

## AUDIT & RISK COMMITTEE OF LAUNCESTON VFC SERVICES INC

Minutes of a meeting held on 16 October 2023 at the Boardroom, LVFC Offices, 56 Cimitiere Street, Launceston, commencing at 9.30am.

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**Present: Glenn Cornish (Chair), Amanda McEvoy, (minute Secretary)**

**In attendance: Kylie Bryan (GM) Carolyn Campbell-Wood (Chair of the Board)**

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### 1. Meeting Opening:

The Chair declared the meeting open at 9.01am noting a quorum was present.

### 2.1 Conflicts of Interest:

No conflicts of interest were declared with the meeting agenda.

### 2.2 Minutes of Previous Meetings:

**2.2.1 The ARC committee noted the minutes of the previous meeting which had been accepted previously.**

### 2.3 Action Register:

It was noted that the Action Register would be created and be updated and tracked from this meeting forward.

<p><b>Action:</b> Minute Secretary to document actions into Action register template from the website and keep updated.</p>
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## 3 Financial Reports

### 3.1 Financial reports

Presented by GM – noted that all was as expected and status quo and looking healthy. Grant funds have been received 6 months in advance so bank balance is healthy and good savings have been made in wages.

The following points were raised in discussion:

- Client contributions over 65's. It was noted that there had been a misallocation error in recording the under and over 65's fees and that this would be corrected. Additionally, the variance in any year-on-year comparison occurred with some clients being moved into 'other client income' (brokerage) category.
- Wages variance was a reflection of staff leaving. It was noted that all these staff entitlements had been made within the funds allocated which was good.
- Reimbursement payments claimed by volunteers was lower. The GM suggested that a focus on other 'feel good' rewards and events would be implemented to ensure volunteers felt valued in lieu of them not wanting to claim petrol.
- The cheque account balance was so high (\$248,000) due to the payment made in advance for a 6-month period. It was suggested that these funds could be earning interest as it is a high amount, A discussion was had on the possibility of investing these funds, while maintaining access for working capital, over the coming months and reporting back.
- The long service leave provision is now included under payroll liabilities.
- The PAYG withholding and ATO integrated client account appeared high. The GM agreed to provide information at next meeting.
- Sufficient staffing resource - unexpected, sudden loss of staff ensure. The GM reported she was comfortable with resourcing and has a restructure plan in place. Noting that January could be a good date to start recruitment for the reception/front of office job. The GM keeps in touch with other organisations who may have people finishing in contracts and could use recruitment agencies to fill on a temporary basis if needs be.
- Financial Charts would be added into the reports for the Board meeting

**The committee reviewed and resolved to accept the financial reports for presentation at the next board meeting and is satisfied that the organisation can pay its debts as and when they are due.**

**Action:** GM to research interest bearing accounts that do not bear penalties for withdrawal to maximise potential interest revenue from the funds in the cheque account.

**Action:** GM to provide breakdown of PAYG withholding and ATO integrated client account at next meeting.

**Action:** GM to add charts to the financial reports prior to next weeks board meeting.

### 3.2 Compliance report

Presented by GM noting that there are acquittals due and one of the scheduled visits unmet (community transport), for which there is a policy of action for any unresponsive client, were to be noted. Also commented there have been no accidents reported where LVFC volunteers or drivers were at fault in the last 3 years which is positive. ARC committee noted the GM's comments.

**The committee reviewed and resolved to accept the compliance report for presentation at the next board meeting.**

### 3.3 Risk report

The Report was presented by GM with the following being noted.

- Committee observed that with mitigation no 6 should now be recorded as 'medium' risk.
- That no 7 – cyber security needs constant watch. The GM advised that LVFC have renewed systems and has capital set aside already to address matters with and a plan in place being executed over the coming quarter.
- That as a mitigation of risk, Fresh, now undertakes a quarterly review of MYOB checks and balances and provides any training needed.

**The committee reviewed and resolved to accept the Risk report for presentation at the next board meeting with action amendment below.**

**Action:** GM to amend number 6 to 'medium'

### 3.4 Secure Lease of Premises

#### ARC discussion

The GM updated the Committee on the renewed lease of premises with Metcash. It was noted that they have not responded to emails from the GM nor the Chair of the Board since April 2023. therefore, the lease is currently running on a month-to-month basis.

The demolition clause in the new lease continues to be a concern and operationally the organisation does not want to remain in a space where heavy works or demolition is taking place. The GM reported that she has quotes from 4 legal firms in relation to reviewing the lease, but they are unwilling to comment without seeing the full final lease.

ARC members discussed possible avenues of action and supported the GM starting to look for other premises in the background to reduce risk. The following action item to be recommended to the board.

**Action:** The ARC committee recommends to the LVFC Board of Directors that the GM starts to look for alternative premises.

## 4 General Business

- Annual calendar for board and ARC committee – GM to create a template as a guide for future agendas and annual requirements.
- Noted that the terms of reference for the ARC needs reviewing, in particular the frequency of the meetings which is inaccurate following the move to quarterly board meetings.

- Board meetings – recap from last meeting – will be in Oct, Jan, April and July. Dates to be set at next board meeting (likely end of month) and then ARC committee meetings will occur 2 weeks prior which gives time for minutes to be documented and actions undertaken prior to board meeting.

**Action:** GM to create annual governance calendar template

**Action:** Minute Secretary to put 'Review of ARC Terms of Reference' on next ARC agenda

**Action:** GM - Board and ARC meeting dates to be set at next board meeting, to be put on agenda.

## 5. Meeting Close

Meeting closed at 10.35am. The next meeting is scheduled for January 2024 at next board meeting.

**Signed as a true record:**

**Chair:** \_\_\_\_\_

**Dated:** \_\_\_\_\_

DRAFT