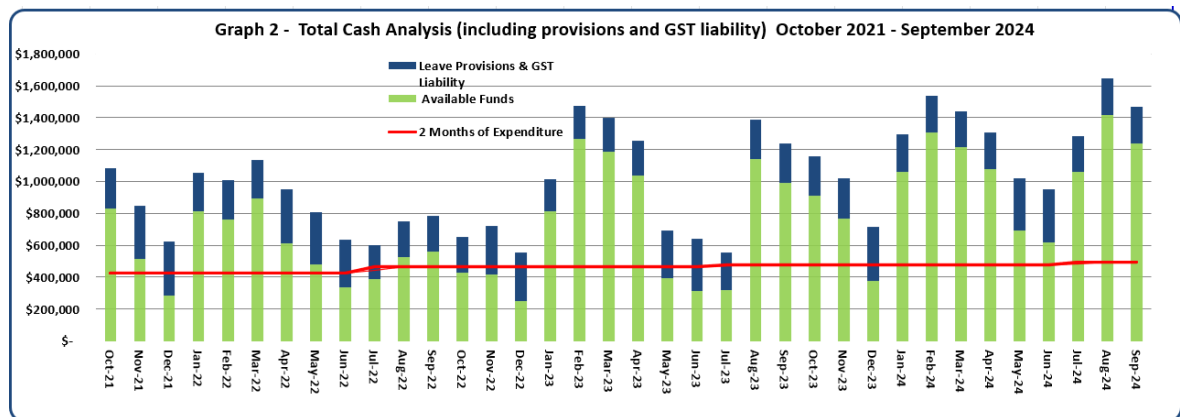
Cash Management

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

It shows that available funds were \$1,238,557 on 30 September 2024 in comparison with \$619,238 on 30 June 2024.



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



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

RECOMMENDATION

That:

1. The Finance Report and First (September 2024) Budget Review for 2024/2025 report be received.
2. The revised financial forecast for 2024/2025 is noted.

Eastern Health Authority - Financial Statement (Level 3) 1 July 2024 to 30 September 2024				
Income	Actual	Budgeted	\$ Variation	% Variation
Constituent Council Income				
City of Burnside	\$294,479	\$294,480	\$0	0%
City of Campbelltown	\$265,192	\$265,192	\$0	0%
City of NPSP	\$320,907	\$320,907	\$0	0%
City of Prospect	\$124,498	\$124,499	\$0	0%
Town of Walkerville	\$41,974	\$41,974	\$0	0%
Total Constituent Council Contributions	\$1,047,050	\$1,047,050	\$0	0%
Statutory Charges				
Food Inspection fees	\$26,153	\$32,499	(\$6,346)	-20%
Legionella registration and Inspection	\$838	\$2,124	(\$1,287)	-61%
SRF Licenses	\$0	\$0	\$0	0%
Fines & Expiation Fees	\$2,565	\$9,999	(\$7,434)	-74%
Total Statutory Charges	\$29,555	\$44,622	(\$15,067)	-34%
User Charges				
Immunisation: Service Provision	\$0	\$0	\$0	0%
Immunisation: Clinic Fee for Service	\$18,799	\$21,249	(\$2,450)	-12%
Immunisation: Worksites Vaccines	\$0	\$0	\$0	0%
Immunisation: Worksites Vaccines	\$0	\$0	\$0	0%
Food Auditing	\$8,818	\$28,743	(\$19,925)	-69%
Food Safety Training	\$0	\$0	\$0	0%
Total User Charges	\$27,617	\$49,992	(\$22,375)	-45%
Grants, Subsidies, Contributions				
Immunisation School Program	\$0	\$0	\$0	0%
Immunisation:ACIR	\$13,932	\$10,398	\$3,534	34%
Total Grants, Subsidies, Contributions	\$13,932	\$10,398	\$3,534	34%
Investment Income				
Interest on investments	\$10,523	\$5,499	\$5,024	91%
Total Investment Income	\$10,523	\$5,499	\$5,024	91%
Other Income				
Sundry Income	\$172	\$1,749	(\$1,577)	-90%
Total Other Income	\$172	\$1,749	(\$1,577)	-90%
Total Income	\$1,128,850	\$1,159,310	(\$30,460)	-3%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2024 to 30 September 2024				
Expenditure	Actual	Budgeted	\$ Variation	% Variation
Employee Costs				
Salaries & Wages	\$367,471	\$422,304	(\$54,833)	-13%
Superannuation	\$42,160	\$48,228	(\$6,068)	-13%
Workers Compensation	\$5,260	\$5,000	\$260	5%
Employee Leave - LSL Accruals	\$17,239	\$10,500	\$6,739	64%
Total Employee Costs	\$432,130	\$486,032	(\$53,902)	-11%
Prescribed Expenses				
Auditing and Accounting	\$7,193	\$5,000	\$2,193	44%
Insurance	\$21,095	\$16,750	\$4,345	26%
Maintenance	\$8,522	\$11,562	(\$3,040)	-26%
Vehicle Leasing/maintenance	\$20,401	\$20,496	(\$95)	-0%
Total Prescribed Expenses	\$57,211	\$53,808	\$3,403	6%
Rent and Plant Leasing				
Electricity	\$1,290	\$3,999	(\$2,709)	-68%
Plant Leasing Photocopier	\$575	\$600	(\$26)	-4%
Rent	\$28,030	\$30,000	(\$1,970)	-7%
Water	\$0	\$75	(\$75)	-100%
Gas	\$0	\$675	(\$675)	-100%
Total Rent and Plant Leasing	\$29,895	\$35,349	(\$5,454)	-15%
IT Licensing and Support				
IT Licences	\$13,938	\$13,500	\$438	3%
IT Support	\$20,758	\$16,753	\$4,005	24%
Internet	\$1,296	\$1,500	(\$204)	-14%
IT Other	\$102	\$498	(\$396)	-80%
Total IT Licensing and Support	\$36,094	\$32,251	\$3,843	12%
Administration				
Administration Sundry	\$2,902	\$2,499	\$403	16%
Accreditation Fees	\$0	\$999	(\$999)	-100%
Board of Management	\$1,461	\$3,000	(\$1,539)	-51%
Bank Charges	\$1,017	\$1,248	(\$231)	-19%
Public Health Sundry	\$66	\$1,248	(\$1,182)	-95%
Fringe Benefits Tax	\$3,620	\$3,500	\$120	3%
Legal	\$1,449	\$4,998	(\$3,549)	-71%
Printing & Stationery & Postage	\$518	\$5,499	(\$4,981)	-91%
Telephone	\$6,911	\$4,500	\$2,411	54%
Occupational Health & Safety	\$1,454	\$4,998	(\$3,544)	-71%
Staff Amenities	\$494	\$1,248	(\$754)	-60%
Staff Training	\$3,228	\$3,000	\$228	8%
Human Resource Sundry	\$709	\$4,498	(\$3,789)	-84%
Total Administration	\$23,829	\$41,235	(\$17,406)	-42%

Eastern Health Authority - Financial Statement (Level 3) 1 July 2024 to 30 September 2024				
Immunisation				
Immunisation SBP Consumables	\$2,066	\$2,499	(\$433)	-17%
Immunisation Clinic Vaccines	\$11,175	\$15,000	(\$3,825)	-26%
Immunisation Worksite Vaccines	\$0	\$0	\$0	0%
Total Immunisation	\$13,241	\$17,499	(\$4,258)	-24%
Income Protection	\$0	\$0	\$0	0%
Total Uniforms/Income protection	\$0	\$0	\$0	0%
Sampling				
Legionella Testing	\$304	\$498	(\$194)	-39%
Total Sampling	\$304	\$498	(\$194)	-39%
Total Materials, contracts and other expenses	\$160,573	\$180,640	(\$20,067)	-11%
Total Operating Expenditure	\$592,703	\$666,672	(\$73,969)	-11%
Total Operating Income	\$1,128,850	\$1,159,310	(\$30,460)	-3%
Operating Result	\$536,147	\$492,638	\$43,509	9%

EASTERN HEALTH AUTHORITY STATEMENT OF COMPREHENSIVE INCOME				
FOR THE YEAR ENDING 30 June 2025				
AUDITED RESULT 2023/2024		ADOPTED BUDGET 2024/2025	SEPTEMBER REVIEW	REVISED BUDGET 2024/2025
	INCOME			
1,970,200	Council Contributions	2,094,100	-	2,094,100
152,387	Statutory Charges	180,300	-	180,300
414,731	User Charges	400,500	-	400,500
249,436	Grants, subsidies and contributions	249,000	-	249,000
37,380	Investment Income	22,000	-	22,000
913	Other Income	7,000	-	7,000
2,825,047	TOTAL INCOME	2,952,900	-	2,952,900
	EXPENSES			
1,847,846	Employee Costs	2,104,000	-	2,104,000
636,970	Materials, contracts and other expenses	800,900	-	800,900
36,923	Finance Charges	-	-	-
175,901	Depreciation	48,000	-	48,000
2,697,640	TOTAL EXPENSES	2,952,900	-	2,952,900
127,407	Operating Surplus/(Deficit)	-	-	-
(5,287)	Net gain (loss) on disposal of assets	-	-	-
122,120	Net Surplus/(Deficit)	-	-	-
122,120	Total Comprehensive Income	-	-	-

EASTERN HEALTH AUTHORITY STATEMENT OF CASH FLOWS				
FOR THE YEAR ENDING 30 June 2025				
AUDITED RESULT 2023/2024		ADOPTED BUDGET 2024/2025	SEPTEMBER REVIEW	REVISED BUDGET 2024/2025
	CASHFLOWS FROM OPERATING ACTIVITIES			
	Receipts			
1,970,200	Council Contributions	2,094,100	-	2,094,100
152,387	Fees & other charges	180,300	-	180,300
414,731	User Charges	400,500	-	400,500
37,380	Investment Receipts	22,000	-	22,000
249,436	Grants utilised for operating purposes	249,000	-	249,000
81,777	Other	7,000	-	7,000
	Payments			
(1,854,725)	Employee costs	(2,104,000)	-	(2,104,000)
(556,887)	Materials, contracts & other expenses	(800,900)	-	(800,900)
(36,923)	Finance Payments	-	-	-
457,376	Net Cash Provided/(Used) by Operating Activities	48,000	-	48,000
	CASH FLOWS FROM FINANCING ACTIVITIES			
-	Loans Received	-	-	-
-	Repayment of Borrowings	-	-	-
(133,122)	Repayment of Finance Lease Liabilities	-	-	-
(133,122)	Net Cash Provided/(Used) by Financing Activities	-	-	-
	CASH FLOWS FROM INVESTING ACTIVITIES			
	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)	Net Cash Provided/(Used) by Investing Activities	-	-	-
310,113	NET INCREASE (DECREASE) IN CASH HELD	48,000	-	48,000
644,769	CASH AND CASH EQUIVALENTS AT BEGINNING OF REPORTING PERIOD	670,769	284,113	954,882
954,882	CASH AND CASH EQUIVALENTS AT END OF REPORTING PERIOD	718,769	284,113	1,002,882

EASTERN HEALTH AUTHORITY STATEMENT OF FINANCIAL POSITION				
FOR THE YEAR ENDING 30 June 2025				
AUDITED RESULT 2023/2024		ADOPTED BUDGET 2024/2025	SEPTEMBER REVIEW	REVISED BUDGET 2024/2025
	CURRENT ASSETS			
954,882	Cash and Cash Equivalents	718,769	284,113	1,002,882
187,908	Trade & Other Receivables	271,901	(83,993)	187,908
1,142,790	TOTAL CURRENT ASSETS	990,670	200,120	1,190,790
	NON-CURRENT ASSETS			
999,746	Infrastructure, property, plant and equipment	1,030,793	(79,047)	951,746
999,746	TOTAL NON-CURRENT ASSETS	1,030,793	(79,047)	951,746
2,142,536	TOTAL ASSETS	2,021,463	121,073	2,142,536
	CURRENT LIABILITIES			
198,870	Trade & Other Payables	121,916	76,954	198,870
289,788	Provisions	285,083	4,705	289,788
139,565	Borrowings	111,865	27,700	139,565
628,223	TOTAL CURRENT LIABILITIES	518,864	109,359	628,223
	NON-CURRENT LIABILITIES			
33,030	Provisions	44,614	(11,584)	33,030
782,210	Borrowings	881,032	(98,822)	782,210
815,240	TOTAL NON-CURRENT LIABILITIES	925,646	(110,406)	815,240
1,443,463	TOTAL LIABILITIES	1,444,510	(1,047)	1,443,463
514,567	NET CURRENT ASSETS/(CURRENT LIABILITIES)	471,806	90,761	562,567
699,073	NET ASSETS	576,953	122,120	699,073
	EQUITY			
699,073	Accumulated Surplus/(Deficit)	576,953	122,120	699,073
699,073	TOTAL EQUITY	576,953	122,120	699,073

EASTERN HEALTH AUTHORITY STATEMENT OF CHANGES IN EQUITY				
FOR THE YEAR ENDING 30 June 2025				
AUDITED RESULT 2023/2024		ADOPTED BUDGET 2024/2025	SEPTEMBER REVIEW	REVISED BUDGET 2024/2025
	<u>ACCUMULATED SURPLUS</u>			
576,953	Balance at beginning of period	576,953	122,120	699,073
122,120	Net Surplus/(Deficit)	-	-	-
699,073	BALANCE AT END OF PERIOD	576,953	122,120	699,073

7.2 EHA MANAGEMENT REPRESENTATIONS LETTER, INDEPENDENT AUDITOR'S REPORT AND INDEPENDENT AUDITOR'S BALANCE DATE AUDIT MANAGEMENT LETTER FOR THE YEAR ENDED 30 JUNE 2024.

Author: Michael Livori

Ref: AF24/39

Summary

An EHA Management Representations Letter, an Independent Auditor's Report and an Independent Auditor's Balance Date Audit Management Letter relating to the financial year ending 30 June 2024 are required to be tabled and considered at an EHA Board of Management and Audit Committee meeting.

Report

On 1 October 2024, EHA provided Dean Newberry and Partners a Management Representations letter in relation to the External Audit for the Financial Year ended 30 June 2024 (attachment 1). The correspondence is required to be tabled at both a Board and Audit Committee meeting. The correspondence confirms a range of representations that were made by EHA Administration during the audit process. The correspondence was tabled at the 6 November 2024 Board meeting.

On 14 October 2024, EHA received an Independent Auditor's Report and a Balance Date Audit Management Letter for the year ended 30 June 2024 from Dean Newberry and Partners (attachment 2). The correspondence confirms that an unqualified Auditor's Report in relation to the annual Financial Statements has been issued.

RECOMMENDATION

That:

The report regarding the Independent Auditor's Report and the External Audit Management Letter for the year ending 30 June 2024 is received.



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St Peters SA 5069

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CONFIDENTIAL

1 October 2024

Samantha Creten
Director
Dean Newbery
PO Box 755
NORTH ADELAIDE SA 5006

Dear Samantha

Management Representations: External Audit, Financial Year Ended 30 June 2024

This Management Representation letter is provided in connection with your audit examination of the General Purpose Financial Report (**2024 Financial Report**) of **Eastern Health Authority ('the Authority')** for the financial year ended 30 June 2024.

We hereby confirm, at your formal request, that to the best of our knowledge and belief, the following representations relating to the 2024 Financial Report are correct.

In making these representations, we understand that they are provided to you in connection with your external audit of the Authority for the year ended 30 June 2024 as prescribed by the Local Government Act 1999, for the express purpose of your expressing an opinion as to whether the 2024 Financial Report is, in all material respects, presented fairly in accordance with all applicable standards and requirements, including statutory. In making these representations, we have read and understood the standard unqualified Audit Opinion that would be normally expressed to the Authority by you as is required under Section 129(3) of the Local Government Act 1999 for the financial year ended 30 June 2024. We therefore understand, without exception, the potential ramifications of making any representations to you that are not correct, to the best of our knowledge and belief as of the date of this letter.

We understand and acknowledge that it is the Authority management's responsibility for the fair presentation of the 2024 Financial Report and that management, as appropriate, have approved the Financial Report. Accordingly, management of the Authority are of the opinion that the 2024 Financial Report is free of material misstatements, including omissions.

1. Compliance with all Applicable Standards, including Statutory

The Financial Report of the Authority has been prepared so as to present a true and fair view of the state of affairs of the Authority as at 30 June 2024 and of the results of operations of the Authority for the financial year ended on that date, including for all post balance date matters, as applicable.

The accounting and financial management policies, practices and records of the Authority were at all times maintained in accordance with the requirements of the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and that the Financial Report was prepared in

accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011, Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board together with all other mandatory professional reporting requirements in Australia.

ASSETS

Cash and Cash Equivalents

- (1) Cash on hand at balance date was represented by cash floats reconciled and on hand as at 30 June 2024.
- (2) Cash at bank at balance date represented the reconciled operating account(s) of the Authority.
- (3) Short term deposits represented amounts held with the LGFA by the Authority.

Trade and Other Receivables

- (1) Current trade receivables at balance date represented all outstanding amounts owed by debtors.
- (2) Current other receivables at balance date represented all outstanding amounts owed by debtors.
- (3) Debts due at balance date that are known to be uncollectible have since been written-off and adequate provision has been made for impairment to cover allowances, discounts and losses that may be sustained by Authority in the collection of the debts.

Inventories

- (1) All inventories were the property of the Authority and have either been paid for or the liability has been brought to account.
- (2) All inventories have been physically counted and valued in accordance with the applicable Australian Accounting Standard.

Other Current Assets

- (1) Prepayments at balance date represented payments for goods and services to be received in the 30 June 2024 financial year.

Infrastructure, Property, Plant & Equipment and Depreciation

- (1) Infrastructure, property, plant and equipment at the 2024 balance date was represented by their fair values, cost, accumulated depreciation and carrying amounts for each class of asset.
- (2) The additions during the 2024 financial year to Infrastructure, property, plant and equipment general ledger control accounts and asset registers represents the cost of additions and or improvements to existing facilities or replacements thereof. All units of property which have been replaced, sold, dismantled or otherwise disposed of, or which are permanently unusable, have been removed from general ledger and applicable asset register. Adequate provision,

determined in a manner consistent with that of the preceding financial year, has been made to write-off depreciable assets over their useful economic working lives.

No circumstances have arisen which render adherence to the existing basis of depreciation misleading or inappropriate and that depreciation expense for the financial year ended 30 June 2024 is reliable.

- (3) All additions to depreciable assets represent actual additions or improvements of a capital nature, based on capitalisation thresholds consistently applied for the 2024 financial year and unchanged from the 2023 financial year.
- (4) Where the recorded carrying amount of any depreciable assets exceeds its recoverable amount as at 30 June 2024, that asset's recorded carrying amount has been written down to its recoverable amount.
- (5) Contractual commitments for capital expenditure(s) included in the Financial Report payable not later than one year are as described in the notes accompanying the Financial Report.
- (6) There are no deficiencies or encumbrances attaching to the title of the assets of the Authority at 30 June 2024 other than those reflected in the financial report and those are not greater than the value of the asset.
- (7) No Operating or Finance Lease commitments exist that have not been disclosed in the Financial Report. All Operating Lease expenses have been fully disclosed in the notes to the 2024 Statement of Comprehensive Income. Finance Leasing commitments have been fully disclosed in the notes to the 2024 Balance Sheet.
- (8) Depreciation expense reported in the 2024 Statement of Comprehensive Income is reliable, being based on reliable 'whole of life' asset management information for each class of depreciable non-current asset.

LIABILITIES – Current and Non-Current

- (1) All liabilities which have arisen or which will arise out of the activities of the Authority to the end of the 2024 financial year have been included in the 2024 Financial Report.
- (2) All outstanding trade payables at balance date have been taken up as at the 2024 balance date.
- (3) All applicable accrued wages and salaries and accrued employee entitlements at the 2024 balance date have been taken up.
- (4) All accrued interest at the 2024 balance date have been taken up.
- (5) All revenue received in advance as at the 2024 balance date have been taken up.

- (6) Provisions for employee benefits, inclusive of on-costs, all discounted as at the 2024 balance date representing long service leave benefits calculated for all valid employees (as at balance date) have been taken up.
- (7) Accrued employee benefits represent annual leave accrued for all valid employees as at the 2024 balance date.
- (8) There were no contingent liabilities including for:
- guarantees;
 - bills and accounts receivable discounted, assigned or sold and which are subject to recourse;
 - endorsements;
 - pending law suits, unsatisfied judgements or claims;
 - repurchase agreements; or
 - contractual disputes between the Authority and any contractor / service provider that may result in an increased liability as at 30 June 2024; which are not fully disclosed in the notes to the 2024 Financial Report.

EQUITY

- (1) There have been no adjustments to the Accumulated Surplus other than those allowable under the Australian Accounting Standards.

2024 STATEMENT OF COMPREHENSIVE INCOME

- (1) Please find below a summary of all variations greater than 10% for all income and expense amounts (variances less than \$5,000 have been deemed immaterial and not included) disclosed in the 2024 Statement of Comprehensive Income, compared to 2023.

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

- (2) Depreciation expense for 2024 is in accordance with Authority's asset registers and has been determined on the same basis as for 2023.

- (3) Salaries and Wages expense disclosed in the 2024 Statement of Comprehensive Income reconciles to the last budgeted salaries and wage amount approved by Authority for 2024 annual budget funding purposes.

OTHER REQUIRED REPRESENTATIONS

- (1) No events have occurred (or are known to occur) subsequent to the 30 June 2024 that would require any consideration for adjustment to or additional disclosure in the 2024 Financial Report.
- (2) The Authority does not have any plans or intentions that may materially affect the carrying value or classification of all assets and liabilities as at 30 June 2024.
- (3) The Authority has complied with all aspects of contractual arrangements and agreements that would have a material effect on the 2024 Financial Report in the event of non-compliance.
- (4) There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, other than those disclosed in the 2024 Financial Report.
- (5) There are no violations or possible violations of laws, compulsory standards or regulations whose effects should be considered for disclosure in the 2024 Financial Report or as a basis for recording as an expense or otherwise.
- (6) The methods, the data, and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
- (7) The Authority has full title to all assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- (8) All details concerning related party transactions and related amounts receivable or payable (including sales, purchases, loans and guarantees) have been correctly recorded in the accounting records. All related parties have been identified and disclosed to you during your audit.
- (9) The Authority reviews, at least on an annual basis, the adequacy of insurance cover on all assets and insurable risks. This review has been consistently performed, and where it is considered appropriate, assets and insurable risks of the Authority are at all times adequately covered by appropriate insurance.
- (10) The minutes of all meetings of Authority and its Committees were made available to you and are complete and authentic records of all such meetings held during the 2024 financial year and to the date of this letter. All other statutory records were properly kept at all times during the year and have been made available to you for audit purposes.

- (11) All audit correspondence has been formally and promptly responded.
- (12) All audit correspondence has been referred to Authority and Authority's Audit & Risk.
- (13) Salaries and wages records together with records for the Goods and Service Tax were at all times fully maintained in accordance with the requirements of the Australian Taxation Office, as applicable.
- (14) All documentation relating to the capture of Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) including all authorised forms provided by the deemed Key Management Personnel, evidence of review of total related party transactions processed during the financial year by the Authority e.g. Transaction reports of payments made by Authority to related parties and any working papers of calculation methodologies for the disclosures in the 30 June 2024 financial statements have been made available to the auditors.
- (15) All deemed material transactions relating to Related Party Disclosures and Transactions (AASB 124 Related Party Disclosures) have been included and adequately disclosed in the 30 June 2024 financial statements.
- (16) Authority has formally in place and has at all times maintained an appropriate standard of accounting, internal control structure and framework, segregation of duties and risk management structure and framework across the entire organisation, including appropriate controls and mechanisms specifically designed to prevent and detect fraud and error. Further, we advise that there have not been any instances of fraud or error during the financial year ended 30 June 2024 or to the date of this letter. In addition, there are no matters that should be brought to your attention for the purposes of your making an assessment as to Sections 129(5) and 129(6) of the *Local Government Act 1999*
- (17) The 2024 Financial Report has been adjusted for all agreed audit adjustments for the year ended 30 June 2024.
- (18) Authority's Audit & Risk has addressed all of its prescribed responsibilities and no member of the Committee has undertaken other professional services for the Authority.
- (19) In our opinion, there are no grounds to believe that the Authority will not be able to pay its debts as and when they fall due, that assets will be at all time maintained to the service standards currently determined by Authority and accordingly, the Authority is long term financially sustainable

Yours sincerely



Michael Livori
Chief Executive Officer

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Dean Newbery
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14 October 2024

Cr Peter Cornish
Chairperson
Eastern Health Authority

Dear Cr Cornish

RE: Balance Date Audit Management Letter: Financial Year Ended 30 June 2024

We have recently completed our external audit of the Eastern Health Authority (the Authority) for the financial year ended 30 June 2024.

We issued our 2024 Audit Completion Report to the Authority's Audit Committee on 6 August 2024. This report contained key accounting and audit matters considered during the audit and matters to be addressed in future financial years. We met with the Authority's Audit Committee on 14 August 2024 where the matters raised in our Audit Completion Report were discussed.

Since our meeting with the Authority's Audit Committee we have issued an unqualified Auditor's Report on the annual Financial Statements.

I would like to thank the Authority's Administration for the assistance they provided during the course of our audit. If any additional information is required on any of the audit matters raised above, please feel free to contact me on the details provided above.

Yours sincerely
DEAN NEWBERY



Samantha Creten
Director

C. Chief Executive Officer
C. Chair Audit Committee

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Independent Auditor's Report

To the members of the Eastern Health Authority

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, statement of comprehensive income, statement 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 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* and the *Local Government (Financial Management) Regulation 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 (Including Independence Standards)* (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.

Authority's Responsibility for the Financial Report

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

In preparing the financial report, the Authority 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 the Authority 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 the Authority.
- Conclude on the appropriateness of the Authority'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

14 October 2024

7.3 - Eastern Health Authority – Audit Committee 2023/2024 Workplan

	August 2023	December 2023	May 2024	August 2024	December 2024	Notes
End of Financial Year						
Auditor Attendance	<input checked="" type="checkbox"/>			<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"/>	<input checked="" type="checkbox"/>		
Year end - General Purpose Financial Statements	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Performance Reports						
Annual Business Plan & Budget			<input checked="" type="checkbox"/>			
Budget Reviews		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Policy						
Debtors Policy		<input checked="" type="checkbox"/>				
Fraud and Corruption Prevention Policy						
Risk Management Policy			<input checked="" type="checkbox"/>			
Risk Management						
Corporate Risk Summary			<input checked="" type="checkbox"/>			
Internal Controls Review		<input checked="" type="checkbox"/>				
Terms of Reference						
Audit Committee - Annual Evaluation	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		
Review Terms of Reference		<input checked="" type="checkbox"/>				
Procurement Policy						

8 Correspondence

Letter to City of Norwood Payneham and St Peters in relation to St Peters Complex lease agreement.

Ref: D24/13906

25 October 2024

Mr Mario Barone
Chief Executive Officer
City of Norwood Payneham & St Peters
175 The Parade
Norwood SA 5067

Dear Mario

RE: Lease Agreement for occupation at St Peters Town Hall Complex

Eastern Health Authority (EHA) was recently informed that the lease agreement for Eastern Health Authority's (EHA) tenancy of Unit 3 of the St Peters Town Hall Complex was considered by your Council.

EHA had requested a ten-year lease with a right of renewal for a further 10 years. The Council however, approved a five-year lease, noting that it is committed to EHA using the facilities into the future but seeks greater flexibility in the ongoing management of its community land. EHA, who have been a tenant at the St Peters Library complex for more than 22 years find this decision to be concerning and unexpected.

In 2012, when the St Peters Town Hall Complex was redeveloped, EHA expended considerable funds to fit-out the offices it now resides in within the complex. Negotiations with the council at that time resulted in a 10-year lease being granted with a right of renewal for a further 10 years. On this basis, the depreciation of the costs associated with the development of the EHA office space was based on a 20-year period. Due to administrative oversight, EHA was not offered the 10-year renewal, which was the original intent between the parties. This was extremely disappointing, however EHA were led to believe that this would be resolved by the issue of a new lease to cover the original commitment and provide for a further right of renewal.

EHA is a regional subsidiary established under the Local Government Act 1999 with the core purpose of "providing public and environmental health services to its Constituent Councils". Guided by the functions and powers outlined in the EHA Charter, EHA provides centralised service delivery and operates as the "combined environmental health department" of each Council in the region.

The important services EHA provides are undertaken to fulfill our constituent council's legislative obligations under the various legislations that we operate under. We see ourselves as a part of each of our constituent councils and do not believe that we should be equated to outside organisations that use community land.

The location at St Peters is central to the region we serve which assists in operational efficiencies for the services we provide to our Constituent Councils. Our popular immunisation services run its main clinic from the St Peters complex and its central location has seen the service become valued by the community, servicing 57% of all people attending EHA's public immunisation clinics.

EHA is well established as part of the St Peters Town Hall Complex and its location is well-known and provides accessible services to the citizens of the Constituent Councils.

We respectfully request that the Council consider the information contained within this correspondence, reconsider their decision, and provide EHA with a 10-year lease with a 10-year right of renewal.

If you would like to discuss any issue in relation this matter further, please contact me on telephone 8132 3611.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Michael Livori', with a stylized flourish at the end.

Michael Livori
Chief Executive Officer