

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

PO Box 366 Seacliff Park, SA 5049

P: 0407 717 368

E: eo@grfma.com

W: www.gawler.sa.gov.au/grfma

Dear Member,

NOTICE OF MEETING

Notice is hereby given pursuant to Clause 6 of the Charter that a meeting for the GRFMA Audit and Risk Committee has been called for:

DATE: **Wednesday 8th October 2025**

TIME: **11:30am**

PLACE: **Online Meeting – MS Teams**



David E Hitchcock

EXECUTIVE OFFICER

AGENDA

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY AUDIT AND RISK COMMITTEE MEETING

11:30am Wednesday 8th October 2025

Online Meeting – MS Teams

1. **Present**
2. **Apologies**
3. **Minutes of the Previous Meeting**.....Page 3

Confirmation of the Minutes of the previous GRFMA Audit and Risk Committee meeting held on Tuesday, 12 August 2025.
4. **Business Arising from the Minutes**
 - 4.1 Actions on Previous Resolutions.....Page 8
5. **General Business**
 - 5.1 GRFMA 2025/26 Budget Review 1.....Page 9
 - 5.2 GRFMA Insurances.....Page 17
 - 5.3 Balance Date Audit Management Letter: Financial Year Ended 30 June 2025.....Page 20
6. **Confidential Items**

Nil
7. **Next Meeting**

December 2025
8. **Closure**

Agenda Item: 3
Committee: GRFMA Audit and Risk Committee
Meeting Date: 8 October 2025
Title: Minutes of the Previous Meeting

Recommendation:

That the minutes of the GRFMA Audit and Risk Committee meeting held on 12 August 2025, as per copies supplied to members, be adopted as a true and correct record of that meeting.

The minutes were circulated to members and are attached to this report.

MINUTES

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY AUDIT AND RISK COMMITTEE MEETING

12pm, Tuesday 12 August 2025
Dean Newbery
214 Melbourne Street, North Adelaide

1. Present

- Mr Peter Brass, Independent Member, Chairman
- Cr Malcolm Herrmann, Adelaide Hills Council
- Mr Greg Pattinson, City of Playford
- Mr David Hitchcock, Executive Officer
- Mr Anton Bure, Senior Accountant, Dean Newbery

2. Apologies

Nil

12:01pm, the meeting agreed to suspend meeting procedures to undertake confidential discussion with Mr Anton Bure, Senior Accountant, Dean Newbery regarding any matters identified during the conduct of the audit.

12:01pm, the GRFMA Executive Officer exited the meeting to enable confidential discussion of the audit process. This procedure occurs annually to ensure transparency in the financial operations of the Authority.

12:10pm, the GRFMA Executive Officer returned to the meeting.

3. Minutes of the Previous Meeting

GAC25/09 Minutes of the Previous Meeting

Moved: Cr M Herrmann

Seconded: Mr G Pattinson

That the minutes of the previous GRFMA Audit Committee meeting held on Tuesday 10 June 2025 as per copies supplied to members, be adopted as a true and correct record of the meeting.

CARRIED UNANIMOUSLY

4. Business arising from the Minutes

4.1 Actions on Previous Resolutions

The meeting asked the GRFMA Executive Officer to seek written confirmation from LGA MLS that the GRFMA Chairman, Audit and Risk Committee Chairperson, and Executive Officer are covered by public liability insurance for their GRFMA duties.

Mr Peter Brass, Independent Member and Chairman, requested an electronic copy of the minutes from 3 February 2025 and 10 June 2025 to facilitate signature and certification as true and correct.

5. General Business

5.1 GRFMA 2024/2025 Financial Statements and Audit Report

GAC25/10 GRFMA 2024/2025 Financial Statements and Audit Report

Moved: Mr G Pattinson

Seconded: Cr M Herrmann

That the GRFMA Audit and Risk Committee:

- 1. Receives and notes the audited Financial Statements as amended for 2024/2025, the Management Representation Letter, and the External Audit Management Letter.*
- 2. Approves the 'Certification of Auditor Independence' to be signed by the Audit and Risk Committee Chairman and Executive Officer.*
- 3. Recommends that a 'Certification of Auditor Independence' also be signed by the Chief Executive Officer of each Constituent Council.*
- 4. Recommends that the audited Financial Statements as amended for 2024/2025 be adopted by the GRFMA Board.*

CARRIED UNANIMOUSLY

Amendments to the audited Financial Statements 2024/2025 include:

- Additional wording has been added to Note 1.G to indicate that internal lending is used to offset the outstanding balance of the Cash Advance Debenture (CAD) facility. As of 30 June 2025, the outstanding CAD balance is \$303,388.

Response to items raised in the External Audit Management Letter:

- *Undertake a review of the Confidential Items Register.* - Now provided.
- *Undertake a review of the Solicitors Representation Letter.* - GRFMA Executive Officer to make further inquiries with Solicitors.
- *Undertake a review of subsequent events since balance date.* – Noted.
- *Obtain certified financial statements as required.* To be provided following adoption at the 28 August 2025 GRFMA Meeting.
- *Receipt of the signed Management Representation Letter.* - To be provided following presentation at the 28 August 2025 GRFMA Meeting.
- *Regulation 10 – Report on the financial results for the previous year compared with the estimated financial results set out in the budget presented.* This report to be presented to the October 2025 GRFMA meeting following adoption of the External Audit Report.
- *Regulation 9 – Budget Review 3. Schedule future budget reviews to ensure GRFMA Meetings can consider them within statutory deadlines.*
- *Risk Assessment Review – Insurance Cover Options for the Dam asset in the event of damage, failure, and/or natural disaster – or for third party property damage.* - The GRFMA Executive Officer to facilitate a risk-based assessment that incorporates a formal cost-benefit analysis of available market options.

5.2 GRFMA Annual Report 2024/2025

GAC25/11 GRFMA Annual Report 2024/2025

Moved: Mr G Pattinson

Seconded: Cr M Herrmann

That the GRFMA Audit and Risk Committee:

- 1. Receives and notes the GRFMA 2024/2025 Annual Report, as amended.*
- 2. Recommends that the report be adopted by the GRFMA Board and distributed to Constituent Councils.*

CARRIED UNANIMOUSLY

Amendment

- Amend page 8 of the Annual Report to state: Membership of the GRFMA Audit and Risk Committee is for two years, ending 30 June 2026.

5.3 Management Representation Letter

The meeting noted that the content of the Management Representation Letter was not confidential and agreed to consider it in the public meeting procedure.

GAC25/12 Management Representation Letter

Moved: Cr M Herrmann

Seconded: Mr G Pattinson

That the GRFMA Audit and Risk Committee note and record consideration of the Management Representation Letter which is to be provided to the 28 August 2025 GRFMA meeting.

CARRIED UNANIMOUSLY

It was noted page 6 Note (12) to be recorded as *All audit correspondence has been referred to the Authority and Authority's Audit & Risk Committee.*

6. Confidential Items

Nil

7. Other Business

The meeting noted the Adelaide Hills Council's application for Ministerial approval to exit GRFMA membership had not been supported by the Minister for Local Government.

8. Next Meeting

Nominally early October 2025 to consider BR1.

Schedule of Meetings Table

Date	Audit Committee Meeting Schedule	Action
August 2025	Annual Financial Statements – Audit report; 2024/2025 – Auditor to attend.	Completed
October 2025	Operation of the Regional Subsidiary – Business Plan progress. Budget Review 1 variations consideration.	
December 2025	Budget Review 2 variations consideration.	
February 2025	Budget Review 3 variations consideration. External Audit Plan and Schedule 2027.	

9. Closure

The Chairman thanked the members for their attendance and contribution.
The meeting closed at 1:05pm.

Chair _____ Date _____

Agenda Item: 4.1
Committee: GRFMA Audit and Risk Committee
Meeting Date: 8 October 2025
Title: Actions on Previous Resolutions

Number	Resolution	Action
GAC25/10	<i>That the GRFMA Audit and Risk Committee:</i> <i>1. Receives and notes the audited Financial Statements as amended for 2024/2025, the Management Representation Letter, and the External Audit Management Letter.</i> <i>2. Approves the 'Certification of Auditor Independence' to be signed by the Audit and Risk Committee Chairman and Executive Officer.</i> <i>3. Recommends that a 'Certification of Auditor Independence' also be signed by the Chief Executive Officer of each Constituent Council.</i> <i>4. Recommends that the audited Financial Statements as amended for 2024/2025 be adopted by the GRFMA Board</i>	Completed
Notes	<i>Regulation 10 – Report on the financial results for the previous year compared with the estimated financial results set out in the budget presented. This report to be presented to the October 2025 GRFMA meeting following adoption of the External Audit Report.</i>	Refer Agenda Item 5.3
Notes	<i>Regulation 9 – Budget Review 3. Schedule future budget reviews to ensure GRFMA Meetings can consider them within statutory deadlines</i>	Meetings rescheduled to align with budget review
Notes	<i>Risk Assessment Review – Insurance Cover Options for the Dam asset in the event of damage, failure, and/or natural disaster – or for third party property damage. - The GRFMA Executive Officer to facilitate a risk-based assessment that incorporates a formal cost-benefit analysis of available market options.</i>	Refer Agenda Item 5.2
GAC25/11	<i>That the GRFMA Audit and Risk Committee:</i> <i>1. Receives and notes the GRFMA 2024/2025 Annual Report, as amended.</i> <i>2. Recommends that the report be adopted by the GRFMA Board and distributed to Constituent Councils.</i>	Completed
GAC25/12	<i>That the GRFMA Audit and Risk Committee note and record consideration of the Management Representation Letter which is to be provided to the 28 August 2025 GRFMA meeting.</i>	Completed

Agenda Item: 5.1
Committee: GRFMA Audit and Risk Committee
Meeting Date: 8 October 2025
Title: GRFMA 2025/26 Budget Review 1

Recommendation:

That the GRFMA Audit and Risk Committee:

- 1. Notes GRFMA 2025/2026 Budget Review 1.**
 - 2. Requests that the Executive Officer provide the documents to the next GRFMA Board meeting (18 October 2025) for adoption as the current budget for the period ended 30 June 2026.**
-

Regulation 9 of Local Government (Financial Management) Regulations 2011 states:

'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'.

Budget Review 1

Currently, there are no observable changes in income or expenditure, so no amendments to BR1 are necessary.

See attached BR1 as per the Local Government Uniform Presentation of Finances, which indicates a Net Operating Result (\$646,598*) deficit. *Rounding variations apply.

Separately attached is BR1 displayed in MYOB format to provide additional account details.

The variation between the B1 net operating result of (\$646,598) in the Uniform Presentation of Finances and the BR1 net operating result in MYOB (\$701,598) is principally due to the cash accounting format of MYOB which reflects \$70,000 CAD finance costs as operating expenses and the Uniform Presentation of Finances presents the \$70,000 as \$15,000 finance payments, (operating) and \$55,000 repayment of borrowings i.e. uniform Presentation of Finances net operating loss (\$646,598*) plus \$55,000 CAD repayment = \$701,598 MYOB result. *Rounding variations apply.

The deficit is primarily a result of unfunded depreciation of \$706,098.

Internal borrowing to offset Cash Advance Debenture costs: \$306,048.

Adding this to the current CAD balance of \$25,541 results in a total CAD facility balance of \$331,589.

Profit & Loss [Budget Analysis]

July 2025 To June 2026

ABN: 12 925 534 861

	Selected Period	Budgeted	\$ Difference
Income			
Admin of GRFMA			
Member Subscriptions	\$74,875	\$149,750	-\$74,875
Interest LGFA	\$11	\$1,000	-\$989
Total Admin of GRFMA	\$74,886	\$150,750	-\$75,864
Operations Flood Mit Scheme			
Council Subscriptions	\$70,460	\$140,920	-\$70,460
State Grant	\$10,000	\$10,000	\$0
Total Operations Flood Mit Scheme	\$80,460	\$150,920	-\$70,460
Total Income	\$155,346	\$301,670	-\$146,324
Gross Profit	\$155,346	\$301,670	-\$146,324
Expenses			
Admin of GRFMA			
Executive Officer Contract	\$12,161	\$62,000	-\$49,840
Adv, printing, stationery post	\$0	\$1,000	-\$1,000
Travelling Expenses	\$0	\$4,200	-\$4,200
Insurance PL & PI	\$11,453	\$16,000	-\$4,547
Audit Committee	\$650	\$2,600	-\$1,950
Audit Fees	\$0	\$6,500	-\$6,500
Bank Fees	\$9	\$120	-\$111
Legal Fees	\$0	\$2,000	-\$2,000
Honorarium - Chairperson	\$4,425	\$20,000	-\$15,575
Other	\$2,212	\$13,000	-\$10,788
Total Admin of GRFMA	\$30,909	\$127,420	-\$96,511
GRFM Business Case			
Consultancies	\$0	\$20,000	-\$20,000
Total GRFM Business Case	\$0	\$20,000	-\$20,000
Maint Flood Mitigation Scheme			
BENPFM Dam repairs	\$9,237	\$79,550	-\$70,313
Rates & Levies	\$134	\$200	-\$66
Total Maint Flood Mitigation Scheme	\$9,371	\$79,750	-\$70,379
Depreciation			
Depreciation	\$0	\$706,098	-\$706,098
Total Expenses	\$40,280	\$933,268	-\$892,988
Operating Profit	\$115,066	-\$631,598	\$746,664
Total Other Income	\$0	\$0	\$0
Other Expenses			
Interest Expense	\$137	\$70,000	-\$69,863
Total Other Expenses	\$137	\$70,000	-\$69,863
Net Profit/(Loss)	\$114,929	-\$701,598	\$816,527

STATEMENT OF COMPREHENSIVE INCOME

2024/2025 FULL YEAR ACTUAL \$	INCOME	2025/2026 ADOPTED BUDGET \$	2025/2026 BUDGET REVIEW 1 \$
416,922	Subscriptions	290,670	290,670
85,094	Grants Subsidies and Contributions	10,000	10,000
1,426	Investment Income	1,000	1,000
-	Other	-	-
503,442	TOTAL REVENUES	301,670	301,670
	EXPENSES		
220,496	Materials, Contracts and Other Expenses	227,170	227,170
6,439	Finance Costs	15,000	15,000
706,098	Depreciation, amortisation & impairment	706,098	706,098
933,033	Total Expenses	948,268	948,268
(429,591)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(646,598)	(646,598)
-	Net gain (loss) on disposal or revaluation of assets	-	-
-	Amounts specifically for new or upgraded assets	-	-
-	Physical resources received free of charge	-	-
 (429,591)	TOTAL COMPREHENSIVE INCOME	 (646,598)	 (646,598)

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET REVIEW 1 2025/2026**

CASH FLOW STATEMENT

2024/2025 FULL YEAR ACTUAL		2025/2026 ADOPTED BUDGET	2025/2026 BUDGET REVIEW 1
\$		\$	\$
Inflows		Inflows	Inflows
(Outflows)		(Outflows)	(Outflows)
	CASHFLOWS FROM OPERATING ACTIVITIES		
	RECEIPTS		
593,447	Operating Receipts	300,670	300,670
1,354	Investment Receipts	1,000	1,000
	PAYMENTS		
(251,426)	Operating payments to suppliers & employees	(227,170)	(309,170)
(12,016)	Finance Payments	(15,000)	(15,000)
<u>331,359</u>	Net Cash provided by (or used in) Operating Activities	<u>59,500</u>	<u>(22,500)</u>
	CASH FLOWS FROM INVESTING ACTIVITIES		
	RECEIPTS		
-	Grants specifically for new or upgraded assets	-	-
0	Sale of Assets	0	0
	PAYMENTS		
-	Capital Expenditure on renewal/replacement of assets	-	-
-	Capital Expenditure on new/upgraded assets	-	-
<u>-</u>	Net Cash provided by (or used in) Investing Activities	<u>-</u>	<u>-</u>
	CASH FLOWS FROM FINANCING ACTIVITIES		
	RECEIPTS		
-	Proceeds from Borrowings	-	-
(347,983)	PAYMENTS	(55,000)	27,000
	Repayment of Borrowings		
<u>(347,983)</u>	NET CASH USED IN FINANCING ACTIVITIES	<u>(55,000)</u>	<u>27,000</u>
	NET INCREASE (DECREASE) IN CASH HELD	4,500	4,500
(16,624)	CASH AT BEGINNING OF YEAR	70,733	24,685
41,309	CASH AT END OF YEAR	75,233	29,185
<u>24,685</u>		<u>75,233</u>	<u>29,185</u>

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET REVIEW 1 2025/2026**

BALANCE SHEET

2024/2025 FULL YEAR ACTUAL		2025/2026 ADOPTED BUDGET	2025/2026 BUDGET REVIEW 1
	ASSETS		
	CURRENT ASSETS		
\$		\$	\$
24,685	Cash and cash equivalents	75,233	29,185
53,432	Trade & other receivables	56,404	53,432
-	Inventories	-	-
<u>78,117</u>	TOTAL CURRENT ASSETS	<u>131,637</u>	<u>82,617</u>
	NON-CURRENT ASSETS		
-	Financial Assets	-	-
41,900,845	Infrastructure, Property, Plant & Equipment	41,194,747	41,194,747
<u>41,900,845</u>	TOTAL NON-CURRENT ASSETS	<u>41,194,747</u>	<u>41,194,747</u>
<u>41,978,963</u>	TOTAL ASSETS	<u>41,326,385</u>	<u>41,277,365</u>
	LIABILITIES		
	CURRENT LIABILITIES		
99,486	Trade & Other Payables	37,405	17,486
5,404	Borrowings	286,186	32,404
-	Short-term Provisions	-	-
<u>104,890</u>	TOTAL CURRENT LIABILITIES	<u>323,591</u>	<u>49,890</u>
	NON-CURRENT LIABILITIES		
-	Long-term Borrowings	-	-
-	Long-term Provisions	-	-
<u>-</u>	TOTAL NON-CURRENT LIABILITIES	<u>-</u>	<u>-</u>
<u>104,890</u>	TOTAL LIABILITIES	<u>323,591</u>	<u>49,890</u>
<u>41,874,073</u>	NET ASSETS	<u>41,002,794</u>	<u>41,227,475</u>
	EQUITY		
11,509,753	Accumulated Surplus	10,638,474	10,863,155
30,364,320	Asset Revaluation	30,364,320	30,364,320
-	Other Reserves	-	-
<u>41,874,073</u>	TOTAL EQUITY	<u>41,002,794</u>	<u>41,227,475</u>

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET REVIEW 1 2025/2026**

STATEMENT OF CHANGES IN EQUITY

2024/2025 FULL YEAR ACTUAL \$		2025/2026 ADOPTED BUDGET \$	2025/2026 BUDGET REVIEW 1 \$
	ACCUMULATED SURPLUS		
11,939,344	Balance at end of previous reporting period	11,285,072	11,509,753
(429,591)	Net Result for Year	(646,598)	(646,598)
0	Transfer From Reserves	0	0
0	Transfer To Reserves	0	0
11,509,753	BALANCE AT END OF PERIOD	10,638,474	10,863,155
	ASSET REVALUATION RESERVE		
30,364,320	Balance at end of previous reporting period	30,364,320	30,364,320
0	Gain on revaluation of infrastructure, property, plant & equipment	0.00	0.00
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00	0.00
30,364,320	BALANCE AT END OF PERIOD	30,364,320	30,364,320
41,874,073	TOTAL EQUITY AT END OF REPORTING PERIOD	41,002,794	41,720,095

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
CONSOLIDATED BUDGET REVIEW 1 2025/2026**

UNIFORM PRESENTATION OF FINANCES

2024/2025 FULL YEAR ACTUAL		2025/2026 ADOPTED BUDGET	2025/2026 BUDGET REVIEW 1
\$		\$	\$
503,442	Operating Revenues	301,670	301,670
(933,033)	less Operating Expenses	(948,268)	(948,268)
<u>(429,591)</u>	Operating Surplus / (Deficit) before Capital Amounts	<u>(646,598)</u>	<u>(646,598)</u>
	Less Net Outlays in Existing Assets		
	Capital Expenditure on renewal and replacement of Existing Assets	-	-
(706,098)	less Depreciation, Amortisation and Impairment	(706,098)	(706,098)
<u>-</u>	less Proceeds from Sale of Replaced Assets	<u>-</u>	<u>-</u>
<u>(706,098)</u>		<u>(706,098)</u>	<u>(706,098)</u>
	Less Net Outlays on New and Upgraded Assets		
-	Capital Expenditure on New and Upgraded Assets	-	-
-	less Amounts received specifically for New and Upgraded Assets	-	-
<u>-</u>	less Proceeds from Sale of Surplus Assets	<u>-</u>	<u>-</u>
<u>-</u>		<u>-</u>	<u>-</u>
276,507	Net Lending / (Borrowing) for Financial Year	59,500	59,500

Agenda Item:	5.1
Committee:	GRFMA Audit and Risk Committee
Meeting Date:	8 October 2025
Title:	GRFMA Insurances

Recommendation:

No Recommendation – for discussion

The 12 August 2025 GRFMA Audit and Risk Committee meeting discussed matters relating to appropriate GRFMA insurance coverage and noted:

Risk Assessment Review – Insurance Cover Options for the Dam asset in the event of damage, failure, and/or natural disaster – or for third party property damage. - The GRFMA Executive Officer to facilitate a risk-based assessment that incorporates a formal cost-benefit analysis of available market options.

The meeting also requested the Executive Officer to make further inquiries with Local Government Risk Services (LGRS) to further discuss public liability insurance cover as it applies to the GRFMA Board, Chairman, Audit and Risk Committee Chairman, and the GRFMA Executive Officer.

Responses from the Local Government Association Mutual Liability Scheme

GRFMA Question: *Please advise of considerations required to undertake a Risk Assessment Review – Insurance Cover Options for the Dam asset in the event of damage, failure, and/or natural disaster – or for third party property damage. -*

LGA MLS response: The GRFMA (the authority) isn't a current member of the LGA Asset Mutula Fund (LGAAMF) and subsequently we don't have any assets for them listed needing to be covered. Membership would need to be approved by the scheme manager and in consideration for the LGAAMF to provide cover on the existing GRFMA dam. There would need to be further discussions with the reinsurer panel simply because we don't have any other dams on our asset listings from any of our other members. From my understanding the only water-based asset risks of any sizeable nature, we have presently listed, are the Torrens River weir and Patawalonga weir. I believe SA Water are the rightful owners of most of the dams located in Adelaide and not our members.

A dam of the size and likes of the existing GRFMA with a sum insured value of approximately \$54m, with a proposed increase to a circa \$200m if the dam wall is increased, puts a big exposure to the fund and consequently further assessments and discussions would need to be entered into with a number of parties.

An independent risk assessment of the dams current construction and condition would need to be undertaken along with other supporting information so it could be clearly understood how the dam is presently holding up and what it could be potentially exposed to for the future. If the risk assessment/survey identified areas of potential risk and recommendations to have these completed, it may be a possibility the reinsurers would require the risk recommendations be completed prior to offering any cover. It really is a possibility that cover may not be offered by the reinsurer panel.

So unfortunately, I can't provide any forecasts of potential insurance cost to the GRFMA until membership is sought and approved to the LGAAMF as a first part of the exercise.

In closing, if there's any possibility to actually visit the current dam and see it personally we would welcome the opportunity to do this with yourself. Please let's keep this conversation and exercise moving forward and don't hesitate to get back in touch if further assistance is required. GRFMA EO note: Inspection of the BENPFM Dam with LGAMLS is scheduled for 3 October 2025

GRFMA question: *The Board request written confirmation that the GRFMA Chairman, Audit and Risk Committee Chairperson, and Executive Officer are covered by public liability insurance for their GRFMA duties.*

LGA MLS response: The Gawler River Floodplain Management Authority (GRFMA) is established under section 43 of the LG Act, and is obliged under clause 30 of Schedule 2 to the LG Act to establish an Audit Committee, and it does that under clause 9.4 of its Charter.

At least one member of that Committee must not be a member of the Board of the GRFMA. Members of the Board of GRFMA have protection from liability via clause 38 of Schedule 2, for honest acts or omissions, and any liability that might attach to the member otherwise then attaches to the authority. This would extend to their membership and business with the Audit Committee.

Under clause 31 of Schedule 2, liabilities of any regional authorities are guaranteed by the Constituent Councils.

Hence the ultimate liability for any act or omission of a Board Member, who is on the audit committee, will end up with the individual councils. Although the Board members themselves are not members of the Scheme (based on admission of membership to the Scheme rules), if they are entitled to the statutory immunity, it would be appropriate, where the liability will fall on the Councils, for the Scheme to support board members who may be subject to a claim.

For any person who is a member of the Audit Committee but who is not a Board Member (the Independent Chair) of the GRFMA, they have no statutory immunity under clause 38 of Schedule 2, hence any liability they have for acts or omissions in the course of their work on the Committee remains with them as an individual and not the Council.

They are not members of the Scheme, and without the GRFMA or one of the Councils giving them some form of contractual indemnity, their liability does not end up back with the Councils. I would expect the Chair to be charging the Authority for their time, and the cost of their PI insurance should be factored into whatever they charge.

That being said, in practice the Audit and Risk Committee wouldn't be making decisions on levy walls and engineering. They would be commenting on the risk and providing their advice to the Board who would be making their own decision. A board decision that would be protected under clause 31 of Schedule 2 and further through individual indemnities (subject to honest acts or omissions carve outs) under clause 38 of Schedule 2 (which then assumes it falls back onto the Council).

This only becomes problematic when the Independent Member signs off on financial documents (which sometimes occurs), or if they provide advice that is relied upon to the detriment of the Board. If this is the case, then the Board should have assurance that the independent Chair of the Audit and Risk has their own PI to rely on.

So, in summary.

- 1) Is the Board indemnified for civil liabilities via their Membership with the LGAMLS – yes
- 2) Is the GRFMA Chairman indemnified for civil liabilities via their Membership with the LGAMLS – yes
- 3) Is the Audit Committee of the GRFMA indemnified for civil liabilities via their Membership with the LGAMLS – yes, however, only to the extent that the advice is provided by the Audit and Risk Committee to the Board, and not the Independent Chair – they will be required to have their own cover.
- 4) Is the Executive Officer of GRFMA indemnified for civil liabilities via their Membership with the LGAMLS – yes, this has been confirmed by the Scheme Manager through a separate email trail.
- 5) Is the GRFMA Assessment Panel indemnified for civil liabilities – yes, and no. To the extent that individuals who sit on that committee are members of the GRFMA Board then yes. If they are not, then it would be prudent to check if they come with their own Professional Indemnity cover (this should be a condition of their engagement).

I hope that this summary provides you with some assurance David - some of this is complex, so please reach out if you need any clarification.

Agenda Item:	5.1
Committee:	GRFMA Audit and Risk Committee
Meeting Date:	8 October 2025
Title:	Balance Date Audit Management Letter: Financial Year Ended 30 June 2025

Recommendation:

That the GRFMA Audit and Risk Committee:

- 1. Receives the 2024/2025 External Audit Report and financial results report (regulation 10).**
 - 2. Requests that the reports be submitted to the October 2025 GRFMA meeting for consideration and recommendation for adoption.**
-

Completed Audit Report

The GRFMA 2024/2025 external audit process has been completed following provision of the below documents to Dean Newbery:

- A signed copy of the Financial Statements which includes the Certification of Auditor Independence of the Authority and the Constituent Councils.
- A copy of the signed Management Representation Letter.

The completed Audit Report and Certification of Auditors Independence has now been submitted to the GRFMA.

Dean Newbery have issued an unqualified Auditor's Report on the annual Financial Statements (see attached).

Budget Review

Compliance with Regulations Audit procedures identified the following:

- Regulation 10 – Report on the financial results – the Authority did not prepare a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements for the previous year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements for the 2023/24 financial year.

This report is to be presented to the October 2025 GRFMA meeting following adoption of the External Audit Report.

The required report is now attached.

9 September 2025

Mr Peter Brass
Chair – Audit & Risk Committee
Gawler River Floodplain Management Authority

HEAD OFFICE
214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

Dear Mr Brass

RE: Balance Date Audit Management Letter: Financial Year Ended 30 June 2025

We have recently completed our external audit of the Gawler River Floodplain Management Authority (the Authority) for the financial year ended 30 June 2025.

We issued our 2025 External Audit Management Letter to the Authority's Audit & Risk Committee on 7 August 2025. This letter 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 & Risk Committee on 12 August 2025 where the matters raised in our Audit Completion Report were discussed.

Since our meeting with the Authority's Audit & Risk 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. Executive Officer

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

PO Box 755
North Adelaide SA 5006

T: (08) 8267 4777
www.deannewbery.com.au

Dean Newbery
ABN: 48 007 865 081

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Gawler River Floodplain Management Authority for the year ended 30 June 2025, I have maintained my 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, in accordance with 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 (5) *Local Government (Financial Management) Regulations 2011*.



SAMANTHA CRETEN

Director

DEAN NEWBERY

8 September 2025

STATEMENT OF COMPREHENSIVE INCOME

2023/2024 FULL YEAR ACTUALS \$	INCOME	2024/2025 ACTUAL BUDGET \$	2024/2025 BUDGET REVIEW 3 \$	2024/2025 VARIANCE BUDGET V ACTUAL \$	COMMENTARY
289,386	Subscriptions	416,922	416,921	(1)	
-	Grants Subsidies and Contributions	85,094	156,000	70,906	Grant was received, not all terms and conditions have been met so \$80K has been recorded as Grants in Advance and will be recognised next financial year
762	Investment Income	1,426	970	(456)	Greater funds in bank as not all grant funding was spent.
270,520	Other	-	-	-	
560,668	TOTAL REVENUES	503,442	573,891	70,449	
EXPENSES					
453,359	Materials, Contracts and Other Expenses	220,496	507,065	286,569	\$270K of the Business Case consultancies was not spent in 25/26
23,069	Finance Costs	6,439	15,000	8,561	All Excess funds paid off the Cash Advance Funds this has resulted in interest savings in the interim
706,099	Depreciation, amortisation & impairment	706,098	706,098	-	
1,182,526	Total Expenses	933,033	1,228,163	295,130	
(621,858)	OPERATING SURPLUS/(DEFICIT) BEFORE CAPITAL AMOUNTS	(429,591)	(654,272)	(224,681)	
21,699,347	Net gain (loss) on disposal or revaluation of assets	-	-	-	
-	Amounts specifically for new or upgraded assets	-	-	-	
-	Physical resources received free of charge	-	-	-	
21,077,489	TOTAL COMPREHENSIVE INCOME	(429,591)	(654,272)	(224,681)	

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
REGULATION 10 REPORT 24/25**

CASH FLOW STATEMENT

2023/2024 FULL YEAR ACTUALS \$		2024/2025 ACTUAL BUDGET \$	2024/2025 BUDGET REVIEW 3 \$	2024/2025 VARIANCE BUDGET V ACTUAL \$	COMMENTARY
Inflows		Inflows	Inflows	Inflows	
(Outflows)		(Outflows)	(Outflows)	(Outflows)	
	CASHFLOWS FROM OPERATING ACTIVITIES				
	RECEIPTS				
580,579	Operating Receipts	593,448	572,921	(20,527)	
811	Investment Receipts	1,354	970	(384)	
	PAYMENTS				
(459,576)	Operating payments to suppliers & employees	(251,426)	(517,265)	(265,839)	\$270K of Business Case
(22,979)	Finance Payments	(12,016)	(15,000)	(2,984)	Cosnultancies not spent
98,835	Net Cash provided by (or used in) Operating Activities	331,360	41,626	(289,734)	
	CASH FLOWS FROM INVESTING ACTIVITIES				
	RECEIPTS				
-	Grants specifically for new or upgraded assets	-	-	-	
0	Sale of Assets	0	0	0	
	PAYMENTS				
-	Capital Expenditure on renewal/replacement of assets	-	-	-	
-	Capital Expenditure on new/upgraded assets	-	-	-	
-	Net Cash provided by (or used in) Investing Activities	-	-	-	
	CASH FLOWS FROM FINANCING ACTIVITIES				
	RECEIPTS				
-	Proceeds from Borrowings	-	-	-	
	PAYMENTS				
(87,021)	Repayment of Borrowings	(347,983)	(55,000)	292,983	All unspent funds paid down the Cash Advance Facilities resulting in Interest savings
(87,021)	NET CASH USED IN FINANCING ACTIVITIES	(347,983)	(55,000)	292,983	
11,814	NET INCREASE (DECREASE) IN CASH HELD	(16,623)	(13,374)	3,249	
29,496	CASH AT BEGINNING OF YEAR	41,309	41,309	-	
41,309	CASH AT END OF YEAR	21,685	27,935	3,249	

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
REGULATION 10 REPORT 24/25**

BALANCE SHEET

2023/2024 FULL YEAR ACTUALS		2024/2025 ACTUAL BUDGET	2024/2025 BUDGET REVIEW 3	2024/2025 VARIANCE BUDGET V ACTUAL	COMMENTARY
	ASSETS				
	CURRENT ASSETS				
\$		\$	\$	\$	
41,309	Cash and cash equivalents	24,685	27,935	3,249	
210,404	Trade & other receivables	53,433	56,404	2,971	
-	Inventories	-	-	-	
251,713	TOTAL CURRENT ASSETS	78,118	84,339	6,220	
	NON-CURRENT ASSETS				
-	Financial Assets	-	-	-	
42,606,944	Infrastructure, Property, Plant & Equipment	41,900,845	41,900,845	-	
42,606,944	TOTAL NON-CURRENT ASSETS	41,900,845	41,900,845	-	
42,858,657	TOTAL ASSETS	41,978,963	41,985,185	6,221	
	LIABILITIES				
	CURRENT LIABILITIES				
201,605	Trade & Other Payables	99,485	37,405	(62,080)	\$80K in unspent grants has been reported as a liability was budgeted to be fully expended.
353,388	Borrowings	5,404	298,388	292,984	All available cash used to pay down Cash Advance Facilities throughout the year
-	Short-term Provisions	-	-	-	
554,993	TOTAL CURRENT LIABILITIES	104,890	335,793	230,904	
	NON-CURRENT LIABILITIES				
-	Long-term Borrowings	-	-	-	
-	Long-term Provisions	-	-	-	
-	TOTAL NON-CURRENT LIABILITIES	-	-	-	
554,993	TOTAL LIABILITIES	104,890	335,793	230,903	
42,303,664	NET ASSETS	41,874,073	41,649,392	(224,682)	
	EQUITY				
11,939,344	Accumulated Surplus	11,509,753	11,285,072	(224,681)	
30,364,320	Asset Revaluation	30,364,320	30,364,320	-	
-	Other Reserves	-	-	-	
42,303,664	TOTAL EQUITY	41,874,073	41,649,392	(224,682)	

STATEMENT OF CHANGES IN EQUITY

2023/2024 FULL YEAR ACTUALS \$		2024/2025 ACTUAL BUDGET \$	2024/2025 BUDGET REVIEW 3 \$	2024/2025 VARIANCE BUDGET V ACTUAL \$	COMMENTARY
	ACCUMULATED SURPLUS				
12,561,202	Balance at end of previous reporting period	11,939,344	11,939,344	-	
-621,858	Net Result for Year	-429,591	-654,272	-224,681	
0	Transfer From Reserves	0	0	0	
0	Transfer To Reserves	0	0	0	
11,939,344	BALANCE AT END OF PERIOD	11,509,753	11,285,072	- 224,681	
	ASSET REVALUATION RESERVE				
8,664,973	Balance at end of previous reporting period	30,364,320	30,364,320	-	
21,699,347.00	Gain on revaluation of infrastructure, property, plant & equipment	0.00	0	0	
0.00	Transfer to Accumulated Surplus on sale of infrastructure, property, plant & equipment	0.00	0.00	0.00	
30,364,320	BALANCE AT END OF PERIOD	30,364,320	30,364,320	-	
42,303,664	TOTAL EQUITY AT END OF REPORTING PERIOD	41,874,073	41,649,392	-224,682	

**GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY
REGULATION 10 REPORT 24/25**

UNIFORM PRESENTATION OF FINANCES

2023/2024 FULL YEAR ACTUALS		2024/2025 ACTUAL BUDGET	2024/2025 BUDGET REVIEW 3	2024/2025 VARIANCE BUDGET V ACTUAL	COMMENTARY
\$		\$	\$	\$	
560,668	Operating Revenues	503,442	573,891	70,449	
(1,182,527)	less Operating Expenses	(933,033)	(1,228,163)	(295,130)	
(621,859)	Operating Surplus / (Deficit) before Capital Amounts	(429,591)	(654,272)	(224,681)	
	Less Net Outlays in Existing Assets				
	Capital Expenditure on renewal and replacement of Existing Assets	-	-	-	
(706,099)	less Depreciation, Amortisation and Impairment	(706,098)	(706,098)	-	
-	less Proceeds from Sale of Replaced Assets	-	-	-	
(706,099)		(706,098)	(706,098)	-	
	Less Net Outlays on New and Upgraded Assets				
-	Capital Expenditure on New and Upgraded Assets	-	-	-	
-	less Amounts received specifically for New and Upgraded Assets	-	-	-	
-	less Proceeds from Sale of Surplus Assets	-	-	-	
-		-	-	-	
84,240	Net Lending / (Borrowing) for Financial Year	276,507	51,826	(224,681)	

